

# How savings and prahok have changed our lives . . .

*Drinking coffee and talking about prahok with the ladies in Kulalom 1 and 2, Khan Roessei Keo April 25, 2008*



**PRAHOK :** This year is the 9th batch of UPDF prahok loans. This year, 604 families in 22 riverside communities have taken a total of 571 million Riels (\$142,750) in loans for prahok-making! In the afternoon, Somsak and some of the UPDF community workers brought me to the Cham Muslim riverside community of Kulalom 1 and 2 to talk with the women there about how the savings process - and particularly the prahok loans - have changed their lives. These women are all Cham Muslims, and their beautiful names sound quite different than most Cambodian women's names : Yoha-Tika, Saman-Aisa, Yok-Mari, Leh-Sunrah, Saman-Srinoh, Sohra-Hima. We sit at a little table under

*the thatched awning of a roadside coffee stall run by one of the women, and as we talk, lots of kids and grown-ups come and go, joining in the conversation or listening for a while and moving on.*

**One lady selling dried fish from a basket :** She lives in Kulalom 1. Her husband is a fisherman who goes out in his boat on the Tonle Sap River. Each day, she takes his catch, cleans it, cuts it up and dries it in the sun. Then the next day she takes it around the community in a basket on her head, depending on what her husband catches. She doesn't have to go far to sell all the previous day's catch. There are different kinds of fish in her basket. The fish is quite expensive (10,000 Riels - \$2.50 - per kilo), and most ladies buy very small pieces from her. Somsak buys 2 kilos from her, and it is beautiful to see her load the bright-pink and shiny-brown fish fillets onto the little scales she carries with her. She says she makes about 20,000 Riels (\$5) profit each day, which isn't bad.



**All women leaders and mostly women savings members in this Khan :** In some of the other khans (districts), there are mostly men community leaders, but here in Roessei Keo, it is the other way around. That might explain why this khan has had such an extraordinary success with its savings and credit network and its income generation loan system. The community savings in this khan is much higher than the combined savings in all the other 6 khans in Phnom Penh!

**History of the savings and prahok loan process in Kulalom 2 :** Sohra-Hima (the leader of the Kulalom 2 savings group, with a gold tooth in front) gives a brief history of the savings group here in her community. They started in 1999, when the prahok loan process first started. First there were just 25 families joining, but now there are 78 families in the savings group (out of a total of 113 families in the community). They took prahok loans from UPDF in the very first batch 9 years ago, and have taken prahok loans of increasing amounts every year since then :

- **First prahok loan in 1999 :** borrowed 5 million Riels
- **2nd year :** borrowed 6 million Riels
- **3rd year :** borrowed 28 million Riels
- **4th year :** borrowed 32 million Riels

- **5th year** : borrowed 38 million Riels
- **6th year** : borrowed 40 million Riels
- **7th, 8th and 9th years** : borrowed 42 million Riels
- **Next year** : planning to borrow 50 million Riels (since the price of riel fish is going up from 2,000 Riels per kilo last year, to 4,000 Riels per kilo this year. It was a bad year for fish in the river, maybe because of the weather or maybe because of the new dams upstream have changed the river life cycle. Also now big commercial companies net the fish upstream, so fewer fish make it down the river to here.)



**Sohra-Hima explains that there are many kinds of Prahok and Pra-ok :** Here in these two communities, they specialize in a kind of prahok that is made from larger kinds of fish (not the small silver "riel" fish, which they use in the communities on the Phnom Penh side of the river), to make a much richer and more expensive kind called "Pra-Ok", which is much beloved by Cambodia's elite and big-shots. These communities are famous for this high-quality pra-ok, which they don't even have to sell in the market any longer - most of it is made to order for rich customers in the city, or even for middle men who buy their pra-ok and export it to customers in far-away Malaysia!

#### **The making of pra-ok is more delicate and requires more skill than prahok.**

- **Either way, the fish are cleaned and packed** in ceramic crocks and covered with salt, with a lot of technique involved in how to get the taste just right.
- **samples** : Sohra-Hima keeps dashing back to her house nearby and coming back with plates full of samples of some of the different kinds of prahok and pra-ok they make here (many still fermenting in the pots), and as we talk, the strong odor of the stuff wafts around the table!
- **No chemicals - only salt!** Sometimes only use a little bicarbonate of soda around the rim of the crocks to prevent worms getting into the pot.
- **A lot of pride in this skill and traditional wisdom** : The techniques and secrets that go into making this high-quality and delicious prahok and pra-ok are a point of great pride here. You can tell, because the discussion gets livelier and goes into great detail about the preparations, and their rich customers who come all the way to "this dirty slum" every year to order their pra-ok!

