

Mobilizing Religion as Value Storage: Islamic Microfinance in Bangladesh as a Model for Poverty Alleviation¹

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Introduction: Main Questions

Bangladesh, a deeply impoverished nation of nearly 160 million with the world's fourth-largest Muslim population, has a rapidly growing Islamic finance industry, anchored by its oldest Islamic bank, the Islami Bank Bangladesh Limited (IBBL). IBBL is one of Bangladesh's largest banks, offering commercial and consumer financing, tremendously popular remittances services for migrant workers, and an Islamic microfinance program for the rural poor, the Rural Development Scheme (RDS). Since its inception in 1983, the Islami Bank has described itself as a religious as well as financial institution dedicated to poverty alleviation—an identification often invoked by employees during our conversations. In addition to the regulatory, staffing and monitoring structures to ensure the Shari'a compliance of IBBL's operations,² its expansion strategy, corporate culture, and the semiotics of its branding and marketing reinforce IBBL's status in Bangladesh as an Islamic institution. My PhD dissertation is an ethnography of finance, Islam, and poverty that explores the theoretical registers of Islamic (micro)finance client experience and institutional management threaded through the money, policy, and influence connecting Saudi Arabia to the Bangladeshi capital of Dhaka to a small-town slum tucked along the Bay of Bengal.



The Islami Bank Bangladesh Limited headquarters, Dilkusha, Dhaka, Bangladesh (2010)

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² See Kustin 2015 (forthcoming) for an introduction to the theological tenets of Islamic (micro)finance, a description of the most common products and services, and a global overview of the industry and its major institutions.

Building on previous field research conducted during 2010 and 2011 at IBBL's Dhaka headquarters and a slum community in the southeastern Cox's Bazaar *zila* (district), my 12 months of IMTFI research took as its starting point the idea that RDS mobilizes preexisting social and religious networks to render the 'Islam' in Islamic microfinance as a form of value storage. But what to make of 'value' as an economic category, with attendant quantitative calculations regarding Islamic microfinance as a new chapter in contentious debates over the efficacy and empowerment/self-fashioning potential of microfinance?³ For much of the 'financial inclusion'-oriented community of donors, NGOs, corporations, and start-ups, interest in Islamic microfinance is located in the question of whether clients can derive economic value from Islamic microfinance exceeding the modest gains of conventional microfinance. And yet, the institutional leveraging of Islam to encourage or facilitate entry into formal banking suggests the importance of a more expansive field of 'value' or 'values' located within Islam, and registers of Islamic devotion or practice. What might these be? And how might Islamic microfinance encourage and enable poor clients to develop both their religious and economic subject positions, with political and ethical resonances filtering into households, communities, and configurations of the state, financial institutions, and transnational development agencies?

Among clients, I focused my ethnographic research on their strategies for household accounting, debt management, and asset acquisition alongside their political activities and religious beliefs and practices, guided by two three questions: (1) how are poor Islamic microfinance clients folded into ideas about social justice in Islam and the economics of poverty alleviation and development? (2) How do individual clients versus the bank conceive of the potential and limitations of Islamic microfinance vis-à-vis contours of local poverty? (3) How should the technologies, products, services, accounting, and auditing processes of Islamic microfinance in Bangladesh be understood against a fast-growing global Islamic (micro)finance industry? How might program design implicitly or explicitly code assumptions and categories about the religious and financial subjectivities of the poor, and the condition of poverty or need? Given such potential specificity, how scalable, 'mobile,' or otherwise applicable is RDS to other national and regional contexts?

