Institute for Financial Management and Research

Centre for Micro Finance

Working Paper

June 2007

What savings products do people want?

Short exploratory study in Tamil Nadu

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Acknowledgments

The authors would like to thank MCFI-its staff and clients for all the support and assistance rendered. The authors would also like to thank Rati Tripathi and Minakshi Ramji for valuable comments and feedback.

1. Introduction

Considering the classical development theories that put savings as a motor for growth and as an indispensable element of consumption smoothening, we dedicate this summer to look for the smart and original ways that people find to save when they don't have access to the formal institutions (and also when they do).

Popular wisdom says that poor people are so poor that they will not be able to save. But through this qualitative analysis we found an array of formal and informal ways used by the urban and rural poor of the southern state of Tamil Nadu in India, to postpone the immediate satisfaction of consumption, for the future and sometimes larger benefit.

Going from hiding 500 rupees bills among the spices, to *moys* (gift money) a sophisticated social safety net for functions, to formal insurance schemes, the poorest households find in their savings an important but usually small and temporary relief to escape the vicious circle of growing debts and high interest rates.

Even though, the purpose of this document is to show how people manage to save in the most difficult of conditions, it is important to consider that these same people still use the money lender or other sources of expensive credit when they do not have a proper and formal way of saving, like buying insurance or asking for a bank loan. In this context we've also added at the end of this document a small section that addresses the major need for saving products that we found. This section will provide more questions than answers and will open the door for further research in the micro savings world.

The following section discusses the methodology used for the study and the manner in which we went about collecting information. The results of our study are then presented in two parts. The stress is more on informal savings mechanisms than formal mechanisms because the former is relatively less known. The first part of the results explains the different informal means of savings that we discovered among our respondents and the information that they provided about these. Some of the following information in the informal savings category need not necessarily come under the technical category of savings products, but we feel that this information is valuable to understanding rural economic systems. The latter part of the discussion on results discusses the different formal sources of savings and the prevalence of these amongst our respondents. The concluding section, discusses possible further courses of research and different questions that the results of our study may throw up.

2. Methodology

This study had two stages of enquiry and fieldwork, the first part being in Chennai and the second part in Madurai. Both Chennai and Madurai are in the state of Tamil Nadu, 400 kilometers separating them. Tamil Nadu is located in the southern tip of India and has a geographical area of 130,058[1] square Kilometers and a population of 62,405,679 people. Rice is the main agricultural crop, with 1,873 thousand hectares devoted to its production. Tamil Nadu's Net state domestic product (constant prices) in 2004-2005 was 9,013,787 lakhs which translated into per capita income of approximately 14,000 Rupees.

In Chennai the aim was essentially to identify potential savings mechanisms available to people. This involved making enquiries about formal and regulated savings products like insurance schemes and the Post Office as well as informal means of savings such as those offered by gold and sari shops. To understand insurance schemes, we met with the office staff at the Regional office of Peerless Insurance Limited and a short note pertaining to this meeting has been included in the section on insurance schemes. We also visited the Post office in Pondy Bazaar, Chennai and talked to a post office agent to understand the different savings schemes offered by the Post office. This meeting was useful because it gave us a sense of the (favourable/unfavourable) attitudes of Post office agents towards small savings. We also visited T. Nagar and Mylapore, two big shopping areas of Chennai to find out about the different savings schemes offered by different shops in these areas.

