

SAMURDHI CREDIT PROGRAMME, POVERTY REDUCTION AND EMPOWERING WOMEN IN SRI LANKA

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Introduction

Like in other Asian countries, Sri Lanka also has a severe problem of poverty. After several decades of developments efforts, poverty remains as a major problem in Sri Lanka. According to the 'Poverty indicators - 2011' the report of Department of Census and Statistic, estate sector poverty is 11.4% and the rural sector 9.4% and urban poverty is 5.3% reported in 2009/10. In order to State Sector has adopted number of Policies and Strategies to reduce regional disparities especially reduce rural poverty. The new regime, in 1995, initiated a new poverty alleviation programme, *Samurdhi*. In order to alleviate poverty, the government of Sri Lanka spends around Rs. 10 billion annually for the Samurdhiprogramme. Samurdhiprogramme has three main components, consumption grant transfer (Food Stamp), saving and credit programme and rehabilitation and development of community infrastructure through workfare and social development programmes. Samurdhi Credit Programme is a major component of the reduction of rural

poverty and it gives a special focus on poor rural women.

Research Problem

By considering the above all facts, it is clear that poverty in rural sector is predominant is compared other two sectors. Furthermore, existing social status of women in rural sector is a key element for preventing poverty incident. Considering to the poverty reduction programmes in Sri Lanka Samurdhi credit programme has been playing vital role for reduction of rural poverty. Through this credit programme, samurdhi bank issues loan facilities for their members. Most of the credit borrowers can be identified as females. In this Background research problem of the study was formulated as follows; Samurdhi Credit Programme's successfulness strategy for empowering poor women in Sri Lanka?

Research Objective

According to above background, this study was conducted with a view of analysing the role of poverty alleviation programme (Samurdhi Credit

Component) in empowering poor women in Sri Lanka.

Research Methodology

The study was implemented in Mihintale Divisional Secretariat Divisions (DSDs) of Anuradhapura District in North Central Province of Sri Lanka. Two Samurdhi Zones and 25 Grama Niladari Divisions (GNDs) are included in the Mihintale. One GND was selected purposely one Samurdhi Zone. Samurdhi beneficiaries in 564 – Pothana GN Division in Mihintale DSDs were selected as the sample frame of this study. 50 Samurdhi creditors and 50 non creditors were selected randomly from GN division as a sample. Quantitative Methodology and Survey Method were used as a research methodology and method. A questionnaire was prepared to obtain information from both creditors and non-creditors.

Results and discussion

Samurdhi credit programme is mostly focused in obtaining credit for develop to income generating activities. Especially, enhanced to self-employment is major aim of this credit programme. As a result of 73.8% of the creditors applied loans to start micro enterprises. But some creditors (11.5%) have already started micro enterprises, therefore they used credit for improvement their enterprises. In addition, 14.7% of the creditors have requested loans for animal husbandry.

According to the primary data, creditors have applied loans for investment purposes. Especially, they utilized their credits to start the income earning activities. 61% of the borrowers have invested the total credit

on that requested purpose. However, 6% of the creditors could be identified as partial investment. Of the total creditors 33% of them have not invested money on the requested purpose. They have used it for consumption, urgent situations, and family occasions.

When consider the credit utilization within the family, the money has been used wife, husband and their children (over 18 years). Primary data revealed that 68.3% of the credit has been controlled and utilized by wife and 17.2% of them have taken loans and given it to the husband. 14.5% of the credit utilized and controlled by children over 18 years for their enterprises

According to this background, micro credit has supported to break the vicious cycle of poverty. Thus, provision of credit enables to break the vicious cycle of poverty through enhancing investment capabilities that finally enhance the household income.

Conclusion

The study was conducted in order to how Samurdhi credit programme is contributed to poverty reduction and empowering poor women in selected area. The study was revealed that the samurdhi credit programme play a major role in empowering women in Sri Lanka. Specially, the evidence suggests that access to credit for poor women has increased income in their families. Such programs mainly focused on the level of participation in household decision making, their level of access and control over family resources, their level of self-confidence, level of participation

community-based organizations, and leadership development. Hence, women capacity in managing their household activities as well as other societal obligations has enhanced through these programs. Finally, it can be concluded that access to credit from the programme gave many women the opportunity to improve their social status within their family, society and build self-confidence in participation community development activities.

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