This Report in Context

I have written this report mindful of the expanding realm of financial inclusion practitioners and the burgeoning interest in Islamic (micro)finance by donors and financial institutions. Socially responsible investing, social business, impact investing, corporate social responsibility, and 'philanthrocapitalism' similarly embrace market solutions to poverty and leverage ethical orientations for market value. An abundance of entrepreneurs, researchers, and journalists have meanwhile extolled the opportunities for profit in poor, untapped markets, based in part upon the

³ "Microfinance" is not reducible to microcredit alone; it also includes savings accounts, insurance schemes, and the provision of assets rather than credit—the latter a mainstay of Islamic microfinance to ensure Sharia compliance (see Kustin 2015). Microfinance in South Asia has spanned a range of reputations and outcomes, from the heady enthusiasm propelling Dr. Mohammed Yunus and his Grameen Bank toward a Nobel Peace Prize in 2006, to a rash of farmer suicides in India that same decade as for-profit, publicly traded microfinance companies trapped clients in spiraling debt cycles. Both quantitative and qualitative studies produced in the past few years tend to offer a restrained view of the durable benefits of microfinance, while acknowledging its utility in helping the poor address ongoing liquidity needs (Banerjee et al 2015; Banerjee, Karlan and Zinman 2015; Duvendack et al 2011; Karim 2011; and Provost 2012). The "great debate" (Roodman 2013) over the efficacy of microfinance continues.

success of conventional microfinance. These accounts tend to rely on vocabularies normalizing the foreignness of extreme poverty by stressing the inevitability of the poor-as-financial subjects: “obvious target,” “natural market”, “finally plugging into the global market” (Banerjee and Duflo 2011: 147, Diamandis and Kotler 2012: 10, Kuper 2008, respectively).

As such capitalist logics increasingly inform the structure and operations of development programs, I use this report to consider presumptions and categories regarding the financial life-worlds of poor clients that come to frame the goals and ‘outcomes’ of such programs. While these considerations contain implicit arguments about the efficacy and utility of RDS, I am forgoing a discussion of the ‘success’ of RDS in favor of an arguably prerequisite inquiry: the ways in which the institution might not *know* its client. Such ‘knowing’ includes the assumptions and possibilities contained in clients’ financial vocabularies, accounting practices in space and time, understandings of present poverty in light of an anticipated afterlife, and the gendered structure of the household-as-economic-unit. Slippages also exist between institutional versus client understandings of the ‘Islam’ of Islamic microfinance.

Research Procedures Completed

Anthropological method enables the production of qualitative ethnographic writing, what Riles (2006) terms an “intersubjective experience,” or a non-reproducible interaction contingent on the subjectivities of the researcher and an interlocutor, specific to time and place. The resulting research is neither necessarily representative nor statistically significant, but instead implicitly questions the contours of what might count as representative.

My own unstructured repeat interviews, casual conversations, and participant observation in office procedures and meetings, daily life, religious events, political unrest, and holidays occurred over 18 total months, from 2010 to 2014. For six months, I was based in Dhaka where I divided my time between the RDS and Sharia Secretariat divisions in IBBL headquarters; the research department of the central bank, Bangladesh Bank; multiple Islamic economic institutions; and in the company of senior Islamic finance scholars and current and former bankers. IBBL’s Sharia Secretariat supports the work of IBBL’s Sharia Council, a group of 12 Sharia scholars who meet monthly to provide guidance on the Sharia compliance of IBBL’s day-to-day operations and broader strategy. The Secretariat also conducts ongoing spot audits at branches across the country to assess Sharia compliance of operations, products, and services.

I spent 12 months in the slum community of Zinukpara⁴ in Cox’s Bazar district, where I conducted full-time participant observation among RDS clients to understand the place of Islamic microfinance alongside other financial obligations and liquidity sources. I joined clients for daily activities, tracking the contexts and language in which Islam, money, and poverty were discussed to illuminate how clients constructed their religious and economic subjectivities and participated in forms of money-use and religious practice. Through regular, semi-structured in-depth interviews with selected clients, I charted finances entering and exiting their households in multiple forms, including credits, debts, cash, gifts, and assets that spanned 500 grams of lentils to a television to borrowed space in a neighborhood freezer. I also tracked financial management, including how money is physically stored and protected, and modes and socialities of payment,

⁴ Identifying details have been changed.

exchange, borrowing, and lending. My total research period, stretched across four years, included one Buddhist Water Festival, four Ramadan months, and two Eid-al-Fitr holidays at the conclusion of Ramadan, all periods of uniquely large expenditures fraught with social, familial, and religious obligations. Through these in-depth interviews, I was able place the experiences of Zinukpara clients alongside my ethnography of IBBL's own understanding of its RDS program, derived from quantitative data regarding RDS client metrics, and numerous conversations with both local and Dhaka-based RDS staff.

