



**WHAT ARE THE CHALLENGES FACED
BY
YOUNG ENTREPRENEURS
IN SRI LANKA**

**SYNDICATE -16
INTAKE 37**

**FACULTY OF DEFENCE AND
STRATEGIC STUDIES**

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DEFENCE UNIVERSITY**

2021

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COVER SHEET

1. **TOPIC- WHAT ARE THE CHALLENGES FACED BY YOUNG ENTREPRENEURS IN SRI LANKA.**
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3. **MILITARY DS – Lt LRM SARACHCHANDRA**
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9	5932	L/O/C	MG	JAYATHILINI	MBBS
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DECLARATION

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DEDICATION

We dedicate this dissertation to our family, friends, officers, instructors, and all those who supported us encouraged us, and provided insight throughout this study project. We also pay special gratitude to our loving parents without whom we would not be here today. We appreciate all the troop commanders, squadron commanders, and all other military officers who were always behind us, guiding us on the right path forward and encouraging and showing us that anything is possible with hard work and integrity.

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AIM

The aim of this presentation is to provide awareness and sufficient education on challenges faced by young entrepreneurs in Sri Lanka.

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CHAPTER 1

INTRODUCTION

1. Entrepreneurship is the symbol of business tenacity and achievement; it is a vital source of change in all facets of society. Entrepreneurs, with their inherent intelligence, drive, and hard work, have made the best use of the opportunities available to them. They have historically altered the direction of national economies, industries, or markets. They have invented new products, developed organizations, and pioneered outbursts in new technologies. They have forced the relocation of resources away from existing users to new and more productive users. Many entrepreneurial innovations have transformed the society, in which we live and enjoy the outcomes.

2. With the advent and swift developments in the field of technology and the forces of globalization, the world has become a global village, characterized by explosive growth in international business and competition. Being a part of the global economy is posing innumerable and substantial challenges for organizations and industries throughout the world. On the one hand, to survive, keep pace with the speed of advancements and lead in the challenging world is hard, at the same time, this opens up various new and unexplored doors of opportunities. Entrepreneurship, which is one the most powerful economic force known to humankind, is empowering individuals to seek opportunities where others find intractable problems.

3. When considering Sri Lankans, we have been facing many difficulties with high youth unemployment for four decades, the interest in entrepreneurship among the youth remains low, and they have negative attitudes towards starting their ventures or being business owners. Studies have consistently found that Sri Lankans, in general, are not favorable towards business as an occupation: the first national survey of public perceptions of business found that the majority of people believed that businesses exploited customers and destroyed cultural values. These perceptions influence potential young entrepreneurs, as their entrepreneurial intentions are significantly affected by their families and friends.

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4. The Sri Lankan education system does not promote or encourage entrepreneurship either. A new Entrepreneurial Studies course was introduced into the school curriculum in 2007 to address this need, but it has not yet yielded results. While many public, non-profit and private youth entrepreneurship training programmes are available in the country, they are primarily targeted towards necessity-driven low- and middle-income rural youth to start micro or small enterprises, and not the opportunity-driven entrepreneurs who are more likely to start technology ventures. This is partly due to how entrepreneurship in Sri Lanka is generally associated with self-employment or owning a small business, which does not encompass the dynamic concept of entrepreneurship as a driver of innovation and value creation. Even for those who are interested, starting a business in Sri Lanka is not easy: the country ranks 104 out of 189 economies for the ease of starting a business under the World Bank Ease of Doing Business ranking, which is slightly below the regional average for South Asia. It also has the highest cost associated with starting a business in the region (20.7% of income per capita). In the Sri Lanka Youth Entrepreneurship Roadmap (2004), ILO has identified three main disabling economic factors for potential youth entrepreneurs in Sri Lanka: lack of access to finance, lack of access to business support, and the outdated policy and regulatory environment. Most young entrepreneurs lack the collateral required for obtaining bank financing, and the Sri Lankan culture assigns great value to being debt-free, which discourages them from seeking loans. Until the launch of Lanka Angel Network (LAN) in 2012, Sri Lanka did not have a network of angel investors or seed funds that can help launch technology ventures. Unlike established and emerging technology hubs in the US, Europe, and Southeast Asia, there are no startup accelerators or business incubators, which can guide and help technology businesses grow. All previous attempts at creating sustainable business incubators in Sri Lanka have failed, due to a lack of proper programming and government support.

