

CHAPTER 2: DEMAND ANALYSIS

WHY DO STREET CHILDREN NEED FINANCIAL SERVICES?

Four facts and one conclusion

Fact one: street children do work and have a high range of economic activities aimed at meeting their present and future expenditures; **Fact two:** street children do need savings in order to afford better their future expenditures; **Fact three:** some street children do need credit in order to start a business activity and to improve their income; **Fact four:** but street children demand is poorly matched by supply, the informal market remaining the main supplier ; **Conclusion:** street children do need an access to financial services, especially savings, in order to build a better future.

1. CONTEXT

1.1. Bangladesh in brief

Bangladesh, one of the poorest countries in the world, is also the most densely populated one in Asia. The total population accounts for about 130 million, 85% living in rural areas. Agriculture is its main activity but unemployment remains a major problem for the rural poor. However, there is now a high urban population growth rate. Dhaka, the capital, is therefore highly populated and the Centre for Urban Studies³⁶ states that 60% of the population of Dhaka city lives below the poverty line.

1.2. Street children in Bangladesh

About 45% of the total population is under the age of 15, the children between the ages of 0-15 being so high that it has serious socio- economic implications (Padakhep, nd. (a)). One of the consequences of such phenomenon is the presence of street children in urban cities.

The Consortium for Street Children Worldwide³⁷ estimates their number at 445,226 (of which 75% are in Dhaka city); 53% boys, 47% girls (Sept 2001 survey). However, as pointed in our first chapter, the definition makes the counting difficult and different from on agency to another.

Witnessing this disaster, the Government of Bangladesh is taking a very positive attitude and ratified, in 1990, the United Nations Convention on the Rights of Child (UNCRC)³⁸. As pointed by Padakhep (nd), this provided an impetus to the formulation of a National Policy on Children and to collaborate with National and International NGOs to develop programs for the vulnerable children in order to harmonize all child development activities in the country in light of the UNCRC. Therefore, in order to execute such commitment, the Government is supporting some projects/programs towards intervening in the life of the street children, and “Appropriate Resources for Improving the Street Children’s Environment” (ARISE) project is one of them. Under ARISE, the government (in partnership with UNDP) is supporting, since April 1999, 9 NGOs in 6 cities. Padakhep is one of them.

2. OBJECTIVES

Many studies explored the financial needs of poor people – but with a focus on adults, not children. It has been demonstrated that adults need financial services for preventing - *ex ante risk management strategies*- and coping - *ex post coping strategy*- with risks, and do not only need the traditional mono-product working capital loan (Wright, 2000)³⁹. Furthermore, Rutherford (1999) categorized this demand into three main components: *life-cycle*, *emergencies* and *opportunities*. *Life-cycle* demand refers to the predictable and anticipated events that hit poor households, such as Christmas, Eid, childbirth, education, etc. *Emergencies* are, on the opposite, unpredictable

³⁶ Quoted in Iglebaeck and al (2005)

³⁷ <http://www.streetchildren.org.uk/reports/Bangladesh%20Child.doc>

³⁸ This convention states the right of the child to live, to be developed, the right of security and the right of participation

³⁹ Quoted in Iglebaeck and al. (2005)

events which *create a sudden and unanticipated need for a large sum of money*, such as employment loss, theft, floods, etc. Finally, *opportunities* to invest in an existing or new business or to buy land or other productive assets may arise and may need large lump sums of money (Rutherford, 1999; Matin, Hulme and Rutherford, 1999).

When talking about street children financial services needs, a new challenge is facing us, as very few literature is exploring that topic. The common idea about street children is that they are one of the poorest communities in the world, being often qualified as '*destitute*', and even '*criminals*.' They are therefore perceived as too poor and too young to be forward looking, having no money management strategies, being irresponsible as they spend all their earnings at the end of the day. So, why to offer savings or credit services, as they do not need it.

This chapter will therefore have three specific objectives and it will identify:

1. **How do street children get money and why do they need money?**
2. **Why do street children need savings?**
3. **Why do street children need credit?**

3. METHODOLOGY

In order to meet our three specific objectives, we decided to make a zoom on street children of Dhaka already benefiting, through Padakhep, from access to savings and credit.

Padakhep chose the definition that appears to be the most adequate to the Bangladeshi context and defines them as "*Disadvantaged Children aged below 18 years, who pass most of their time on the street either for work or for any other purposes*". However, the organization views street children more critically and segregates them into four specific categories, following the ARISE classification (from the most vulnerable to the less vulnerable).

BOX 2.1. : STREET CHILDREN CATEGORIES - PADAKHEP / ARISE TYPOLOGY

CATEGORY 1: WHO WORK AND LIVE ON THE STREET DAY AND NIGHT WITHOUT THEIR FAMILY

- ✓ Children who either have their families in the villages, either left their families in Dhaka city or either lost their families.

CATEGORY 2: WHO WORK AND LIVE ON THE STREET DAY AND NIGHT WITH THEIR FAMILY

- ✓ Children who are living with their families in a temporary house made of plastic or bamboo; they are found on the embankment of any metropolitan area of Bangladesh.