An Introduction to the RDS Client Field Site

Cox's Bazar district, sharing both land and river borders with Myanmar, is distinguished by religious and ethnic heterogeneity, with large populations of Hindus, ethnic Bengali Buddhists (Baruas), ethnic Burmese Buddhists (Rakhine), and several Adivasi, or tribal and/or indigenous communities. The district is also home to the majority of Bangladesh's 30,000 registered Rohingya refugees, with an estimated 300,000 to 500,000 additional unregistered refugees living in makeshift camps or assimilated into the local population. As a result, poverty indicators in this district persist as among the lowest in the country, despite admirable gains in health, education, and child welfare elsewhere.

Zinukpara, a mixed Muslim, Hindu, and Rakhine community, is adjacent to both a small town and vast expanses of rural, riverine lands used for agriculture and pisciculture. Residents referred to Zinukpara with the English loan word *colony*; friends of residents living outside it called the community a *bosti* (slum). Residents were proximate to schools and hospitals, but typically could not afford them. Local NGO resources and government services focused largely on coastal cyclone victim relief and service provision in the two UN-run Rohingya refugee camps.



A Rakhine *puja* for improved job opportunities and financial success (2014)

Zinukpara's landholdings and social prestige were concentrated among seven siblings, most of whom were RDS clients. I was invited to move into the home of the youngest sibling, Ameena, and eventually did so. Married at age 15 and abandoned by her husband one month into her

pregnancy at age 16, Ameena lived alone with her now-15 year old son.⁵ Most homes in the colony had mud floors, perpetually damp with groundwater seepage and under a few centimeters of dirty floodwater during the rainy season, but Ameena's home boasted cement floors and walls. She earned 5,000 BDT,⁶ or about 65 USD each month from two adjoining mud, brick, and corrugated tin-roof rental rooms. Ameena's cement home and rental properties were the legacy of an inheritance from her father, a local businessman. In my dissertation, I further examine what prevented her father's wealth and high status from being generational; five out of the seven siblings led precarious financial lives, experiencing periodic food insecurity.

Most men worked outside the community on fishing boats, or as migrant laborers abroad in the Gulf, or they had abandoned their families and remarried. Several of the women were widowed when their husbands died from work accidents or illness. As a woman living among women, bodies, sex, babies, husbands, vulnerability, abuse, sickness, and children were everyday topics. We spoke a mix of Bangla and the local Chatgayah (Chittagonian) dialect, and I noted down any unknown words, phrases, or figures of speech for later translation by my local research assistant.

The long-duration local immersion and participant-observation central to ethnographic research allows for the destabilization of presumed categories and the emergence of complexity and nuance—complexity that can evade even qualitative elements of the randomized control trials assigned tremendous authority in microfinance assessments. Forms of institutional mediation, for example, can predetermine elements of an interaction or scene. When a field officer first took me to weekly RDS repayment sessions in 2010, clients in multiple collectives had been instructed to gather all at once to await our arrival, seated on empty cement sacks on packed-hard ground in a village courtyard or on low stools inside a small-town home. *Islami Bank bhalo lage* (I like the Islami Bank very much), the women answered uniformly to most questions. Clients later explained to me that as their main concern is retaining access to RDS, they do not risk appearing critical or ungrateful. The timely, group assembly of clients was a similarly obliging response to the field officer's request that clients assist a foreign researcher. After observing dozens of meetings without an official intermediary, it became evident that clients come to the officer per their convenience during his designated timeframe, quickly repay, and then return to other tasks. Just as often, clients have a third party deliver their repayment (or request an extension) to the officer, a point I discuss below.

Preliminary Analysis of Findings

1. Terms of discussion

Money was an omnipresent topic of discussion, although conventional economic definitions for money categories and instruments (e.g. assets, investments, debt, and income) were not necessarily applicable. Material objects, relationships, or affects usually indexed by such definitions can be mobilized differently. For example, *labh* means 'profit' as well as 'benefit.' Clients might discuss the *labh* of an investment, debt, loan, or purchase in numerical or in social,

⁵ A typical female marriage age in Zinukpara for her generation; daughters today are more likely to be married between 16-20, depending on a family's financial situation and thus its ability to secure a suitable match and afford wedding/dowry expenses.