The second stage of the project aimed at understanding and surveying the different savings products that people currently use, especially women. This was done through interviews and discussions with women clients of the Micro Credit Foundation of India (MCFI) from different villages and towns in Madurai district. The Micro Credit Foundation of India is a Micro Finance Institution that works in the state of Tamil Nadu, focusing on provision of relatively cheaper credit to otherwise "unbanked" women, by organizing them into self help groups. Groups of twenty women are formed based on certain guidelines like for example; women who

[1] All statistical indicators taken from Statistical Handbook of Tamil Nadu, 2005; www.tn.gov.in/deptst

are married and live on the same street can form a self help group. Women who are part of a self help group save a fixed amount every month, which may be seventy five or hundred Rupees and is fixed for all members of a group. Part of this savings is deposited in a group savings account which is available for within group lending and part is put in a group recurring deposit, the amount received on maturity divided equally among the group members. The group members are also entitled to receive loans, the first loan amount being 12,500 Rupees and the loan amounts increase progressively with successful repayment of loans. We talked to thirty clients but most interviews were also group discussions as other members joined in to explain the different savings products. Most of the women who we spoke to, have an average household income of 3,000 to 5,000 Rupees per month and some were involved in a range of economic activities, like irregular wage employment and running enterprises either single handedly or with their husbands.

3. Informal savings

This section describes the various informal savings mechanisms used by our respondents. This section is based solely on the information shared by our respondents with us and is mainly anecdotal in nature. Wherever it is possible we have also put in specific details of schemes, to get a sense of the actual functioning of things

3.1. Gold

Gold is valued by Indian families as a saving and investment vehicle. Most of the women interviewed said they received gold when they got married and they continue to buy gold either for the marriage of their daughters or for themselves. Besides love for gold jewellery, the advantage of investing in gold is its high liquidity in an emergency. The gold that most women owned could be used as collateral for taking a loan either from a moneylender or even from a regulated bank. According to most women, gold was usually never sold, but only used as collateral to receive credit

None of the women we talked to, save money in a systematic manner towards buying gold. Almost all of them waited for a lump sum receipt of cash and used it to buy gold. This lump sum receipt of cash could come either when they got the prize money in a chit fund or post harvest of crops or even from the loan that they got as members of their self help groups.

3.2. Cash saved at home

During the course of our interviews, several women shared with us details of how they saved money for themselves. This is sometimes with the knowledge of their husbands and sometimes hidden away from them. This money is usually saved from the amount that is given to them for household expenditure by their husbands. The money is saved either in a piggy bank or any other box or sometimes even in the cupboard/ bureau. Other places of storage of money include the boxes in which spices are kept or in between the saris in a cupboard and sometimes even within the stitches of the under skirt of a sari. Women, who keep money in the spice boxes and between the saris, do so because these are considered places (especially the kitchen) where their husbands would not be snooping around in. We also met women who told us that they exchange the coins that they save, for higher denominations bills because these are less bulky to hide and also because these are more difficult to spend. There was also a woman that we met who showed us two buckets of rice- one that her husband had bought for the house and one that contained the rice that she had saved from the regular use for an emergency situation.

During our discussion with and women clients at MCFI, it emerged that this is a common means of saving for housewives in Tamil Nadu. They told us of cases where women even sometimes kept a little money with their neighbor's especially in cases where the woman had an alcoholic husband and the woman really needed to hide the money away from her husband.

Some women that we interviewed saved towards a specific purpose like Diwali[2] celebrations while there were some who saved either for an emergency or simply to buy things for themselves and their children. This also seems to be very common means of savings in the last few months of pregnancy of a woman, and the woman saves up a little money to buy things for her newborn child like soap, powder and clothes.

3.3. Unregulated Chit funds

This is one of the most common means of savings that we saw during our fieldwork and interviews. Almost every woman that we interviewed had an association with some chit group, either in her name or in the name of her family or

[2] **Diwali**, also called **Deepavali**, is a major Indian festival that is very significant in Hinduism, Sikhism and Jainism.

husband. All these chit funds were organized by people that the women knew and were always people from their own villages. Chit Groups usually meet monthly, sometimes even weekly and the money contributed by each member ranges from 100 to 2,000 Rupees[3].

