

Impact Of Microloans on Poverty Alleviation Through Samurdhi Program: (Special Reference To Dankotuwa Divisional Secretariat in Puttalam District)

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Abstract

Introduction: Microloan is a significant financial service in the rural economy. It is a powerful tool to enhance the well-being of poor people and societies. Foremost in Sri Lanka, microloans are supplied under Samurdhi program as a major form of social mobilization. The study aims to determine the Impact of Microloans on Poverty Alleviation through the Samurdhi Program of the Samurdhi Beneficiaries in the Dankotuwa Divisional Secretariat in Puttalam District.

Methodology: In this study, the dependent variable is poverty alleviation, while the independent variables are loan size and repayment period. A sample of Three hundred and fifty-five Samurdhi beneficiaries Dankotuwa Division are given a questionnaire to collect data and Multicollinearity, validity, reliability, normality, correlation analysis, and multiple linear regression analysis techniques are employed to analyze the data using SPSS.

Findings: According to the results, no multicollinearity among independent variables is found and loan size and repayment period have a positive relationship with poverty alleviation. Both independent variables (loan size and repayment period) have a statistically significant positive impact on the dependent variable (poverty alleviation). Further, the results revealed that there is a significant impact of microloans on poverty alleviation through the Samurdhi program.

Conclusion: It can be concluded that microloans through the Samurdhi program are more effective for reducing poverty in the Dankotuwa divisional secretariat in the Puttalam district. Based on the findings of this study, the government can design poverty alleviation programs to target the poor people who live in rural areas.

Key words – Micro loans; Poverty Alleviation; Samurdhi Program