⁶ Bangladeshi taka; approximately 77 BDT to 1 USD.

religious, or emotional terms; certain transactions could never fit neatly onto a household profit-loss statement, if such a ledger were to exist. In another basic expression of money-usage in the context of debts and expenditures, *taka* (money) and *shudh* (interest) can be ‘eaten’ (*khaowa*, to eat),⁷ indicating irreversible, definitive usage, e.g.:

- **Ex. 1, Client to RDS field officer:** If you give us less money [than what we ask for], what do you expect? I will eat the money [*khai felayun*].
- **Ex. 2, RDS field officer to client:** So you took the money, kept it at your house, and ate it? [*khi feladay*]
- **Ex. 3, Client to Bridget, explaining how RDS works:** “We take [their] money for a year. We don’t eat their money. Of course we all make payments. It not good to create hardship [for the bank], that’s what everyone says.”

Implicating the body frames money and interest not as ‘things’ to be taken (*naowa*), held (*rakha*, *haowa*), or used (*babohar kora*, *kora*), but as part of more intimate and irreversible action, entwined with basic steps for sustaining life. This gestures toward the condition of poverty in which money is not necessarily a neutral medium of exchange with fungible choice in its applications, but is the medium of enabling sustenance and thus survival. In the third example, the counterposition of ‘taking’ versus ‘eating’ RDS funds distinguishes money that, once used, is gone forever and cannot be recouped or repaid from money that can be repaid. In the first example, the client explains to the field officer the difficulty in receiving RDS microfinancing that is less than the desired amount: the lower sum will be eaten and not repaid, as the amount was never enough to execute the desired income-generating venture. For this client, eating the money is part pragmatism and part punitive, as the bank should not expect to receive its money back if it is unresponsive to client needs.

This is not a question of reconfiguring ‘eaten’ money into outstanding debt or write-off-as-gift. Rather, “eaten money” exists as its own category. Not all money is meant to be repaid, although this determination is made by the recipient and so is pointedly asymmetrical. Eaten money does can carry its own costs, such as reputation, trustworthiness, or the ability to again secure funds from the source of the eaten funds—a point I explore further in my dissertation. A household ledger bifurcated into incomes and expenses cannot contain this third, mutable category.

2. Eschatology, uncertainty, and risk

The temporal reach of eschatological futures in Islam shapes notions of uncertainty and risk in Islamic finance, as opposed to in conventional mathematical, rational finance in which risk has risen to prominence over uncertainty. I suggest that Islamic finance doesn’t so much as introduce religion to “secular” conventional finance—or, to secular notions of modernity—as introduce alternative conceptualizations about uncertainty and risk that keep the future an open space of possibility. This honors the omniscience and divinity of God while enabling human imaginations of heaven and hell.

⁷ This formulation is rare among more formally educated and/or urban speakers.

Kusum, a widowed client to whom I was close, lived with a *jinn* (Islamic spirit) and an immaterial *hujur* (Islamic holy man). Both came to her several years after a three-year period in which she describes herself as being *pagol* (mentally ill, unstable). During my fieldwork, the *jinn* and *hujur* exerted a strong presence on her daily routines; she prayed and observed periods of silence on a schedule they communicated to her. They also gave her the ability to serve as a *kobiraj* (traditional healer). Since 2012, Kusum has offered forms of care to men and women through prayer, Qur'anic recitation, and blowing breath over oil, water, an afflicted body part, or *tabiz* (charm or thread worn on the body). These materials are used for differentiated bodily, emotional, and psychic maladies in ways reflective of the substances' properties, whether for consumption (water, oil), massage/absorption (oil), or durability and long-term use (the *tabiz*). The ubiquity of the *kobiraj* in Bangladesh belies the fact that these practices are fraught with undercurrents of danger, teetering on the edge of *jadu*, or magic forbidden in Islam (a tension I explore further in my dissertation).