In a chit scheme, a specific number of individuals come together to pool a specific amount at periodic intervals. Usually the number of individuals and the number of periods will be the same. The total amount that is collected at a meeting, the prize money, is then as a lump sum distributed to a single member. The prize money can be distributed either via bidding or through a lottery. We found the prevalence and usage of both bidding and lottery chit funds amongst the women that we interviewed.

In the bidding chit funds, at the end of each period, there will be an auction of the pooled money. Members of the chit will participate in this auction for the pooled money during that interval. The money will be given to the lowest bidder. The bid amount will be divided by number of members, thus determining per head contribution during that period. Once a member receives the lump sum amount, he continues to make contributions till all the intervals are over but he is not eligible to bid any more for the lump sum amount. Usually the discount will continue to decrease over periods. The person getting money in the last period will receive the full scheme amount. This sort of bidding chit fund can either happen with an actual auction of the money or at the beginning of the chit, the amounts available at each meeting will be pre decided and it keeps increasing as the intervals increase.

We also met people who were participants in lottery chit funds (*kulaku chit)* considered illegal in India. As described by some people interviewed, the prize money or lump sum money collected at a meeting is distributed to the person whose name is picked up from the jar of names by a small girl. Again like the bidding chit fund once a person has received a lump sum, she continues to make payments at the periodic intervals but her name is removed from the jar of names.

All the women that we interviewed participated in chit funds that were organized by people that they knew and who were residents of their own village. In an auction chit fund the organizer usually gets the first meeting's complete prize money without any discounting or bidding. In a lottery chit fund money from one of

[3] This range is for monthly chit funds

the first few meetings would be given to the organizer without conducting of a lottery.

Some of the women interviewed answered that they were participating in either kind of chit funds because it forced them to save and also because they could have with them a lump sum amount of cash that they could spend either on gold or any other big expenditure. Also for many women, the lottery ceremony was usually a social event. Many women also agreed with the fact that a chit fund is a risky thing because of the possibility of the organizer or a participant running away with the money.

Text Box 1 – Saving for the daughter's wedding – The chit fund way

One woman's husband, who we met, had got a lump sum amount of Rupees One lakh through participating in a bidding chit fund. This money was spent on the daughter's wedding expenditures. The monthly contribution towards the chit was Rupees 2,500 to be continued for 40 months. This chit fund was organized by one of his friends in the village. At the beginning of the chit, there was a document prepared which listed the amounts that could be received every month as a lump sum. For the second month it was 70,000 Rupees and this amount increased progressively as the months increased. The difference between one lakh and the pre-decided amount to be distributed in a month would then be equally divided amongst the chit group members. If more than one person wanted the amount for the month, then there would be a lottery to decide who would get it. The person who got the money in the fortieth month received the entire one lakh Rupees. The incentive for the organizer of the chit group was that he received the entire one lakh in the first month itself.

3.4. Saving with a jewellery store or any other store

Most jewelry stores that we visited in Chennai manage saving schemes to buy gold from their shop. The clients make monthly deposit of at least 100 Rupees or multiples of 100 for 15 to 20 months and at the end of the period they will be able to use their savings to buy gold in that same store, receiving a gift bonus of usually 7.5% of the money saved.

Besides jewelry stores there are other stores that offer similar schemes to buy products from their shops. These products range from expensive saris to house ware items like utensils and even sweets and other items for Diwali. In our interview with MCFI clients none of them were participants in savings schemes with jewelry stores or other stores but there were women saving for items at Diwali. Women usually put in 30 Rupees monthly or ten Rupees weekly, for which at the end of a year during Diwali they will receive the saved money's equivalent of sweets and other items like oil for the festival celebration.

The advantage of these schemes is that people have access to high price products that they otherwise wouldn't be able to buy with a single payment. With this kind of saving schemes that can last from six to fifteen months the client feels the commitment to keep saving in a systematic and regular manner. It is to be noted that the clients won't be able to ask for their money back, and in case they want to buy items before the agreed period they would lose the gift bonus.

