

Pooling in prosperity:

Plagued by inflation and stagnating incomes, it has become difficult making ends meet over the years for Jan Muhammad, a farmer in the village of Mari Muhammad Khan in Matiari district. "All the money would be spent by the end of the month. I used to save sometimes in previous years but now I was going into debt." In these times of rampant inflation, inability to save makes asset purchases almost impossible. Usurious loans are undertaken in absence of savings, which exacerbate poverty.

Like many in his community, Jan Muhammad has never had formal schooling. Financial literacy is beyond his grasp. "I didn't know where the money went at the end of the month. All I knew was that it had all been spent and I had to take further loans from the local shops."

OSDI has launched a village committee fund for the community of Mari Muhammad Khan as part of its financial literacy program. *"I first got to know of the committee at the (financial literacy) training. I felt very lucky when I was the first to get the money from the committee. I was so happy!"* Of the 92 people present there 52 immediately signed up for the weekly committee in which all beneficiaries pool in funds and one beneficiary gets a lump sum payment of Rs 10,600 after balloting.

The money Jan Muhammad got from the committee was used to buy a buffalo which he intends to sell for a profit at a future date. Jan Muhammad seems boastful of his newly acquired buffalo that's grazing in the pasture. For many livestock farmers like him, buffaloes are prized assets that serve as a valuable source of income. Despite the obvious benefits of owning livestock, many like him cannot afford to buy new farm animals because they simply don't have the money for it.

The committee fund in the village of Mari Muhammad Khan shows how even small financial instruments can make a huge difference in the community.