

Impact of Samurdhi Program on Poverty Alleviation: An Empirical Investigation of Samurdhi Beneficiaries in Kopay DS Division in Jaffna district

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Abstract

The aim of this study is to investigate the impact of Samurdhi Program on poverty alleviation in Kopay DS Division. Two hundred questionnaires were issued to the Samurdhi beneficiaries of Kopay DS division, in Jaffna district, Sri Lanka Such as Kopay north (J/262), Irupalai South (J/257), Urelu (J/267) and Urumpirai south (J/265) divisions. Urelu (J/267) and Urumpirai south (J/265) divisions. Out of which, 177 questionnaires only could be collected. Hence, 177 Samurdhi beneficiary families were incorporated as samples. Correlation analysis and multiple linear regression analysis were used to analyze the data and examine the hypotheses by using the SPSS. The adjusted R^2 0.250 for the model implies that approximately 25% of the total variance in poverty alleviation can be determined by all dimensions of Samurdhi program as the independent variable in this model. Further, the model reveals that the remaining 75% of variability was not explained in this model. In this study the findings revealed that there is a significant impact of Samurdhi program on poverty alleviation. Microcredit has a positive and significant impact on poverty alleviation. Livelihood activity has an insignificant impact on poverty alleviation. Welfare has a positive and significant impact on poverty alleviation. Based on the findings the researcher can conclude that Microcredit and welfare activity is effectively worked, and livelihood activity needs to improve itself.

Keywords: Income level, Livelihood activity, Micro credit, Poverty alleviation, Samurdhi Program, Welfare activity

Introduction

Poverty is a complex and multidimensional social phenomenon. It is widespread and includes a broad, worldwide population, from children to the elderly, and not excluding ethnic minorities. Poverty has been one of the biggest and most challenging problems and obstacles to human development, not only for under-developed or developing countries, but also for wealthier economies, the developed world. Hence, fighting poverty has become a global theme. According to Kesavarajah (2011) poverty is the lack of basic human needs, such as clean water, nutrition, health care, education, clothing and shelter, due to the inability to afford them, so poverty is a major threat to the world.

The year 2017 was declared as the year of poverty alleviation in Sri Lanka through the promotion of inclusive growth in keeping with the sustainable development goals of the United Nations. The Department of Samurdhi Development launched a people empowerment program last year

targeting to empower 125,000 families selecting nine families from each Grama Niladhari division to achieve the target of no poverty by 2030. Estimates reveal that around 6 percent of the population in the country yet live below the poverty line of earning less than one US\$ a day. Statistics also reveal that nearly half of the world's population lives on less than \$2.50 a day while over 1.3 billion live in extreme poverty living on less than \$1.25 a day.

Microfinance is one of the widely accepted instruments or poverty alleviation throughout the world. It has been used in Sri Lanka spanning for over several decades [Ganga *et al.*, 2005]. The Micro Finance Institutions (MFIs) empowering the poor people because they are providing financial and non-financial services to enhance their living standard by providing the facilities for poverty alleviation, health nutrition, education and self-employment opportunities and helping to get capital and independent income and contribute economically to their family and society [Yogendrarajah, 2014]. In her study, she