It is important to make clear that in the case of jewelry stores the client is not buying gold, she is only committing her savings to buy gold in the future, which implies that the price of gold can change during the saving period and she won't be able to change her mind about the purchase afterwards.

This scheme limits the possibility of taking advantage of sudden price droppings of gold and restricts decision making in case of gold price rising before the purchase. Unlike the saris and house ware stores, the gold market is more volatile, which makes saving to buy gold a riskier business.

Text Box 2 – Saving with Sundari Silks, Chennai

Monthly amount	No. of months	Maturity value
100 Rupees	12	1,230 Rs. with free gift Or Rupees 1,300
200 Rupees	12	2,480 Rs. with free gift Or Rupees 2,600

Completed chit holders have to purchase material from the shop within six months from the time of closing their cards.

3.5. Loans as a means to save

A couple of the women that we interviewed said that they prefer to ask for loans than save themselves. This happens even for expenditures that arise periodically and with certainty, like festival celebration. According to them this is because the collector goes to their house and there is pressure and commitment to pay back the money. These women expressed their difficulty to systematically save money which they felt they could do with a loan to repay from the moneylender. The most common loans that these women take are 100 day loans with daily repayments.

3.6. Saving with moneylenders

Saving with moneylenders, through short term recurring deposit "instruments," is a common practice among some of the women that we interviewed. For the moneylender, these invested amounts serve the purpose of funds for business. They therefore work like banks, accepting savings and providing credit. The clients will invest a fixed amount every month or sometimes a single deposit at the beginning of the period and withdraw it after 12 to 20 months with an interest rate bonus which is usually higher than any other interest rate in the formal savings market. For example, a woman paying 25 rupees a week for 52 weeks will receive at the end of the period Rs. 1,500 inclusive of interest. In case the client wants to withdraw her money before the agreed date, she forgoes the bonus but not her savings.

Besides the higher interest rates, some clients find several advantages to saving with the moneylender, such as round the clock access to their money and a stronger commitment to save, given that they respect and in some cases fear the money lender.

We talked with a woman moneylender who collected savings from other women of the MFI. This woman is also part of a Self Help Group and seems to have a leadership role among the others women in her group, given both her moneylender position and the fact that she owned a small business where some of the other women were working. Several women that we met in this village saved a fixed amount periodically with her which she further lends out. In her opinion, there was a disadvantage to this activity because there was always the risk of a client not repaying the loan amount, while she had a commitment to the women who saved with her.

Also in anecdotal stories, we heard about this money lender, as well as other money lenders sometimes using the low interest rate credit they have access to, through the MFI's to give higher interest loans to people outside the institution.

3.7. Functions

A regular Indian family will have along its lifetime a series of celebrations and gatherings that will demand large investments of money. Starting with newborn babies and continuing with ear piercing, circumcisions, girl's puberty parties, marriages or death of a family member, a low income family could spend as much as 100,000 rupees in a single function, which is a fairly high amount considering their income per capita. This may seem as a great weight for a family budget in a single year. Nevertheless, in Tamil Nadu and apparently all around India, people have found an interesting way to smooth this financial bump.

The "*Moy*" money

In every function, a family will receive money and gifts from their relatives, friends and neighbors. The name of the guest and the amount given, or the approximate value, will be written down in a notebook during the party. In some parties the gifts of every guest will be made public using a microphone, which allows everybody to know who gave which amount.

It is a matter of prestige and good manners for the family who had the function to reciprocate the gifts received with higher value gifts when their guest have their own family functions. According to custom, a family should repay the generosity of their family and friends with a gift at least one rupee more expensive than the one received. Some stories say that families will even ask for loans in order to be able to pay back the gifts received or to give a proper gift to a close family member. For example, we found poor families spending more than 7,000 rupees in the wife's niece's ear piercing function.

Each family is responsible for keeping their "gift accounting books" in order, where they will also write down the amounts given away in every function and where they will cross down the name of the families with whom the "gift debts" have been settled. That is why it is very important to make sure that their name and the amount given during the function is correctly stated.