5. Despite the numerous negative socio-cultural and economic factors, Sri Lanka still has youth who are interested in entrepreneurship. About 30 percent of youth consider self-employment their ideal job, and 45 percent would consider business as a career option. While only a few of them eventually go on to start their businesses, it is from them that young technology entrepreneurs, like our own team, will emerge. We have to understand that no government can make overnight changes to fix them. But it will take a concerted effort from both public and private sectors to come up with long-

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term strategies that encourage youth entrepreneurship and drive technology innovation in the country.

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CHAPTER 2

METHODOLOGY

6. The philosophy of the study is Constructionism and Critical realism as this study is explained on a qualitative basis. Constructionism thus emphasizes how people construct knowledge; it studies the accounts people give of issues and topics and how people get to these accounts. Constructionists are particularly interested in how people's views of the world result from interactions with others and the context in which they take place. The research methods of constructionist researchers are often qualitative in nature. Critical realism is a combination of the belief in an external reality (an objective truth) with the rejection of the claim that this external reality can be objectively measured; observations (especially observations on phenomena that we cannot observe and measure directly, such as Satisfaction, motivation, culture) will always be subject to interpretation. The critical realist is thus critical of our Ability to understand the world with certainty. The research strategy is Ethnography because data for this study will be collected via interviews, focus groups and analyzing well known researcher's research articles, bank reports and other related articles. Ethnography is a research strategy that has its roots in anthropology. It is a strategy in which the researcher "closely observes, records, and engages in the daily life of another culture and then writes accounts of this culture, emphasizing descriptive detail". Ethnography involves immersion in the particular culture of the social group that is being studied (such as, for instance, bankers in the City of London), 98 research methods for business observing behavior, listening to what is said in conversations, and asking questions. It thus aims to generate an understanding of the culture and behavior of a social group from an "insider's point of view." As above mention research choice is a qualitative approach. The time horizon is Cross-sectional because the researchers have selected a sample and primary data will be collected and presented.

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7. The target population for this study is young entrepreneurs in Sri Lanka. There are two major types of sampling design and they are probability and non-probability sampling. Non-probability sampling are used for sampling design. Sampling method is Purposive sampling method .Under Purposive sampling method there are main two sub type of sampling methods. Sub sampling method are Judgment sampling and Quota sampling. Judgment sampling are used for this syndicate. Judgment sampling involves the choice of subjects who are most advantageously placed or in the best position to provide the information required.

8. The main data collection methods are Interviews and Observation. Qualitative primary data is going to be collected using in-depth interviews and the focus group discussions. secondary sources of data there are various forms which can easily identified like statistical bulletins, government publications, published or unpublished information available from either within or outside the organization, company websites, and the Internet.

CHAPTER 3

DEFINITION AND TYPES OF ENTREPRENEURSHIPS

CONCEPT OF ENTREPRENEURSHIP

9. Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.

10. In economics, entrepreneurship connected with land, labor, natural resources, and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace.

MEANING OF ENTREPRENEUR

11. The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with the risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. Entrepreneurs are often known as a source of new ideas or innovators and bring new ideas to the market by replacing old with new inventions.

12. It can be classified into small or home businesses to multinational companies. In economics, the profits that an entrepreneur makes are with a combination of land, natural resources, labor, and capital.

13. In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an entrepreneur.

CHARACTERISTICS OF ENTREPRENEURSHIP

14. Not all entrepreneurs are successful; there are definite characteristics that make entrepreneurship successful. A few of them are mentioned below:

a. **Ability to take a risk.**

Starting any new venture involves a considerable amount of failure risk. Therefore, an entrepreneur needs to be courageous and able to evaluate and take risks, which is an essential part of being an entrepreneur.

b. **Innovation.**

It should be highly innovative to generate new ideas, start a company and earn profits out of it. Change can be the launching of a new product that is new to the market or a process that does the same thing but more efficiently and economically.

c. **Visionary and Leadership quality.**

To be successful, the entrepreneur should have a clear vision of his new venture. However, to turn the idea into reality, a lot of resources and employees are required. Here, leadership quality is paramount because leaders impart and guide their employees towards the right path of success.

d. **Open-Minded.**

In a business, every circumstance can be an opportunity and used for the benefit of a company. For example, Paytm recognized the gravity of demonetization and acknowledged the need for online transactions would be more, so it utilized the situation and expanded massively during this time.

e. **Flexible.**

An entrepreneur should be flexible and open to change according to the situation. To be on the top, a businessperson should be equipped to embrace change in a product and service, as and when needed.

f. **Know your Product.** A company owner should know the product offerings and also be aware of the latest trend in the market. It is essential to know if the available product or service meets the demands of the current market, or whether it is time to tweak it a little. Being able to be accountable and then alter as needed is a vital part of entrepreneurship.