CATEGORY 3: WHO WORK ON THE STREET DURING THE DAY AND RETURN TO THEIR RELATIVES AT NIGHT

- ✓ Children who live in Dhaka with their uncles, grandmothers, aunts, etc.

CATEGORY 4: WHO WORK AND LIVE ON THE STREET DURING THE DAY AND RETURN TO THEIR FAMILY AT NIGHT

- ✓ Children who live on the street and work there during the daytime but return to their parents at night (settled generally in the slums of Dhaka)

Those four categories were found in three different drop-in-centres. As pointed in our Methodology section, we addressed those 4 categories using focus group discussions in order to assess their demand. The following table gives the total number of participants that took part in our research:

	8 to 12 years	13 to 16 years	16+	Total Participants
Category 1	2 FGD	2 FGD	1 FGD	37
Category 2	1 FGD	1 FGD	0 FGD	11
Category 3	1 FGD	1 FGD	0 FGD	9
Category 4	1 FGD	1 FGD	1 FGD	22
TOTAL PARTICIPANTS				79

Moreover, we added 2 PRA sessions, with a total number of **38 participants**, in order to assess their perception of money, credit and savings.

4. DATA ANALYSIS

Preliminary note: the data below will be expressed in local currency:

Exchange rate: 1 US \$ = 68 US\$

Purchase Power Parity Rate: 1 US \$ = 13 TK

4.1. Entering their financial world: the first steps...⁴⁰

4.1.1. Street Children's perception of Money: what does money mean to them?

Our participatory sessions identified that the street children's perception of money was articulated around five aspects:

1. Problem
2. Future
3. Survival and a mean to meet emergencies
4. Purchase Power
5. The reward of our work

What is money? A poem written by Mohidul Kooser Samim Jibon

Money is the dust of hand (meaning: it's nothing)
 Money is problem
 Money is something which enables to have large things
 Money is a mean to fill wishes
 Money is future
 Money means good food
 Money means expensive dress
 Money means what mind wants
 Money means to live on earth
 Money is the root of business
 Money means the light of life

PRA Session (translated by Nahar) – 27/12/2005 Dhaka

⁴⁰ The idea of starting our exploration in Dhaka city by participatory sessions around street children perception of money and money management strategies was initiated thanks to Iglebaeck and Hassan contributions, to whom we are thankful.

▪ **Money is problem**

First, children usually depicted money as a problem, linking money with the sinister side of their street life experience. Indeed, many of them already experienced some troubles because of money. As they did not have a safe place where to deposit their earnings, many were keeping their money in their pockets, trying to hide it as best as they could, being therefore a source of problems as other children and adults knew this. Children mentioned the plethora of pickpockets that are there, especially in highly frequented places (as the vegetable market of Karawan Bazar in which children work during the night).

“When we sleep at night, then the thief steals our money”

A child during the PRA Session

▪ **Money is future**

“Money means something which helps us to make sound live” A child during the PRA Session

The children participating in our sessions made a strong link between money and **future**. Even if money was expressed as a “problem”, it was perceived as being useful and having a lot of advantages, one being that it enabled them to build their future. Money was associated with “good job”, i.e. the element which would enable them to have a pretty life. *A good future was also linked with “education”, as the “school” is still for some of them a mean to have a better future. As some girls summarized: “With money, we can start life in a good environment”*

▪ **Money is survival and a mean to meet emergencies**

There was a particular emphasise on the link between money, emergencies and more generally survival. Many pointed out how money was needed for eating, treatment, shelter and for daily survival. A particular interesting point is the altruistic view of “survival” and “emergencies”. Indeed, the majority of children was specifying how money was necessary for the survival of their families, and therefore was informing us on the significant role they are playing to contribute to the well-being of their families. Moreover, it gives an introduction to the difficult living environment surrounding them and their responsibility in meeting their families’ basic needs.

▪ **Money is “purchase power”**

Children highlighted how money was necessary to buy assets: dress, tea, machinery tools, etc. The assets were not only for consumption, but also inputs for their businesses. Indeed, many mentioned how money helps them to buy tea, vegetables, “chutneys” (i.e. indian sauce), in other words products that were necessary to run their businesses. Here too, we can see how their world is structured around the work.

“Money is something which enables us to have many things, to buy nice food and expensive dress”

A child during the PRA Session

▪ **Money is the reward of our work**

As highlighted in our first chapter, the majority of street children are working. It is therefore logical to find expressed the link between money and work. Money is not something they received from their parents, but the result of their work. It may seem very anodyne to raise this point, but it is extremely important to consider it, as this is impacting our view on the street children, which need to be seen as “economic agents”.

4.1.2. Street Children's perception of money management strategies

This section aspires to draw the perceptions of street children on the conventional money management strategies, in other words to analyse what does savings and credit mean to them.

