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## Increased Income Earning Opportunities: Bala's Story

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*“The bank branch is not nearby. It costs me both time and money and it is also a tiresome process to visit the bank branch.” – Bala*

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Fish farming in the southern part of Bangladesh has always been difficult for farmers because of the salty water. USAID's Aquaculture for Income and Nutrition (AIN) project, implemented by WorldFish, has been working with rural fish farmers to improve their farming productivity by improving their fish farming practices. One such farmer is Kuber Chandra Bala, a community farmer in Bagherhat with whom WorldFish has worked since 2012. Bala learned about more effective fish farming practices by participating at trainings offered by the AIN project.

In mid-2014, the AIN project received a grant from mSTAR/Bangladesh to help them transition their training incentives for participants from cash to mobile payments. Bala came to know about this organizational decision through one of the AIN project trainings.

While he was aware of mobile financial services (MFS) from local media, he had not previously used them. Initially, he predicted that the change would make receiving incentives more complicated as he is only numerate, and not fully literate. In order to cope with the new

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*“I never felt the need to use mobile financial services earlier.” – Bala*

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procedure, Bala started to learn more about MFS through his social network. He also spoke to one of the bKash agents in his community to learn more about how it worked.



*Bala sharing his experiences using mobile financial services:*

Bala soon found that by receiving his incentives into his MFS account that he ended up saving them, instead of using them for random purchases, as he had previously done with cash.

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*“I can work for my farm or for other farms on the saved day.” – Bala*

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As he became more comfortable using his MFS account, he began to explore other use cases for it. Earlier, Bala had to travel to the hatchery owner both to place his order and then to pick it up. This required him to miss two work days due to travel, not to mention the travel costs. After learning that the hatchery owner also has an MFS account, Bala now places his orders through a phone call and makes an upfront payment using his MFS account; thus saving him an entire work day by not having to travel. As there is already a bKash agent near his house, he can fairly quickly and easily add more money to his MFS account when needed. Also, he now tops up his mobile phone using his MFS account, instead of having to buy airtime top up from a local shop.



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Having easy access to his money is a big change for Bala. While he has a savings account at the bank, the nearest bank branch is around two kilometers away from his house. Traveling to the bank, waiting in line, and traveling back home takes him about half a day, meaning he misses out on opportunities to do day labor work, which can earn him between BDT 400-500 per day. Moreover, it costs him about BDT 160-180 for his round trip journey to the bank.

With the time saved, Bala is now able to focus on his farming and, at times, work as a day laborer for other farms. Bala also mentioned that now he is able to focus entirely on his farming activities without needing to worry about making financial transactions like before. With the extra work he is now able to take on as a day laborer and increased focus on his own farming, Bala has managed to double his monthly income to BDT 20,000 (~ US\$256) up from BDT 10,000 (~ US\$128).<sup>1</sup> While it is not possible to attribute all of this income growth from the benefits Bala has seen from using MFS, he has shared that he feels it definitely played a role.

Bala's story is an example of how digital financial services can play a crucial role in empowering farmers by enabling them to have more control over their finances. It also stands as an example of how frontline farmers can be financially included with little effort, and highlights the opportunity that exists for financial service providers to use digital technologies to extend their service offerings into the largely still untapped agriculture sector. Simply by targeting their marketing more at rural communities and the potential use cases that digital financial services have for them, such as those discovered by Bala, financial service providers can drive the inclusion of farmers like Bala into the formal financial system. Those benefits could be further extended by expanded recruitment of micro-merchants as well. For instance, if the hatchery owners were brought on as merchants, farmers like Bala would no longer have to pay a transfer fee to send them money. Doing so would also reduce the cash handling required by the hatchery owners, which might make the merchant fee they would have to pay to receive payments from farmers worthwhile.

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<sup>1</sup> Conversion Rate: USD 1 equal to BDT 78  
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