IMPORTANCE OF ENTREPRENEURSHIP

a. **Creation of Employment.**

Entrepreneurship generates employment. It provides an entry-level job, required for gaining experience and training for unskilled workers.

b. **Innovation.**

It is the hub of innovation that provides new product ventures, market, technology and quality of goods, etc., and increase the standard of living of people.

c. **Impact on Society and Community Development.**

A society becomes greater if the employment base is large and diversified. It brings about changes in society and promotes facilities like higher expenditure on education, better sanitation, fewer slums, a higher level of homeownership. Therefore, entrepreneurship assists the organization towards a more stable and high quality of community life.

d. **Increase Standard of Living.**

Entrepreneurship helps to improve the standard of living of a person by increasing income. The standard of living means, increase in the consumption of various goods and services by a household for a particular period.

e. **Supports research and development.**

New products and services need to be researched and tested before launching in the market. Therefore, an entrepreneur also dispenses finance for research and development with research institutions and universities. This promotes research, general construction, and development in the economy.

TYPES OF ENTREPRENEURSHIPS

SMALL BUSINESS ENTREPRENEURSHIP

15. These businesses are a hairdresser, grocery store, travel agent, consultant, carpenter, plumber, electrician, etc. These people run or own their own business and hire family members or local employees. For them, the profit would be able to feed their family and not making 100 million business or taking over an industry. They fund their business by taking small business loans or loans from friends and family.

SCALABLE STARTUP ENTREPRENEURSHIP.

16. This start-up entrepreneur starts a business knowing that their vision can change the world. They attract investors who think and encourage people who think out of the box. The research focuses on scalable business and experimental models, so, they hire the best and the brightest employees. They require more venture capital to fuel and back their project or business.

LARGE COMPANY ENTREPRENEURSHIP.

17. These huge companies have defined life-cycle. Most of these companies grow and sustain by offering new and innovative products that revolve around their main products. The change in technology, customer preferences, new competition, etc., build pressure for large companies to create an innovative product and sell it to the new set

of customers in the new market. To cope with the rapid technological changes, the existing organizations either buy innovation enterprises or attempt to construct the product internally.

SOCIAL ENTREPRENEURSHIP.

18. This type of entrepreneurship focuses on producing products and services that resolve social needs and problems. Their only motto and goal is to work for society and not make any profits

CHAPTER 4

THE ROLE OF YOUNG ENTREPRENEURS IN SRI LANKA

SOCIO-DEMOGRAPHIC AND HISTORICAL BACKGROUND OF EMERGENCE OF ENTREPRENEURS IN SRI LANKA.

19. In 1990s after the independence, Sri Lanka had a population of about 6.5 million. The rate of population growth averaged about 2.6% annually until 1970 and declined steadily to below 1% at the turn of 21st century then reached more than 21 million. The population is young focusing about one fourth of the population is under age of 15, and nearly half of the population is under the age of 30. Life expectancy is 81 years for women and 74 years for men. The economy of Sri Lanka evolved under the British constitutions. The main economic component was a plantation, agriculture, and traditional sector comprising subsistence agriculture. After the Independence, development policy focused on two themes.

- a. Equity through social welfare.
- b. Substitution of imports with local products.

20. Principal measures were taken under the consideration of equity as to rely a government price subsidy on food, statutory price controls on consumer goods, and provision of free education and free health service. Stimulating local production to cater to an increasing share of domestic consumption and imposing diverse restrictions on imports were the main elements of import substitution policy. Above pursuance was needed to uplift the government interventions towards the economy. The pursued social welfare policies achieved great success in lowering the mortality rate in accordance to increasing the life expectancy and the literacy level was seldom matched by other developing countries. As experts predicts that the success of import substitution policies was less tangible. Most often the products were mismanaged by state control or either failed to achieve the acceptable standards of product quality and remain commercially viable. After the late 1970s new policies were designed to accelerate the economic growth by aiming liberate the economy from excessive government controls stimulating the private investments and open up the export--oriented economic

activities. This policy was succeeded initially. It was enhanced by a level of foreign aids and investments. The economy become buoyant, recording a growth rate of 6% per annum. However now, there was a marked declaration of the growth of economy caused mainly by the ethnic disruptive effects and the current pandemic situation prevails in the country. (Encyclopaedia Britannica)