▪ **What is Savings?**

Many different definitions of savings arose. It was very interesting to see how street children, often very young, were able to define precisely this notion⁴¹. The following box gives a sample of some definitions:

- Savings is daily income from which we take a part and we put in a safe place
- Savings is income less expenditure.
- Savings means to put money in a safe place
- Savings means to keep money in a bank or cooperative

Many street children perceived savings as a mean "to save their life" and to enable them a better future. Some did point out the relationship between savings and business, as saving money was a mean to start their own businesses... *"we sell chips with our savings"*

▪ **What is Credit?**

Street children made a strong relationship between credit and investment. It was perceived as a mean to start or reinforce their business. Moreover, children perceived credit as an opportunity to get education and to meet emergencies. Here is a sample of the definitions that arose during the PRA sessions and FGD:

- Credit means borrow money from others" (i.e. some of them had a solidarity system" between them)
- Credit is what helps us to start business
- Credit is what helps us to access higher education
- Credit is needed if a family member falls sick
- Credit is a mean for me to go abroad and it will enable me to have a better future.
- Credit is "good future"
- Credit is a mean to be self-dependent.

⁴¹ Many street children who took part of the PRA sessions had followed previously awareness sessions given by Padakhep staff, where they learned the importance of savings and credit.

4.2. Street children economic activities

In order to assess correctly the demand for financial services, we need to understand the economic activities in which the street children, who took part in our research, are involved.

During our research, the majority of street children were found to have a job and quite innovative ways to earn money. Our previous chapter underlined that street children are particularly present in the informal labour market, and our findings in Dhaka do confirm it.

Padakhep identified more than 30 economic activities in which street children are involved: *carpenter, mason, small trade, shopkeeper, welding, van puller, rickshaw puller, driver, scavenger, day labour, trainees, sales boy, iron man, garments, domestic helper, garage work, boutique work, hotel boy, Tokai, bakery, water seller, tea stall worker, helper, sewing, service, factory, vender, beggar, Minti, electrical work, beautician, packet making, etc.* As we see, the range of economic activities is long and shows how street children have a broad imagination in finding income generating activities.

We can segregate those occupations into two broad categories: trade related activities and wage related activities.

Regarding their trade related activities, the majority of children were found to work as “*Tokai*”, a Bangali term who defines a child who moves around the town to pick up various used items like papers, bottles, shoes, clothes, etc in order to sell them. Many were reselling those items around different markets (especially Kawran Bazaar) and were earning 30 TK to 50 TK daily.

Some other sell flowers, snacks (chips, chocolates, etc) or cigarettes in the streets. Some, like Swapon, are also selling vegetables:

Swapon is a young boy of 16 years old. He used to be ill-treated by his parents and thus decided, one day, to leave home and look for happiness in the streets. He was then 12 years old. However, he quickly understood that the street life was far to be easy and that he needed to work in order to survive. He therefore decided to use his negotiating skills and found a way to buy vegetables at 8Tk per kg and to resell it 9 TK

Others are involved in seasonal businesses, and reported to earn quite high during those occasional periods.

For example, many children buy food during Ramadan and sell it for “*iftar*”⁴². Children highly valued those seasonal businesses and pointed out how they were earning significantly during those periods (i.e. a daily profit up to 200 TK).

Some were involved in wage related activities. The most recurrent job among them was the “*Minti*” i.e. persons who carry luggage – fish or vegetables and other goods for shop owners and customers- in markets, railway stations, bus stations and shops. It is the informal equivalent of the “*Cooli*”, who does the same job but is registered with the government and earn higher wage rates (ILO, 2003). Having visited this vegetable market at night, we found that street children were working there under difficult conditions. They were generally working all the day.

⁴² Ramadan is a Muslim festival, lasting one month, where the believers fast during the daytime and eat at the sunset.

In the evening, they rest a bit, before starting again to work by midnight (when the first trucks come). Then, they work all the night until early morning.

Other wage related activities include jobs such as van pullers, where children unload and push trucks and rickshaws.

As for the wages, they vary on the job involved and the age of the worker. For example, young “Minti” (from 8 to 12 years old) earn between 30 to 50Tk daily. Older children, working as Minti, earn between 50 and 70 Tk daily. Many children had seasonal businesses and were reported to earn consequently during those periods. For example, many children sell “iftar” during Ramadan and earn up to 200 Tk daily. Other children, such as hotel boys, get a salary partly in cash and partly in nature, receive a package: a small salary in cash, plus a place for sleeping and food from the hotel.

Street children involved in embroidery earn between 100 to 250 TK, depending on the quantity, intensity and quality of work (Iglebaeck and Hassan, 2005).

Some are lucky to find a job at Padakhep (in the drop-in-center), as peer educators, and earn 1000 Tk/ month. Others are working as employees in Padakhep Bipanon, a retail shop created by Padakhep.

Whenever talking about their preferences, children reported how wage related activities (such as Minti and van pullers) were not appreciated, because people often were blaming and insulting them. Iglebaeck and Hassan (2005) confirm this finding and indicate that those jobs are in general hazardous and not valued by children themselves. Their dream was to leave their current jobs and to start their own businesses. So, the desire for self-employment was highly visible, as those children perceived it as a way to earn higher income and to avoid hazardous working conditions

When discussing the reasons underpinning their working activities, street children pointed out, logically, that they were working in order to meet their financial needs, which can be grouped in two categories:

- **Present financial needs:** it does include day-to-day basic expenditures, such as food, transportation and clothes; these scored particularly high in the street children spending portfolio.
- **Future financial needs:** it does include expenditures such as supporting family, buying medicines, paying for education or investing in an income generating activity.

