

THE IMPACT OF MICROLOAN FACILITIES ON POVERTY ALLEVIATION WITH SPECIAL REFERENCE TO KOTAWELLA SANASA PRIMARY SOCIETY IN KEGALLE DISTRICT

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Micro finance has been highlighted as a critical turning point in any emerging country, and micro loan is the most powerful micro-financial tools for economic development. As a result, microfinance institutions employ the microloan facility to alleviate poverty among poor individuals and to assist Small and Medium Enterprises in overcoming financial challenges. The SANASA Society is a well-known financial institution in Sri Lanka that gives microloans to over 8000 primary societies in order to alleviate poverty. Hence, the primary goal of this study was “To identify impact of microloan facilities on poverty alleviation among customers in Sri Lanka’s Sanasa Primary Society”. The study followed the positivism philosophy and identified three independent variables, such as loan interest rate, ease of getting a loan, and level of awareness, after analyzing existing literature. Moreover, the study was conducted in a deductive way by using survey and quantitative research techniques. Further, the study sample size included 54 Samurdhi recipients who joined the SANASA primary society to take out micro loans and fall below the poverty line, chosen from a population of 122 using a simple random sampling procedure. The study findings revealed that an affordable microloan interest rate, the ease of getting a loan, and the awareness level of microfinance positively influenced poverty alleviation and an affordable or fair interest rate was identified as the most influential factor in poverty reduction. Hence, it was suggested that SANASA Primary Society charge a reasonable and affordable interest rate, simplify the loan application process from filling to approval, improve employee supportive behavior through an employee training program, and conduct a customer awareness program to alleviate poverty by providing microloans to individuals.

Keywords: Awareness, Easiness of getting loan, Interest rate, Micro Finance, Micro Loans

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