According to our sources, the amounts of gifts vary according to the closeness of the relation with the celebrating family and with the size of their own family. For example, a family will be expected to give higher amounts to the wife sister's family than to a neighbor's family. Also, a family with only one daughter will be expected to give less for a celebration than a family with four daughters, considering that the first family is expecting to receive gifts only for one marriage in the future while the second family will expect gifts for four marriages.

With this elaborated, accurate and informal system, a family can "save" along the years giving money away for other people functions while expecting to receive the money back when their own function time arrives.

Of course, as in most informal systems, there is no guarantee for reciprocity except for social condemnation. As an old woman told us, if a guest dares not to go to a celebration, her name would be announced on the village loudspeakers till she arrived with the appropriate gift. Furthermore, there is always the risk of the bride dying or eloping before the wedding, which implies that the parents will never receive their gifts back.

Every family takes the *Moy* money in consideration when planning a function and plans the expenses accordingly, even though sometimes it may not work out as expected. For example, we met a family that received 30,000 rupees for a wedding, while they spent 40,000 rupees; and another family, who got such a big surplus from the wedding gifts, that they were able to buy land for the new couple.

3.8. Buying land in installments

Few of the people that we interviewed mentioned they were paying a specific amount of money every month in order to receive land in three to four years. According to them, the landlord or agency in charge of this scheme will pay them some interest rate for the money saved. They didn't tell us if they would be able to recover the money in case they decided not to buy the land or if they would keep paying after receiving the land. For the women that we interviewed, they were paying 150 to 340 Rupees monthly for two and a half to three and a half years to receive a plot of land.

3.9. School "small savings"

Some women mentioned that in their children's Government schools they have a program called Small Savings. Under this program, the child has the option of saving part of the money given to him/her by the mother and giving it to the teacher; usually the amount saved will be two or three rupees a day. The teacher will maintain accounts for every child, which the mother will be able to check at any time. The money will be given back to the student at the end of the school year and it is expected to be spent on school material and textbooks.

3.10. Renting houses

We also encountered a system of renting houses that may not necessarily qualify as a means of saving but is interesting in the rural landscape. In this system, the family pays in advance to the landlord, a large amount of rupees in order to be able to live in his house for three or more years. After the end of the period, the landlord will give back the same amount received. Alternatively with paying an additional sum of money the landlord will move the family to a bigger house. But the money paid as advance is always returned at the end of the period.

This scheme is different from a deposit for the rent because the landlord will not receive a monthly payment after the first payment. Apparently, the landlord is sometimes a moneylender or a businessman in need of money for his operations and letting people live in his house is a way of paying interest for the money received. If we consider that the rent of a house may be around 1% the value of the property, we could say that the landlord is paying 1% of interest rate a month if at the beginning of the period he received an amount equivalent to the value of the house. Another theory to explain this financial transaction is that the owner of the house does not have the legal documents of the property to be able to sell or rent it through conventional channels.

3.11. Lending to save

One woman said that with the extra money received from her wedding she gave an interest free loan to a relative as a safe way to keep the money out of her hands.

4. Formal savings

These include banks, insurance companies, regulated chit funds and small savings schemes of the Government of India routed through the post office. Information about them is easily available and standardized and therefore not too much detail is provided here about these schemes. Instead this section focuses more on their popularity or lack of it amongst the women that we interviewed, along with explanations offered by our respondents.

4.1. Formal banking and savings accounts

Less than half the people interviewed had bank accounts and most of them were inactive accounts. We term as inactive those accounts that were just open but didn't have any regular deposit or withdrawal transactions happening. In the case of most of these bank accounts, it was usually in the name of the male household member and the women had little information about it. There were also two families, both involved in agricultural activities that had accounts in cooperative banks, which also gave them loans and also acted as an instrument to deposit excess cash post harvest. The most common explanations for not having a bank account was that the bank was too far or the excessive minimum balances that had to be maintained.