4.3. Why do street children need savings?

Our data tend to show that street children, as any other people in the world, need savings in order to meet their future financial needs, which are of 3 kinds (following Rutherford's typology):

- **Life-cycle**, such as supporting their family or getting education
- **Emergencies**, in order to be able to meet their own as well as their families' emergency costs
- **Opportunities**, in order to invest it (either directly, or either through the loan they can get thanks to their savings)

Those are the three pillars of their savings needs. However, what makes particular a street child from another person is its street life insecurity, which is the root of their needs for savings. Let us therefore discuss quickly this argument, before moving on to the three pillars.

4.3.1. The street life insecurity

Street Children of all ages and categories have reported how the street is an unsafe environment. Passing most of their time there, their money was often stolen, especially when sleeping on the streets. They reported that, usually, other street children were stealing money from them. Moreover, another source of fear and theft was the "*Mastaans*" (see Box) who threaten them in order to get money.

Box 2.1. : The world of Mastaans - Dhaka Underworld

"A number of the *mastaans* have good relationships with the political parties (both ruling and opposition parties). In some areas *mastaans* collaborate with each other, whereas in other areas they fight over territory.

Mastaans use children for a number of illegal activities, such as carrying drugs, small arms or throwing bombs. *Mastaans* target and identify street children from street to work for them. For targeted children escaping from the claws of the *mastaan* is by nature almost impossible and children who try to escape are usually killed. People are aware of the activities of *mastaans*. At the same time people are scared to talk about *mastaans*. Children are paid according to activities performed, and payment is related to trust between the *mastaan* and the child, scale of illegality, skills and experience".

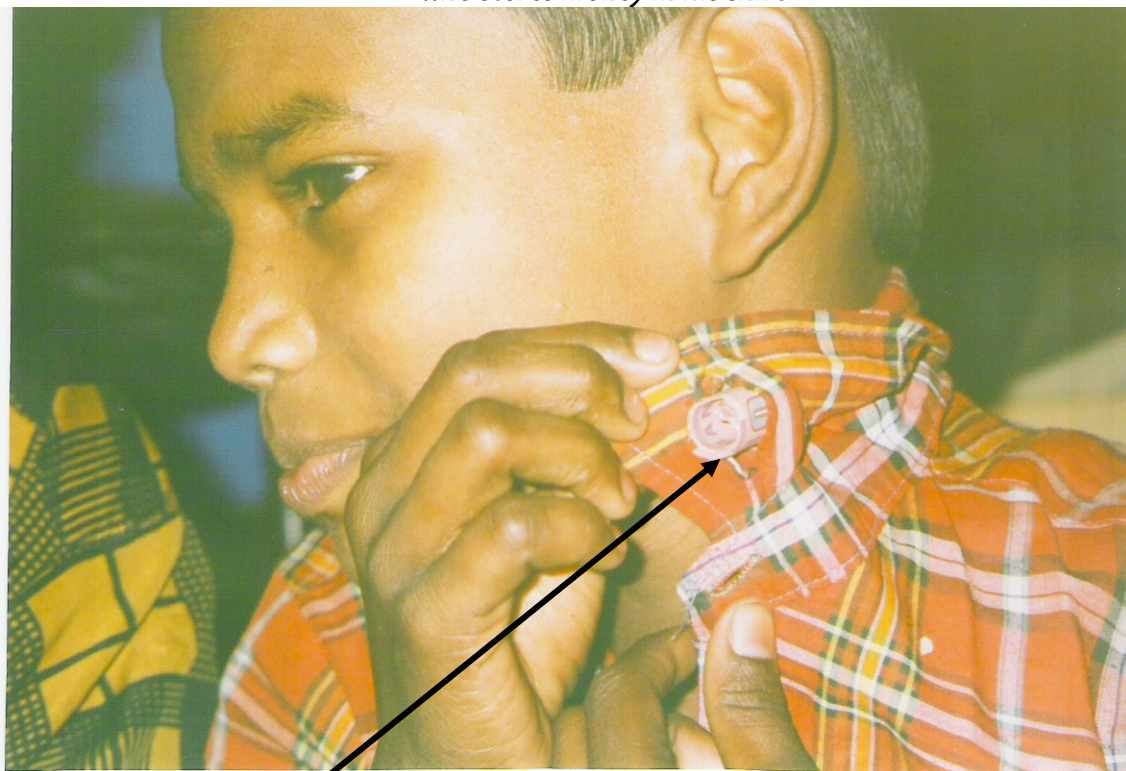
(from Iglebaeck and Hassan, 2005)

Consequently, they look for ways to keep their money safe and were doing so by using three strategies (before joining Padakhep and benefiting from access to savings services): short-term devices, informal intermediaries and "the quick spending".

