

**DOES MICROFINANCE REALLY ALLEVIATE POVERTY IN  
KALMUNAI AREA?**



**NADARAJA RISHANTH**



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**DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE AND MANAGEMENT  
EASTERN UNIVERSITY, SRI LANKA**

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## **Abstract**

Microfinance is one of the solutions for poverty. It was started in Bangladesh among small women group and succeeded. The empirical literatures were formed different arguments that micro finance alleviate poverty in one side and another side is not alleviating poverty. Hence, this research mainly focuses on whether microfinance really alleviate poverty or not in Kalmunai area.

Five variables have been considered the poverty indicators such as income, employment, household saving, housing condition and human capital investment. The state of microfinance has been considered by indicators of micro credit, micro saving and micro insurance.

To achieve the research objectives, there are 100 microfinance beneficiaries of Microfinance institutions in Kalmunai area taken as respondents for this study. Data were collected through closed structure questionnaire. And mainly univariate and bivariate techniques were used to analyze to find the result of the objective.

The main finding of the study is low level of satisfaction of microfinance among the beneficiaries, and further the study found that low level of satisfaction of poverty indicators among the beneficiaries. Also, another finding revealed strong positive relationship between microfinance and poverty indicators. The microfinance has the low level satisfaction that leads to low level of satisfaction in income among the beneficiaries. Hence, through income beneficiaries' poverty does not alleviate in the Kalmunai. The same way other poverty indicators variables also correlation with microfinance and the beneficiaries' poverty alleviation. In future, increase in satisfaction level of microfinance will lead to satisfaction level of poverty indicators. Hence, it will lead to poverty alleviation of microfinance.

**Keywords: Microfinance, Poverty, Income, Employment, Household saving, Housing condition, Human capital investment.**

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