4.2. Small savings schemes with the Government of India: Saving with the Post Office

Small savings schemes were designed by the Government of India to satisfy two main objectives-mobilize funds for development and the provision of a safe and attractive investment options to the public. Post 1955-56, the Central Government evolved a system of sharing the net collection of small savings with the state Government, by provision of a soft loan to the state on the basis of amount that it mobilized. Based on the recommendations of the Central Government and the Planning Commission, the Directorate of small savings was set up within the Finance Department of every state Government and is now responsible for the promotion, coordination and monitoring of the different small savings schemes of the Government of India. The different small savings schemes are marketed through the Department of Posts. The Indian Post office as a savings institution scores above similar products on the basis of two main advantages – their impressive countrywide network and in terms of trust and reliability. No Financial Institution in India will be able to compete with the kind of outreach and coverage that the Indian Postal Service enjoys 1.5 lakh branches all over the country each offering the small savings schemes of the Central Government.

The Post office offers a variety of investment options for the common public ranging from recurring deposit schemes with a minimum of 10 Rs. a month to time deposits where the interest rates increase progressively with the years deposited. The most popular post office savings scheme in the urban areas is the monthly income scheme with a minimum deposit of Rs. 1,000 per month.

To invest in any of the schemes, one can either visit the post office or one can choose to make a deposit with any of the post office agents, who will come to your doorstep and collect your deposits. An agent is paid a commission on the basis of funds collected and this commission is paid partly by the Central Government (which remains fixed from state to state) and partly by the state Government. This payment of commission on the basis of amount mobilized is what keeps the agents preferences in favor of working with clients that have medium and long-term investment as opposed to working with clients that have more liquid accounts. An interview with an agent in Chennai exposed his reluctance to collect deposits for regular saving accounts from relatively poorer people.

In our interview with woman clients, almost all of them were aware of the Post Office and almost all agreed on the safety aspect of investments. But considering the outreach of the Post office in rural areas, it didn’t score as a very popular savings device-less than one fourth of the women we interviewed had post office deposits. For the women that did have an account with the Post office it was usually the monthly fixed deposit type, with agents sometimes making more than one trip a month to their houses to make sure that the fixed amounts were ready every month for depositing.

4.3. Insurance Schemes

For most of the women that we interviewed, long-term planning of expenditure especially weddings of daughters took the form of an insurance policy. The most popular insurance policy is the LIC policy with fixed monthly, quarterly or half yearly deposits maturing after a period of 15-25 years with interest. The advantage of this scheme being, that it provides the money for the wedding even if the father of the girl dies before the wedding event, together with LIC’s popularity due to its credible brand name.

There were also private insurance schemes like Peerless with 5.5-year terms but these were not as popular as LIC. Some people were wary of Peerless because they believed their agents to be corrupt.

Most of these policies are marketed through agents in the village making its availability known to people and also making it a convenient savings product. For those who worked as agents they usually targeted people they knew and it formed an additional source of income. There were several women agents, as well, two that we met, but their clientele was limited and composed of only friends.

Almost every woman with a daughter and with some means planned for the wedding using this insurance scheme.

4.3.1. Peerless

This section contains some additional information collected on Peerless on the basis of an interview with the Regional Accounts Manager for Southern Region 2. This has been included in the section on insurance schemes to get a better sense of how insurance schemes operate

Peerless, Smart Financial Solutions identify themselves as a private sector doorstep financial services provider by with low service costs to the consumers. They offer a variety of Fixed & Recurring Deposit Schemes ranging from a period of one and a half years to seven years with the option of having your deposits collected daily, monthly, quarterly, half-yearly or annually.

Every scheme has a specific liquidity condition (usually premature withdraw al after one year) and a revival period in case of stopping the payments (3 to 6 months) for a recurring deposit product. Some of their products also include accidental death insurance, life insurance or critical illness insurance.