A. Short-term devices: Street children find innovative ways to store their money, such as trousers, shoes, etc. They indicated the usefulness of such strategies for very short-term period, as money is quickly accessible. However, it is inappropriate because it can get wet when it rains, or can be lost if they change clothes; and it is unsafe, as other children know that they keep money with them and may attack them. Mohamed Kawsar explains us this danger.

Mohammed Kawsar is a 10 years old boy. He is living alone in Dhaka city and left his village in order to help financially his family. He is working in a vegetable market and gets 20 to 30 Tk daily. In order to protect his money, he used to hide it in his pocket. However, one time, as he was sleeping on the street, somebody came, cut his pocket and stole all his earnings. Since then, Mohammed Kawssar deposits his money in Padakhep.

Fig. 2.1: a picture taken during one of our FGD showing a “category 1” street child who stores money in his shirt



Money stored in a short-term device

B. Informal financial intermediaries: such as mud banks, money guards or bamboos⁴³, etc. Children expressed two critics regarding those intermediaries.

First is the relative low access they have, due to their status of “destitute” among the Bangladeshi society. Street children have highlighted that many do not want to accept their money, because they are considered as theft and criminals and want to avoid problems. Iglebaeck and Hassan (2005) explain that one reason might be the low access to “private spheres” that urban poor children in Bangladesh have, in comparison to their rural counterparts. Second is the lack of safety of those intermediaries; indeed, many children pointed out their fears regarding those providers who were usually disappearing with the money of their “customers” after some time.

“One time, one man left with 500,000 Taka and all people in the slum were very sad” (Rafik)

Moreover, even if those providers do not disappear, they may not want to give them back their money because they know that nobody will pursue them if they do so. The police is, indeed, far to protect street children and even if they tell the police that they have stored their money with a particular person, the police would not believe them.

C. Quick spending

The last available strategy that street children have is to spend their earnings quickly, before losing it. Al Amin quotation summarizes their strategy:

“If we don’t have a place where to deposit our money, we know other street children will steal it from us. So, it’s better to spend it quickly, before losing it!” (Al Amin – 13 years old)

Another child pointed out the same behaviour:

“When we have a lot of money on us, we spend it quickly, buying lot of Pulao Byriani (i.e. bangali food made of rice), ice cream, video games and going to the cinema.”

Consequently, street children may be trapped into a vicious cycle. Indeed, because of their vulnerability, they will be pushed to misuse their money; because of this, they will not be able to meet their expenditures, enhancing therefore their vulnerability. In such a circle, the children, from being the victim of robbery, can become the author of it, as they will not have enough money to meet their expenditures. Stealing becomes therefore an habit, and sooner or later, negatively impacts the child.

⁴³ These are informal systems available to poor people who can save money there. “Mudbanks” are generally insecure as it can be stolen and it is difficult to withdraw small amounts of money. “Bamboo” are relatively similar, but less available in urban areas than mudbanks.

4.3.2. Life-cycle needs:

Street children, although their street life hardship, pointed out how they need savings in order to meet their life-cycle needs. Those needs refer to the predictable events that hit the children (adapted from Rutherford, 1999), and can be classified in three categories:

1. Support family,
2. Get education and
3. Other

1. Support family

Providing financial support to the family came as one of the most important expenditure in the street children's budget and was significant in terms of financial pressure and frequency.

Although expressed by children of all categories and ages, their financial behaviours in terms of family support were different.

In order to capture this diversity, we can categorize the children into 2 different sets, based on their physical proximity with their families:

⊕ **Set 1: category 1 & 3**

This first set contains children who live far from their families (i.e. parents). Both categories have, in most cases, their families staying in villages, the main difference being that Category 1 street children have no relatives (uncle, aunt, etc) to live with in Dhaka city.

Category 1: who work and live on the street day and night without their family

They appeared to support (or not) their family in a different way, depending on the reason(s) that made them leave their villages. Here, we can underscore 3 profiles of children:

- **Children who left their families for economic reasons:**

They left (or had to leave) in order to help financially their families staying at the home village. Their support was very high and children were finding very innovative ways **to send money to their families**.

The money transfer was done through different strategies.

The first consisted of a direct transfer where the child went to the village, directly, and gave the money to his/her parents. It was usually done 2 or 3 times a year (for special occasions).

The second strategy was to use an intermediary and to transfer the money through a trustworthy person.

- **Children who left their families for non-economic reasons and did not face any abuse**

They left generally in order to seek autonomy and 'independence', as the urban life fascinates them. However, many acknowledged the role they need to play in the family's life and tried to help it financially whenever they can. This support was either in cash or in kind, sending therefore money or some gifts to their brothers/sisters/cousins staying in the villages.

- **Children who left their families for non-economic reasons and did face abuse/harassment**

They completely cut contact with their families, and no support of any kind is given to them.

All those children, except the last category, highlighted how access to savings was needed in order to cope with these expenditures, and that having no access to savings would mean that no support to family would be possible.

