

**A STUDY ON THE EFFECTIVENESS OF MICRO LOAN
SCHEME IMPROVING THE STANDARD OF LIVING OF THE
BENEFICIARIES IN THE MUTHUR D.S DIVISION.**

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Abstract

Micro loan is now playing a vital role in improving the standard of living in developing countries like Sri Lanka. This study is focusing the research problem "Whether the micro loan is effective in improving the standard of living of the beneficiaries in the Muthur D.S division. According to this problem the main research questions are identified as What is the level of improvement in income, shelter development, child education development, sanitation facility development. The objective of the study is to identify what is the level of improvements in the standard of living of the beneficiaries of micro loan scheme? The Muthur in Trincomalee district was the selected area for this study.

Primary and secondary data were used in this study. Primary data were collected from questionnaire and interview with related micro loan beneficiaries. 100 respondents were selected as a sample and questionnaires were issued to them to collect the data. Collected data was analyzed by Univariate analysis using SPSS 11.0

The findings show that, the income improvement, child education improvement, sanitation facility development, and safe water facility development have got high level of satisfaction through the micro loans opportunities. Shelter development has got moderate level improvement. Overall, the micro loan scheme is highly influencing on the standard of living of beneficiaries in the Muthur Division.

Although the result shows that the available micro loan scheme is effective, Still the rural people deprive in income generation activities and education as well as health. So the availability of micro loan should be increased and focused on important needs. It is also important that Micro loan scheme should ensure the management to maintain the sustainable quality of lives in long term in Muthur division.

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