**The profits from making prahok and pra-ok :** If it costs 2,000 Riels per kilo to buy the "riel fish" from the fishermen, they can sell the finished prahok for about 11,000 Riels per kilo. (but you have to figure in the cost of salt and materials and all that) The pra-ok made from larger fish can go for 20,000 Riels per kilo here in Cambodia, and even higher abroad. Also, as the prahok season goes on, and stocks dwindle, the market price goes up. So the longer people can hold on to their prahok, the higher the price they can get in the market. In some families, the prahok-making is a real operation and the main source of income for the family. But in other (poorer) houses, the prahok making is much less, and just a side work - partly using the prahok themselves, and selling part.



**The prahok UPDF loan cycle :** The community savings group borrows the money for making prahok once a year (January - February), when the "riel" fish are in season, and then spend 2-4 months making the prahok before selling it. Then they can repay the loans in full the same year, when they

sell the prahok. Families can then use the profits from selling the prahok in May to buy some larger fish and make pra-ok in April-June. Then they can repay the UPDF in August-October. So with one loan, they can actually finance two batches of prahok and pra-ok!

## Upgrading in Kulalom 2 :

*Big improvements in the physical quality of the settlement :*

With support from UPDF, the community has built an 800-meter system of colorfully-paved walkways and drainage lines throughout the community, which experiences bad flooding in the rainy season.

- Also, 33 families took housing improvement loans (22 finished) and almost all these loans are already paid back, ***many months before the loan contract time!***
- Big change in the physical quality of life in the settlement. "Now the children can ride their bicycles all the way through the settlement."
- Now, even during the floods, it is possible to walk all through the community, to almost every house, on these walkways, and the flooding problems are much less.
- Also, some families have started to do small vegetable gardens on open land within the community
- Tree planting has also made the community more shady.
- Their walkway has now been connected with the similarly upgraded walkway in Kulalom (1).



## What has changed in the past 9 years with these prahok loans to the savings group?



**Saman-Srinoh :** (51 years old, one of the poorest in the community. She makes prahok on a small scale, just 200 kilos per year. Lives in this house with her husband and one son.) Before we started our savings group, my house was very bad, with walls made only of dried leaves, but now it's much improved, with tin-sheet siding and a proper stairway up and a new toilet. I made these improvements using a small housing improvement loan from UPDF (\$450), which was part of our upgrading project. Early on, we used the profits from the prahok to buy a second-hand moto, and so now my husband can make more income as a moto-dub driver, and has also bought a pump and some tools to run a small bicycle repair business when he's not doing the moto-dub.

**Yok-Mari :** Before, we used to sell our prahok just here inside the community, from a basket on our heads, on a very small scale. Now we make it in much larger quantities and we sell directly to the buyers and middle-men, who come to us! No need to go around and look for customers! And before, if we couldn't sell it, and if there wasn't interest, we'd have to offer a lower price to get rid of our stock. Now the price is fixed - we don't have to bargain at all!

**Yoha-Tika :** Before, making prahok and pra-ok was just a sideline, but now for many of us, it is a very good full time job, and our family's main source of income. My husband is also a fisherman, and each day, whatever fish he catches and we can't sell, we just clean it and add it to the pot for making pra-ok. So nothing gets wasted, and everything is a potential source of income.

**Sohra-Hima :** The savings group is like a people's bank which belongs to us right here. Before we had to go to the money lender if we needed anything, if we had any emergency. And before, if we

had any troubles, we had to struggle by ourselves. Now in the community, we are all much closer and it is more friendly.

- Our savings group gives small loans of 10,000 - 20,000 Riels only for emergencies and on a short-term basis. Because it is sinful for Muslims to charge interest, we don't charge interest on these loans, but people have to repay in 15 - 30 days.
- We don't give any loans from the savings group for income generation - we use the special district-wide prahok loans from UPDF for that.
- But in our sangkat, we have a welfare program, to which each savings member contributes 100 Riels per day.



**Leh-Sunrah :** Ten years ago, this was such a poor community. In almost all the houses, if there were three children, the family could only afford to send one of them to school. The others would have to stay home. But today, there is not a single child in Kulalom who does not go to school! And now that the environment is so much better and more healthy, and now that we have better incomes, the children are more healthy, and we don't have to hesitate to take them to the clinic when they are sick.

**Sohra-Hima :** If an outsider - or a foreigner! - came here 10 years ago, all the women would be afraid and so shy

that they would run inside the house and hide! But now we can all sit talking like this with so much confidence in what we have done!

**Yok-Mari :** Oh, ten years ago we all looked so thin and ugly and dirty here, you can't imagine! But now look at us, all of us are so healthy and smart and clean, and we have good clothes to wear!

**Sohra-Hima :** The prahok loans are very good for us. If we can make more money and increase our incomes, we can make a better life for our families. We are all very proud, very excited, and we have a warm feeling about our group.

- **Like a second mother :** For us, the community savings group is like a second mother - a mother who can take care of all of us.
- **And we all know that whatever problem the community can't solve by ourselves,** we have our friends in the sangkat to help us, and we have the UPDF to help us, and we have the community savings network to help us solve together.
- **Before, we were all afraid of saving!** We had the habit of blaming others for our problems. But now we are in control. I'm not afraid to go fight with the local authority now!