Category 3: who work on the street during the day and return to their relatives by night

Although not living with their own families, those children bear a double “burden”: first, many tell they support their families generally living in their villages; second, they were expressing how they were contributing (or had to contribute⁴⁴) to their relatives in Dhaka city (i.e. aunt, uncle, grandmother-father, etc). This is the case of Munna, a young boy living in Dhaka:

Munna is 16 years old. Living with his grand mother, he is working in a “Shai Doccan” (i.e. tea stall) every day. This job gives him at the end of the day 40 to 50 TK). Munna left his parents in the village some years ago because of poverty. So, as he feels responsible towards them, he sends every month some amount of money. But it is not the only expenditure he has to afford. Living with his uncle, he needs to give him 100 TK every month (1, 50 Euros), and to bear daily family costs. To do so, Munna spends a big part of his daily income, but saves some money in Padakhep in order to be able to give the monthly “rent” and to meet any emergency which may occur to his uncle’s family, or to his close family in the village. This hardship of life does not prevent Munna from dreaming to become a big business man in the future...

In order to afford these expenditures, they need to manage their money. From their earnings, children were giving a part to their relatives in Dhaka. Another small part was used for their own tiny spendings. The third part which remains was put in a savings account in order to send to their parents in the village. So, here, street children expressed the need to have access to savings in order to be able to send some money to their families, otherwise ***“our relatives will take all our money”***.

⊕ **Set 2: category 2 and 4**

This second set of children lives far from their parents, who are generally settled in their villages.

Category 2 - Who work and live on the street day and night with their family (pavements)

They appeared to support their parents on a permanent basis, a large part of their income being given to them in order to support their basic needs, and the needs of their siblings.

They are using their income to cope with their family needs. For this category, therefore, the interest of financial services was not *directly* expressed as a mean to meet this financial need, as they are mainly using their income to do so. However, as pointed by so many children, savings facilities were a mean for them to meet this expenditure without neglecting themselves. Indeed, as the major part of their income was going to their family, they were keeping one part of it which they were depositing on their savings account. The purpose expressed is to build a

⁴⁴ Some children were forced to support financially their relatives in Dhaka city

better future. In fact, if no savings facilities were made available to them, they would have hardly been able to think about themselves, as the family pressure and the misuse propensity would have been too big to keep some money in their pockets.

Category 4: Who work on the street during the day and return to their family at night

Those children were generally working with their parents. They were therefore also supporting their families on a permanent basis, but more with their “working force” (as usually do rural children).

Therefore, they were not giving cash to their parents, but the opposite was sometimes happening: parents were giving some “pocket money” to the children, but rarely a regular salary, and used to urging them to save money.

Finally, we must note that this reflects the general trend and that some children from category 4 highlighted that they give money to their parents on a permanent basis, as they are not working (disabilities, etc)

However, apart from this support, a significant part of their savings amount is said to be used in order to help their families in case of an emergency (when a brother/sister/mother/father is sick). Surprisingly, many of the children interviewed expressed that their parents were urging them to save (especially the younger ones, from 8 to 12 years old). Usually, the money deposited in their savings account was the one received from their parents, as a “reward” for the help they have furnished to the family’s business. So, we can draw from this behaviour a vicious circle, where children are paid for their job, but urged to put all the money in their savings account, money which will be returned after to the family. Therefore, the child appears here as a mean for adult members to access savings facilities. However, many SC expressed how they were using the money they were saving for themselves and how the “pressure” practiced by the parents was a lot of time beneficial. (as the girl who is saving because her mother urged her to do so for her marriage, etc).

2. Get education

Street children did not consider work and education as mutually exclusive. Indeed, many children pointed out how savings was needed in order to pay for their school fees or the school fees of their siblings. Even if children were getting non formal education at the drop-in-centre, some of them re-entered the formal education system. However, it was mainly the case better off street children (i.e. category 4), but some other children did also express the same concern.

This was the case of AL AMIN, a child of 13 years old who is struggling to become a doctor. Alone in the streets of Dhaka, his father being dead and his mother living in the home village, he is allocating a large part of his income in buying school furniture and in paying his school fees. To do so, he works as a Minti and, when he finishes his work, goes to the school.

3. Others

Some children expressed the need to get access to savings in order to pay their loans instalments or to payback the loan instalments of their parents.

Other children were saving in order to meet their own future occasional expenditures, as buying a new dress for girls in special occasions (e.g. Eid festival), or to go to the cinema. Other expenditures were expressed, some of them being a bit “dark”.

“I took a credit of 500Tk from Padakhep in order to buy chocolate and to sell it. I had a daily profit of 50-60Tk and saved all my profits at Padakhep. Thanks to these savings, I was able to repay my loan”

4.3.3. Emergencies

“Meeting emergencies” was another important reason underscored by children of all ages and categories whenever referring to savings demand. Indeed, crisis situations (such as income shocks due to the loss of their job) are very usual in their lives, and an access to savings facilities was expressed as a mean to secure their livelihoods in dangerous periods and to enable them to answer adequately to all crises that may appear in their lives.

