

2.7 Impact of the Micro Finance on Poverty Alleviation in Sri Lanka : Special Reference to Sammurdhi Programme

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ABSTRAT

Poverty is the state of being without associated with need hardship and lack of resources across a wide range of circumstances. There are three sector of poverty in Sri Lanka. Which are rural, urban and plantation. The history of poverty alleviation programmes go back to the post liberalization period. But Sammurdhi programme is one of the national programme for poverty alleviation which began its operations in August 1994. It is the largest government sponsored micro finance programme in Sri Lanka. Micro finance refers to the provision of small- scale financial services, which included savings, credit and other financial services such as insurance.

Main objective of this paper analyses the impact of micro finance on alleviating poverty in Sri Lanka with objective assess the impact of sammurdhi saving and credit programme for the upliftment of living condition of poor by income, production and welfare as well as programme outreach in providing those social benefits to its clients. Based on the information collected from five Sammurdhi bank and 20 sammurdhi holders were randomly selected from Kegalle District in Sri Lanka. Secondary data collected from various sources such as books, internet, journals and reports.

The followings are the finding of the survey. Sammurdhi credit scheme seems to assist people mainly in sustaining their current survives, the majority of the clients have graduated to higher loans for the development of their projects, some additional employment opportunities have been created by the credit scheme, some youth have been attractive to the scheme, the saving habit developed by the bank, the impact of the programme for the improvement of the living condition, higher women participation has a link with the living stand of the households.

In other hand those promoting factors, the field has found some measures that should be improved for better outreach of the programme. The bank has clearly had a significant outreach in rural areas than sub-urban areas, nevertheless the member ability to cope with uncertainty is questionable as some of them still depend on moneylenders for emergency situation, and poor management skills.

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