

# Turning the Tide: Enabling Poverty Reduction

## Prelude

It is rare to find a woman shoulder the responsibility of farming. It is usually the male counterpart who takes up the farm responsibility, but it is not so in the life of Kamatchi. She owns around 4.5 acres of rainfed land, and lives with her husband and their two sons in Sengapadai village of Madurai district, Tamil Nadu. As Kamatchi says, “He (her husband) never has once stepped on the land for farming.” She has to run the family all alone with the income she earns from the farm and from the income she earns as a coolie. Further, vagaries of monsoon and lack of effective coping mechanism, farming itself is losing its lustre as a viable livelihood option for many in this area. Adding to this, lack of suitable financial services pushes resource-poor farmers like Kamatchi into the depths of poverty.



She says, “... one has to walk four to five times to their house (the well-offs and moneylenders) to get a loan for urgent needs. They didn’t trust us for we are from Kallar community, and even if one could get a loan, it was at the exorbitant rate of 5 to 10%.” She was unable to enterprise herself due to such lack of support and an enabling environment.

## A Ray of Hope

It was during this time that Kamatchi joined the Kalliamman Uzhavar khulu (or rainfed farmers’ groups) promoted by DHAN Foundation in that area. With a bit of hope in her heart, she plunged ahead, and the group helped her all along the way. The group, thus formed, proved to be a safe platform to save, to access timely credit services. This helped her meet various household needs and supported her in farming activities.

## An Array of Achievements

As of today, she has a total savings of Rs.5600 in the group, and had availed a total loan amount of Rs.70191 from her group, with the current loan outstanding of Rs.21360. “In earlier days, none of the banks cared us of our credit needs. Now, the bankers themselves invite us to take loan from their bank, for they know our group’s credibility and discipline, and trust us,” says Kamatchi. And these loans were used for a variety of purposes like to purchase goats and a milch animal. She also got a loan of Rs.15000 to purchase an acre of rainfed land and to purchase an oil engine to pump water. She has recently taken a loan of Rs.12000 to construct a farm house in her land. Apart from this she has taken a variety of loans for various consumption needs like medical expenses, marriage expenses, outside debt redemption and household expenses. Further, time and time again, she had also taken loans for working capital requirement of her farm activities.

As part of the watershed project, an amount of Rs.54146 was invested in her land for the construction of farm ponds and to plant dryland horticulture crops in 0.75 acres of her land. The farm pond harvests around 14.4 lakhs litres of rainwater, and with that, she cultivates around 1 acres of paddy, and gets an yield of 1400 kg of paddy that is used for household consumption.

In the past five and half-years, Kamatchi found that little spark in herself, and with the support from the group, she had made major changes in her life and livelihood. The various intervention activities resulted in the following outcomes in the lives and livelihood of Kamatchi and her family.

- Increased income
  - Brought more area under cultivation
  - Brought more area under irrigation
- Reduced vulnerabilities and risks
  - Increased land holding size
  - Increased food security by increased paddy cultivation
  - Crop diversification with cultivation of dryland horticulture crops
  - Reduced vulnerabilities to risks–insured in human life insurance programme, and also insured goats
  - Reduced dependency on money lenders and increased access to mainstream financial institutions
- Increased fixed asset holdings, and asset value appreciation
  - Conversion of rainfed to irrigated land
  - Purchase of land
  - Invested in farm assets like oil engine
  - Purchase of livestock–goat rearing and milch animal purchase

## Beacon of Hope

Thus, DHAN Foundation and the group promoted by DHAN, had increased Kamatchi’s access to institutional credit facilities, and reduced dependency on money-lenders. There has been an increased level of awareness and social respect that she had gained. She speaks to bankers to get loan for her group; “Now the bankers, themselves, approach us; we have shown our trustworthiness,” she says.

With the additional income from the farm, she had further invested in purchasing a pair of cattle, and a bullock cart; she is also planning to complete her little farm house. This shows a positive trend in moving towards a farming-based livelihood options, which was once a not so dependable source of income. She has gained confidence to face the future.

Through the support rendered by DHAN Foundation, and with the confidence in her heart, Kamatchi proved it could be done–to come out of poverty with a sustainable source of income. She is now a beacon of hope, and a source of inspiration, for her own villagers and the community at large.