4.3.1.1. History of Peerless

Peerless was started in 1932, within the context of the Swadeshi Movement, as essentially an Insurance company. With nationalization in 1956, their insurance activities were merged with LIC but they still managed to retain their own identity. Their products have over time gone through different stages of innovation but today the focus is essentially on products that combine banking and insurance features. Today Peerless has 156 offices in India. In Tamil Nadu under the Southern Region 1 there are four offices- Chennai, Salem, Trichi and Tiruvanamalai. There are offices in

Madurai and Coimbatore but these come under the Southern Region 2 based in Kerala. These Offices are started in regions where business potential is identified with focus on cluster savings. Each office first operates within a radius of 5-10 Kilometers and once that area is completely exhausted they move outwards. They usually operate at most within a radius of 100 kilometers of the office. Beyond the 100 Km radius, they only collect fixed deposits or yearly deposits. The income bracket that they target depends essentially on the scheme: for the fixed deposit schemes the target group is usually businessmen and for monthly and daily income schemes they target vendors or other self-employed persons.

4.3.1.2. The agency system-Peerless

Peerless attributes its low servicing costs to its agency system thereby enabling Peerless to move from village to village. Although Peerless does not operate only through its agents, this is the most popular mechanism for deposit making. Agents are recruited based on the recommendations of existing agents and each agent has his/her geographic area designated and marked. Peerless believes this is a mechanism through which discrimination in targeting of clients is eliminated; as an agent is assigned to a particular area, beyond a certain point, the rich clientele is exhausted and an agent has to then target poorer people. Agents work for a commission which, like the post office, is based on savings mobilized - it is highest for recurring deposit schemes and lowest for fixed deposits. This commission is dependent, not just on the amount he canvasses but also, on the amount canvassed by other agents recommended by him. Therefore there is an interlinked agency system with an agent receiving percentages of the commission of other recruited agents. According to the manager interviewed, no agent can issue a receipt for the amount collected but can be authorized to close the account for the client.

Amongst the women that we interviewed, there were two women who worked as agents for Peerless and it was a source of additional income for them. They told us that their clientele consisted of approximately ten friends who had monthly or tri-monthly deposit schemes from which they get a commission that decreases progressively every year.

5. What people want

As part of our research we also asked people about their income cycle, about their main past and expected expenditures and how they dealt with them or are planning to deal with them.

From their answers we discovered that their income varies mainly according to the monsoon season, increasing or decreasing depending on their activity. Considering this fact, some of them agreed for the need to have access to short term investments accounts where they could withdraw their money after six or nine months of regularly saving.

Considering that some of their main expenditures are in weddings, celebrations and school supplies, all of them predicable but still covered through loans from moneylenders; they suggested long and short-term bank accounts created to save for a specific event. In fact, as mentioned before, most of the households with daughters already have an insurance scheme where they can save for 15 or 20 years for the wedding.

Most of the women said they like the agent system where they can make daily, weekly of monthly deposits from their doorstep, and they consider that the possibility of withdrawing their money in case of an emergency is important.

These findings leave more questions than answers and open the door to new research to answer questions such as:

- How many of these women would actually open a bank account when offered?
- Which are the best deposit schemes that would increase savings?
- Would they prefer deposit commitments, withdrawal commitment or both?
- Can a bank account substitute the flexibility they find with the moneylender?
- Are regular saving accounts cost effective in the rural poor context? Are long-term investments required to achieve efficiency?
- How can be solved the problem of people without identity documents?
- How can technology help develop savings for the poor products?
- Is giving savings accounts through MFI's the most effective way of reaching the poor?
- What about savings for men?
- What about people outside MFI's?

Answering these questions may help to create an efficient system of banking for the poor that would help them break some of the institutional barriers that have left them so far outside of the formal financial world and its benefits.