“Today we have a job, tomorrow we don’t have it” - A child during PRA session.

However, “emergencies” had different meanings depending on the child’s age and category. Children who had no contact with their families (i.e. mostly category 1) were mainly facing personal emergency costs and were defining “emergency” as an urgent need that hit them personally.

Other children, whose family’s links were sharper, defined it as a sudden event that hit them OR/AND their family. Moreover, young street children (aged 8 to 12 years old) generally referred to an emergency as an event hitting

“I was working in a vegetable market and I lost my job. Now, I do not get any income and use the money I saved to survive”
(Kanchan -15 years old)

Category 1

exclusively their families, as they are more dependent to the family nexus. Regarding the intensity of this need, it appeared that it was positively correlated to the child’s vulnerability. Indeed, the more the child was vulnerable to a crisis situation, the more he squeezed out the need to save money. For example, “category 1” street children, generally engaged on high (informal) competitive market were exposed to some job uncertainty. They expressed intensively how savings facilities were needed and useful in case they loose their job. This was a way to afford their basic needs and to avoid begging in order to survive.

“When any member of my family is sick, I can buy medicine with the money I have saved”. (Aktar)

“One time, my mother was sick. I therefore withdrew some money from my savings account to treat her”. (Shugon)

“When my parents face some problems with their business, I use my savings to help them. (Chahida)

“Category 4” Street children

Many street children also expressed the need to save money in order to buy some medicines in case of illness. Others (especially category 4) were saving in order to bear the emergency costs of their families. Regarding the

latter, two types of emergency costs appeared: the ones that are directly attached to the **family members** (i.e. sickness, etc) and the ones that are linked to the **family's business**. Therefore, those children were usually saving to help their family when they felt sick, and to help them when their business was facing a problem

4.3.4. Opportunities

Many children pointed out how saving money is needed in order to create their businesses or to help their families to do so, in order to improve their income. Here, two profiles can be drawn. First are the children who plan to take a credit in the future, and who know that they need to save money in order to access credit.

The second profile is children who save money with the hope to start an income generating activity in the future.

Consolidated analysis

This section has demonstrated that street children of Dhaka city have a range of future financial needs that need to be met, which is of three kinds: life-cycle, emergencies and opportunities.

However, as pointed by Conticini (2004), "*street children (of Dhaka city) do not save very regularly and tend to spend all their income quickly, living on a day-by-day basis*". Our findings agree with this statement, but do transfer the responsibility of such "day-by-day" behaviour from the child to the street life hardship. Indeed, we have demonstrated that it was the insecurity in the street and the lack of proper ways to save money in the informal financial market that lead street children to enter into a vicious circle and to misuse their money quickly. This behaviour does not allow them to meet their future expenditures and hence increases their vulnerability. Consequently, street children do need savings to protect their money and to break the vicious circle in which they have entered.

These findings are coherent with Judith Ennew observations (having a long lifetime working experience with street children all around the world), who states that street children have two ways to keep their money safe.

The first is to look for some places in which to store it: "*In Colombo, children sleep on the street with their money in their mouths*". She adds that the second option is *to spend all the money fast, often sharing with friends who will reciprocate when they in turn are in funds (...). This rapid spending of money gives the appearance of not wishing for anything other than short-term pleasure, but it really illustrates that there are practical obstacles to saving or making long-term plans*" (Ennew, 2000: 137-138).

4.4. Why do street children need credit?

4.4.1. For their income generating activities⁴⁵

Two profiles of demand emerged among the street children interviewed

The most vulnerable street children (i.e. category 1) who did not finish their vocational training⁴⁶ and were involved in wage related activities pointed out their desire to get occasionally access to credit in order to start some seasonal businesses, which was perceived as an opportunity to increase their income, or some temporary businesses whenever they loose their jobs.

Most of them were buying mineral water, food and chocolate in order to sell them and to earn a profit on that. Usually, this happened during special periods (i.e. New Year, Ramadan, etc). For example, during Ramadan, some street children were buying food and preparing a meal, selling it to the people on the street for “*iftar*” (i.e. sunset meal). These seasonal businesses were generally combined with their actual work, and provided additional sources of income.

For others, it was a mean to get some money whenever they loose their jobs. Indeed, the probability to loose their jobs is very high, and relying on savings whenever this happened was effective for short-term period. So, in case street children stay without a job for a quite long period, a credit enabled them to get some sources of income for their survival.

However, whenever talking about their future, many wanted to leave their actual jobs and to start their own income generating activity, after their vocational training being finished.

The second profile of street children needed credit in order to start their desired businesses, as their preference for self-employment was also very high.

The business investments were generally related to the vocational training that was provided to them (e.g.: if the child received some training in tailoring, he desired to invest in a tailoring machine) and were usually expressed as their main point of interest: purchase a tailoring machine, create a tea stall, expanding or creating a grocery shop, buy electrical goods or cycle rickshaw⁴⁷ servicing materials, etc.

When asking the children whether they got some access to credit before joining Padakhep, all pointed out that “*nobody wants to give us a credit because they think we will fly with the money; but we are not like that; we are responsible!*”. Moreover, some children highlighted that some people sometimes give them credit, but they charge very high interest rates - about 10% a month.