Kusum's ordering of monetary against spiritual value affected her decisions regarding payments from the men and women who visited her. She refused to accept money, although *kobiraj* can command notoriously high fees. She would discreetly accept gifts – unstitched cloth for her, a shirt for her son, a bottle of juice, or a packet of biscuits. But gifts had to be voluntary, and Kusum typically only accepted them from repeat, satisfied visitors with whom she had an ongoing relationship.

One Ramadan, Kusum was desperately short of cash. Apart from the daily *iftar* fast-breaking meal, Kusum and her son only ate *morich sutni bhat* – white rice with a spoonful of dried chilies cooked with vegetable oil and salt. Her sleep was disturbed nightly by anxiety over how she would manage to feed the traditional rounds of visitors on the upcoming Eid holiday. I asked why she wouldn't accept money as a *kobiraj* during this time.

Kusum: I'm happy if I don't receive money.

Bridget: Why?

Kusum: I'm happy. It's my one joy. If I do something good for one person... Money is not the big thing. Humanity is the big thing. If I can do good for people's lives, if I can protect people from early death, Allah will be happy. And you will be happy. [...] If I face personal hardships, Allah will see them.

Bridget: And then what will happen? Allah will see your hardships, and then...?

Kusum: Allah will give, he will give. Patience will be seen. I have to wait. [...] Money is not a big thing. Am I telling lies? Money is not a big thing.

Bridget: What are the big things?

Kusum: Allah is the big thing. This is important. [...] Right now, I am forbidden to take money. So how can I receive money? Yes, it's a hardship. It's a hardship for my child. It's a hardship for me. This is a test of my fate. Do you understand? If the *hujur* says not to take from people...if my *jinn* or *hujur* shows a good thing to me...if they give important things, then...isn't this the bigger consideration for me? I am waiting for [permission from] my *hujur*.

Kusum never names the amount of money she stands to gain when her *hujur* eventually gives her permission to charge money; the virtue of patience and waiting would be undermined by

expression of greed. Instead, she names the future benefit of pleasing Allah over her own present monetary gain.

What Al Ghazali (1995) refers to as “the remembrance of death and the afterlife” yields an emotional, embodied, and affective comprehension of the bounded present in light of an eternal hereafter—known respectively and colloquially as *duniya* (earth) and *akhira* (afterlife). The self-referential, self-regenerating nature of accounting and audits that can enable financial logics to find what Strathern (in Riles 2006) describes as “rational” or “natural” expression underscores the long entwining of economic accounting with cosmological comprehensions and eschatological aspirations. Qur’anic verses now foundational to the international Islamic finance industry, for example, entwine justice in earthly economic accounting with the justice set to befall the individual called to account before God upon death:

“Woe unto those who give short measure: those who, when they are to receive their due from [other] people, demand that it be given in full—but when they have to measure or weigh whatever they owe to others, give less than what is due! Do they not know that they are bound to be raised from the dead [and called to account] on an awesome Day...” (83:1-4)

While the stakes and specific reasoning behind Kusum valuing Allah’s favor over her present suffering differs from the ways in which IBBL institutionalizes the remembrance of death via the structure and marketing of its products and services (a point I expand upon in my dissertation), the logic remains comparable. The ledger extends from the earthly world into the afterlife. Indeed, the idea that Allah knows the true extent of one’s suffering and will recognize this suffering, either through relief on earth or after death, was voiced by the women in Zinkupara as formal prayer or exclamatory plea in response to a provocation or crisis. It was also expressed as an explanation—for example, in response to my questions about future, more expansive economic goals beyond daily financial management: affording a daughter’s marriage, a child’s post-elementary education (school fees rise significantly after class 5), major medical treatment, house repair. *Allah amar koshto janen* (Allah knows my sufferings).



Children's clothes purchased for Eid ul Fitr are displayed; social pressures make Ramadan and Eid periods of financial insecurity (2014).