YOUNG ENTREPRENEUR'S CONTRIBUTION IN SRI LANKA

21. Entrepreneurship is a key driver for any economy. The entrepreneurship ecosystem in Sri Lanka has seen promising developments during the last few years in particular. Numerous researchers have certified that entrepreneur's ability to thrust nations forward by creating new wealth, jobs and being an incubator of innovation. Sri Lanka has a very low participation in enterprises in the market to an average numbering less than 1.5% of the population. According to the Sri Lankan Statistics department the current economically active people in Sri Lanka are 8.4 Million by that.64.7% are males and remaining 35.3% are women (Sri Lanka - Demographic trends, 2021). Compared to the neighbouring countries in the Asian region this number is very low. If Sri Lanka purposely is to move forward with an export-oriented development agenda, grow the economy to compete at a global state, then it is a definite requirement to focus on encouraging entrepreneurship.

ROLE OF ENTREPRENEURS IN GROWTH OF ECONOMY

22. Economic development essentially needs an upward process of change whereby the real perception income of the country increases over some time. The technical process alone could not lead to an economic development. Enterprises are the catalysts in the process of industrialization and economic growth. Entrepreneurs creates organizations that offer employment to millions of people perhaps they convert resources into useful products and services. They create goods and services to improve the living standards of people in the country, impact entrepreneurs are creators of wealth. They could initiate and sustain the process of economic development in the following ways.

a. **CAPITAL FORMATION.**

Investment of Public savings in the industry is a productive utilization of the national resources.

b. **PER CAPITA INCOME.**

Entrepreneurs target to locate and exploit opportunities. They could be able to convert the latent resources such as land, labour and capital into a national income and wealth in the form of goods and services. Resulting in an increment of the net national production rate then the per capita income in the country.

c. **GENERATION OF EMPLOYMENT.**

Entrepreneurs generate employment both directly and indirectly. Self-employment as an entrepreneur offers an independent and honourable life. Indirectly large- and small-scale business offers a solution setting for unemployment.

d. **BALANCED REGIONAL DEVELOPMENT.**

Public and private sector industries could be able to support in removing regional disparities in economic development. Set up of industries in backward areas avails various concessions and subsidies offered by the government.

e. **IMPROVEMENT IN LIVING STANDARDS.**

The investors reduce the gap of scarcity of essential commodities by introducing new products to the market. It improves the quality of life.

f. **ECONOMIC INDEPENDENCE.**

They could play a major role in lowering the cost of living by introducing variety indigenous substitutes of consumer products. Entrepreneurs should be

participated in national self-reliance, therefore, reducing the dependence of foreign countries.

g. **BACKWARD AND FORWARD LINKAGES.**

As an example, establishment of a steel plant expands the demand for iron ore, coal, industries. These are backward linkages. By the higher supply of the steel, it can be contributed to machine building, tube making, or any other machinery works.

ROLE OF ENTREPRENEURS IN GROWTH OF COMMUNITY

23. In Sri Lanka it is a developing country Entrepreneurs could be able to play a major role in developing and promoting the community aspects as the activities directly influence the standard of living. Entrepreneurial initiatives could be able to shift the national system of education to suggestive skill development levels. Thereby contributes to the process of employments. Young Entrepreneurs could encourage and channelize the youth vigour and direct them same towards the prosper. Some cases can be seen in the history of Sri Lanka that the youth power had been misdirected. If the youth are oriented in the entrepreneur activities at the right time, nation will be immensely beneficial with their consistent energy in the development process. Thus it is the youth who should be encouraged within every society towards the development traits.

WHY THE YOUNG ENTREPRENEUR IS SUCCESSFUL?

24. Young people are successful because they devote a lot of time and energy to their work. They have not yet reached the stage where they have to take full responsibility for the bill, profession, house, family, etc.

ADVANTAGES OF YOUNG ENTREPRENEUR

25. Young entrepreneurs can easily adapt to any type of environment, age and culture. Young entrepreneurs are more energetic, motivated, enthusiastic and creative. The younger the age, the stronger the risk tolerance. Young people are also more

resilient and rarely give up before achieving their goals.

DISADVANTAGES OF YOUNG ENTREPRENEUR

26. The downside of becoming a young entrepreneur is that young people usually don't insist because they don't always maintain the same performance but fluctuate. They don't pay much attention to what's very important. Young people are easily fooled by the lack of mature thinking and understanding.

EXAMPLES FOR YOUNG ENTREPRENEUR

- a. Mark Zuckerberg: Founder of Facebook.
- b. Matthew Mullenweg: Founder of the WordPress.
- c. Catherine Cook: Creator of MyYearBook.com.
- d. David Karp: Founder of Tumblr.