*“Before Padakhep, I was working as a **Ferry Wallah**, carrying and selling some goods from one shop to another. To do so, I was buying some goods in credits. After selling it, I was returning the money with a high interest rate to the MOHAJAN (i.e. the money lender)”*

⁴⁵ This was only the case for children aged more than 12 years old.

⁴⁶ Vocational training is a professional training provided by the NGO to the street children in order to get professional skills which were valued on the labour market.

⁴⁷ Cycle rickshaws are small bicycles which serve as a “taxi” in the streets of Dhaka.

A study of the ILO (2003) underscored that the main source of credit for street children in Bangladesh are their friends, who lend them some money, mainly for consumption purposes. Iglebaeck and Hassan (2005) findings indicate that, as it was the case for savings, urban poor children have less access to credit facilities than their rural counterparts, but the few access they get is from people whom they had working relationships with.⁴⁸

We must note that the root cause of doing such a business is closely related to the reasons mentioned below when discussing their spending needs: the objective is to guarantee a source of income to the children, in order to afford their present and future expenditures.

4.4.2. For their families' income generating activities

Without any surprise, children who were said to have very close relations with their families (category 2 and 4), and were supporting them on a permanent basis, did generally express the importance of having access to a credit in order to allocate the money to their parents for creating a business or to help (sustain - expand) their families' businesses. This was also perceived as a logical way to support their family and children were generally employed in their families' businesses.

The children living with their relatives in Dhaka city expressed also this need, and many were found to need credit in order to give it to their relatives in order to start an income generating activity. However, no children expressed the need to access credit in order to send it to their parents in their villages.

Regarding younger street children (from 8 to 12 years old), they have expressed the interest of such loan for their guardians, as Padakhep was normally not giving those young children a direct access to credit but giving it through their parents.

4.4.3. For their future

Many children were expressing how access to credit was a way forward for them, as it gives them hope and the capacity to build a better future. In order to assess exactly these statements, we have asked to all the children interviewed what they wanted to do in the future.

Two types of answers came out: some children wanted to become engineers, or doctors, or social workers. The others wanted to be business men and to become "professionals" in their actual business activities or in another type of business activity. However, when going a bit deeply in our discussions, we discovered that the high majority of children who highlighted the first type of answers made a difference between "*what they wanted to be*" and "*what they had to be*". Because of their economical and social condition, those children underscored that they wanted to start a business as they had to do so in order to live in dignity.

Many girls interviewed wanted to become dancers or musicians, but the life's reality pushed them to start a business. An interesting point is that very few children wanted to become employee. Most preferred to start their

⁴⁸ Rural children tend to have a larger social network, which not only provides stimuli, but also takes the child through a socialisation process of financial behaviours, which urban children lack due to weak social networks in urban areas (Iglebaeck and Hassan, 2005).

own activities, as this was a way of liberation from the pressure of their employers. Indeed, *“our salary depends of the mood of our employer”*⁴⁹

Finally, we must mention how credit is perceived as a mean for autonomy. Having credit, street children were able to start a business and to be self-dependent. This was of particular importance for children having no close ties with their families.

4.4.4. “We do not need credit”

Some children claimed that they do not need credit at that time, but may be interesting in the future.

The main reason expressed was the fact that they did not desire to start a business activity at that time and that they preferred to work, day by day, as an “employee”. This appeared to be more the case for girls than for boys. This is also an indication that children do not take a credit and think afterwards of what they will do with that money, but have generally a precise idea before taking it.

Finally, we must note that children did not express the need for credit to meet basic consumption needs (buy food, to pay for transportation, etc.). This was generally done through their income or, whenever impossible, through their savings.

Consolidated analysis

Our exploration in Dhaka city made us discover how street children needed credit in order to start or to sustain their own or their families’ income generating activities.

Regarding their own income generating activities, these were of two types:

- Seasonal and temporary businesses, whenever they get an opportunity to increase their income or whenever they loose their jobs;
- Long-term businesses, because they want to be self-employed.

Regarding their families’ businesses, children who had their families in Dhaka city did support them by giving them a credit in order to start an income generating activity, and were generally working with them after.

These findings are consistent with some observations worldwide regarding street working children, who point out at how those children have entrepreneurial skills but dot get access to credit.

However, they use some credit services, provided by employers (advances, with no interest), or buying goods on credit (with interest) and neighbours/known people. Therefore, urban children do use mainly credit from informal market. These credits are generally claimed to be needed for both consumption and for business (Wilson and Hall, 2006), but resort to it when income flows and savings were inadequate to meet their financial needs (Iglebaeck and al, 2005).

Our findings from Padakhep did not confirm the fact that children needed credit for consumption, as those children knew that, to get a loan, one condition was to invest it in an income generating activity and were generally meeting their expenditures needs through a management of their income and their savings. However, other experiences worldwide show that street children may need credit for consumption purposes.

⁴⁹ Quoted in Iglebaeck and Hassan (2005)