3. Islam for the bank versus its clients: the absence of *shudh* (interest), the presence of compassion, and the role of the field officer

The broad ethical and religious orientation of IBBL has evolved from its earliest days as a visionary experiment in a post-1971 Liberation War political landscape with particular positions on public Islam versus ‘secularism.’ Today, IBBL is now firmly rooted in Bangladesh’s commercial and consumer banking landscape with arguably more freedom to establish the contours of its ethical and religious orientation, also in part because the influence of foreign shareholders has declined as the pool of seasoned Bangladeshi Islamic financiers has grown. As one high-level official explained:

Official: “*Shudh mukto* (freedom from interest) was the point for past 30 years. But that is no longer the focus. There was one client who had been with us for the past 25 years. He wanted investment for implements that would only be used for tobacco farming. We decided no, we wouldn’t give money for that.”

Bridget: Because supporting tobacco is not ethical?

Official: Yes. It is against our duty.

For IBBL, the paramount duty is Sharia compliance – even as the terms of Sharia compliance for specific products, services, and ways of conducting business continue to evolve in the global Islamic (micro)finance industry. Sharia compliance is thus subject to diverging interpretations or emphases, with two unofficial theological ‘camps’ roughly divided between the industry’s two hubs for knowledge production, innovation, and influence: the Arab countries of the Persian Gulf, and Malaysia.

Clients in Zinukpara generally knew that *shudh* was *haram*. But this was easily outweighed by the more urgent need for access to liquidity, from all possible sources. Clients explained that choosing between *shudh* or non-*shudh* options was a luxury, and not a true choice for the poor. Islam, clients explained, requires that the comparatively wealthy should treat the poor with respect and compassion. In this respect, IBBL occupies a top position among institutions with which clients interact. They are not made to feel poor or like beggars—as opposed to their interactions with other sources of liquidity, whether competing microfinance institutions, friends, family, or shopkeepers. Respect and honor are understood as Islam manifest. This represents a critical in institutional versus client priorities and understanding of the enterprise of Islamic (micro)finance more broadly.

It rather predictably follows that Islamic microfinance does not replace other conventional microfinance sources, such as BRAC or Grameen Bank or ASA. Clients often hold multiple microfinance accounts, limited only by the fact that more programs do not operate in their area. There were also several women eligible for RDS who chose not to avail it, due to the terms of service. The weekly repayment was seen as too demanding, and the requirement to pay extra into a savings account an indulgence that could not be accommodated. Many women had access to gold as a last resort for acquiring cash, and a woman’s financial status was usually easily discernible by the amount of gold she wore – not because she necessarily owned more, but because she could afford to wear it instead of keeping it as *bonduk* (bond) with a local jeweler.

Critically, RDS is unsustainable without field officers' acceptance of *khelafee* (late weekly repayments). Acceptance of *khelafee* as official RDS policy would be impossible, but RDS could not exist without its tacit acceptance. Field officer visits (as opposed to mandatory mobile money transfers, for example) allow for negotiations over late or incomplete payments that are specific to client's past record, the total amount that the field officer is temporarily forgiving from other clients in the collective, and the viability of the new repayment timeframe proposed by the client. Often, the women do not liaise with the field officer directly, but will give their repayments to another woman or to an older child to deliver to the officer on their behalf. This allows for a more neutral third party negotiation if the payment is late or incomplete (See Transcript 1 below). For some women, feelings of shame over their constant *khelafee* and weekly pleas and negotiations or their anticipation of constant *khelafee* shaped their decision to reject repeat financing or not sign up at all.

Clients do not face pressure in repayments because this pressure is transferred to field officers, who must negotiate weekly acceptable amounts of *khelafee* for individual clients, balanced against the total *khelafee* held by a collective. A field officer must guarantee his own satisfactory job performance by insuring that individuals do not go irretrievably into arrears, but protect RDS' reputation as flexible enough to recruit new members. During one repayment meeting in which a client's financing period had elapsed with several installments still in arrears, the field officer explained his position with increasing frustration as the tearful client asked for more time. The field officer frames the situation as one in which *he* owes the bank the money, rather than the client. Risk has been transferred from the client to the field officer: "If I'm not able to give the installment to the bank, then I need to borrow from home. From my pocket, I need to give. [...] I owe from the bank more than 3,600 taka." For some, frustration regarding this risk can be compounded by field officers' position in an unofficial prestige hierarchy placing RDS below mainstream banking operations. For example, it is difficult to 'graduating' out of RDS into IBBL's commercial and consumer banking operations.⁸

Relationships with field officers are thus uniquely central to client experience, as officers come to embody (or not) values of compassion and respect through their weekly client interaction. One component of respect is the duration of the weekly repayment session. For some women with limited access to educated external opinions from sources they trust, RDS officers can be critical source of advice. However, this renders the bank's compassionate reputation precarious, dependent on the time and temperament of the field officer. His field visit schedule of 300-350 clients is taxing, continuing unabated during monsoonal flooding and summer heatwaves. Visits are rarely a matter of simply collecting and recording repayments, but usually involve negotiations over *khelafee*, with the field officer assessing each client's individual circumstances.

The importance of the field officer as an intermediary between the client and the institution has a corollary in the hesitancy around mobile money usage. As I mentioned earlier, the majority of Zinukpara households were female-headed because husbands had migrated overseas for work, or worked on fishing boats for long periods. In the former households, irregular amounts of money were irregularly remitted back, and the unpredictable lean periods could last for months. The

⁸ This difficulty is largely because the hiring criteria for RDS officers is much less stringent than for mainstream banking officers, which justifies a lower payscale for RDS officers. According to IBBL officials, the RDS budget requires this lower payscale; RDS already operates at a loss for IBBL.

irregularity of the remittances was due to a variety of factors, e.g. seasonal or other downturns, an exploitative employer withholding wages, an expired visa rendering the worker subject to contingent and *ad hoc* employment. When money was received, it was through a *hawala* or *hundi* network—informal, unregulated, but sophisticated money transfer systems common in South Asia, North Africa, and the Middle East. For women in Zinukpara, the advantage of *hawala* over the popular bKash mobile money transfer service was trust and ease: their husbands initiated the arrangement, and the women would typically be visited in their homes by someone bearing money.



Zinukpara's residents suffer from home floods (and resulting sickness, property damage, and suffering) during the monsoon season, due to its proximity to the Bay of Bengal.

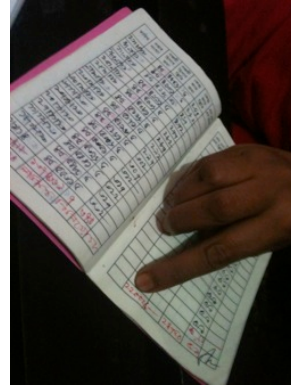
5. Accounting and calculation

Women are not necessarily the sole managers of their household accounts and RDS repayment obligations. Ameena, the leader of her RDS collective, keeps track of everyone's debts through memory, and negotiates late payments with the field officer. As a result, managing very small amounts of weekly repayment and contributions into mandatory savings accounts—from about 60 cents USD to 4 USD—requires significant labor on the part of Ameena and the field officer.

Part of what adds time to client-field officer encounters is the inaccessibility of calculative mathematics for clients, often compounded by the scarcity of written financial records. Clients rarely used the calculators available on mobile phones, as recall regarding mobile phone usage was afforded to memorizing the visual appearance of saved contacts' phone numbers. During the daytime repayment meetings, sons and daughters who might otherwise be able to help with sums were typically at school or working. Sums and counting are performed verbally and often collectively, and the cardinal and ordinal numbering of time frames (whether weeks, months, or years) are situated against other measurements of the passage of time. These include the six Bengali seasons; events on the Islamic calendar, namely, Eid ul Fitr, Eid ul Adha, Shab-e-Barat, and Ramadan; and life events affecting someone in Zinkupara, such as a hospital stay, a marriage or child's birth, or the departure or arrival of a family member working *bidesh* (literally, out of the country, but used colloquially to refer to anyone working outside the immediate Zinukpara vicinity).



A client passbook and bank ledger, detailing RDS accounts (2013)



The RDS passbook (2013)

Positioning myself within the community in the register of ‘participant observer’ meant engagement in a broad spectrum of relations, including the informal money-lending omnipresent between relatives and neighbors. My own monthly financial inflows and outflows were likewise subject to constant discussion. Documenting household accounting data through memory is an imperfect method for quantitative record-keeping; I avoided this by discussing finances on an often daily basis. However, through such discussions I was also inserting myself into a household’s financial management processes. Rather than recording a singular ‘true’ quantitative weekly or monthly accounting that existed in static form, our interviews captured the dynamic work of financial management as it happened, from inside acts of negotiations, diversions, bundling, and forestalling.

When the women discussed their debts, three figures were usually cited with regard to the money owed: first, the original, principal amount owed. Second, the lender’s *labh* (profit), typically the interest amount. Finally, the lowest possible total amount that could be paid while still achieving closure of the debt. One rhetorical formulation I often heard encapsulates this latter notion: “if I owe 1,000 and pay 900, I still won’t get it.” Financial services offered by formal institutions are not set up to account for these processes. Conventional notions of household financial accounting that set debts/expenses against inflows are similarly not applicable. These processes gesture toward a household ‘account’ as a shifting, multi-plane ledger where debt amounts (subdivided into principal and interest) are set against the lowest possible amount one can anticipate, strategize, or hope to pay, by leveraging time, external shocks (for either the borrower or lender), religious compassion, or other social or familial factors. The marginal gains from such reductions (and, on a related note, a consistent preference for round numbers and strategic rounding up or down to benefit the individual most in need) become part of broader financial management strategies in time. Loans exist as imminently repackage-able into different sets of obligations—an enticement to a gold seller to bring one’s relatives to the shop, assurance to a shopkeeper that your business will stay with his store, appeals to an RDS field officer’s sense of Islamic piety and compassion for the poor.

6. The limits of social capital

For RDS, clients are assigned to smaller lending groups of five clients within a larger group of 35-40 clients by the Islami Bank; these groupings are a source of tension due to familial or

personal conflicts, or distrust or disdain of religious minorities.⁹ In Zinukpara, fissures quickly appeared in the presumed social capital underpinning the non-collateral based, group guarantee microfinance model, pioneered by the Grameen Bank. One Buddhist Rakhine family had positive experiences with IBBL and appreciated RDS, but was subject to public shaming and harassment from other members of their lending group and so elected to end their engagement with RDS after only one financing cycle. During one weekly repayment meeting, I sat cross-legged in the corner of a room as the field officer recorded repayments, when Boro Bhabi's frame filled the narrow doorway. She explained that she must give her weekly payment as *khelafee* (a deferred payment due to an inability to pay), and announced her intention to quarrel with him if he disagreed. The field officer had already received too much *khelafee* from clients this week, and his personal risk tolerance had reached its limit. He refuses leniency to Boro Bhabi, and her anger was matched by the field officer's:

Field Officer: Fine, just don't bother paying this [installment] anymore!

Boro Bhabi: [heavy sarcasm, indicating her lack of choice and beholden-ness to the Islami Bank] Yes, we are such bad clients, we will eat loans¹⁰ from so many different banks [*Ha, kharap shodesso, bahut bahut bank'er riin khai felayun!*]

Field Officer: The Bank should kick out those who do *khelafee* [*Bank'e riin khelafeeray baigoriday*] [...] In this center, the [*khelafee*] problem occurs more than at other centers!

Boro Bhabi: [Gesturing to the clients gathered around]. Where, where [is the problem]?

Field Officer: Where? You can see the file. More people are doing *khelafee* here.

Boro Bhabi: *Morni* are doing *khelafee* here. [*Morni* is Chatgayah for the Bangla word *Mok*, both derogatory terms for Buddhist Rakhines]

Field Officer: The Muslims are doing bad/incorrect activities more often here. [*Muselman aro beshi bezal kortesi*]

Boro Bhabi: Muslims aren't doing anything wrong. If there were problems in our center, if Muslims were doing something wrong, then the Islami Bank *Samity* [group] would have been broken a long time ago. But it is still running.

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⁹ The government's own lending society (known as the *sorkar samity*) was preferable in this regard: clients are organized into a group of 30, making the liability and inter-group relations more diffuse.

¹⁰ See '1. Terms of Discussion' regarding 'eaten' money.

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