MARK ZUCKERBERG

27. Of course, Mark Zuckerberg needs to be at the top of this list. Facebook talked about how successful he was when he started working at the age of 19. A few years after its launch, Facebook has developed into one of the most widely used social media platforms in the world. Today, Facebook continues to grow and employ thousands of employees. As a source of inspiration for countless people, Zuckerberg is currently worth \$61.7 billion and continues to grow as an entrepreneur.

MATTHEW MULLENWEG

28. In 2005, Matthew founded an Automatic company, which turned out to have played an important role in the creation of WordPress before he was 20 years old. WordPress is one of the leading content management systems in the market and has become the most commonly used blogging platform. Who would have thought that college dropouts would rule the world with the simple idea of hosting a blogging platform? Matthew Malen Wagg's net worth today is \$ 40 million.

CATHERINE COOK

29. At the age of fifteen, while people were learning how to write college application essays correctly, Catherine and her brother Dave came up with the idea of scanning high school catalogs and putting them online. With the investment of his brothers Jeff Cook, Catherine and Dave, he launched MyYearbook.com and it became popular quickly. Catherine and Dave became one of the earliest and youngest billionaires in "My Yearbook."

DAVID KARP

30. In 2007, I saw the rise of Tumblr. The Weibo website, now owned by Yahoo, was founded by David Karp at the age of 21 and currently has a net worth of US \$ 200 million. Tumblr has been around for years and has maintained its position on social media platforms despite fierce competition from other websites.

CHAPTER 5

CHALLENGES FACED BY YOUNG ENTREPRENURES IN SRI LANKA

31. Our society is virtually geared on aversion to risk-taking in business and typically moves along traditional paths or conventional norms. One can argue that we have inherited this mindset through our culture and education system. Basically, without the willingness to fail and take risk, there is no room for entrepreneurship to flourish. The Government needs to contribute to entrepreneurship development by adopting progressive long-term policies and programs that expand and provide opportunities for entrepreneurs (both current and future). The policies and programs of the Government need to be structured based on key focus areas such as employment generation, balanced regional development of the country, promotion of exports and a mindset change from entitlement to meritocracy. The Government policy for entrepreneurship development should cover the Micro, SME, Start Ups and Social Enterprise sectors. Entrepreneurship encourages creativity, problem solving and risk taking. It also reduces the dependence on a government for social benefits and eliminates the ‘free rider’ syndrome. The resultant economic empowerment also provides psychological well-being and better family relationships.

CULTURAL INFLUENCES ON ENTREPRENEURSHIP

32. A business person's impression of chances, and his/her probability to set out on new pursuits in light of them innovative aim is influenced by socio-social and monetary variables. Truth be told, even in occasions where monetary factors influencing business are considered, there are varieties across nations dependent on social components. A few societies have demonstrated to be more helpful for business than others.

33. In developing countries like Sri Lanka, more entrepreneurs tend to be motivated by necessity rather than opportunity i.e. they are ‘push’ entrepreneurs. Push entrepreneurs are driven to start new ventures mainly due to dissatisfaction with their current circumstances, whereas pull entrepreneurs are primarily influenced by new business ideas, opportunities and their personal desires. The latter tend to be more successful than the former. Push entrepreneurship is also less likely to contribute to innovation, an especially relevant factor in the technology industry

YOUTH ATTITUDES AND ENTREPRENEURSHIP EDUCATION

34. While Sri Lanka has been facing many difficulties with high youth unemployment for four decades, the interest in entrepreneurship among the youth remain low, and they have negative attitudes towards starting their own ventures or being business owners. Studies have consistently found that Sri Lankans, in general, are not favorable towards business as an occupation. The first national survey of public perceptions of business found that the majority of people believed that businesses exploited customers and destroyed cultural values. These perceptions influence potential young entrepreneurs, as their entrepreneurial intentions are significantly affected by their families and friends.

35. The Sri Lankan education system does not promote or encourage entrepreneurship either. A new Entrepreneurial Studies course was introduced into the school curriculum in 2007 to address this need, but it has not yet yielded results. While several public, non-profit and private youth entrepreneurship training programs are available in the country, they are primarily targeted towards necessity-driven low- and middle- income rural youth to start micro or small enterprises, and not the opportunity-driven entrepreneurs who are more likely to start technology ventures. This is partly due to how entrepreneurship in Sri Lanka is generally associated with self-employment or owning a small business, which does not encompass the dynamic concept of entrepreneurship as a driver of innovation and value creation.

ACCESS TO FINANCE

36. The access to funding and finance is a key challenge to drive entrepreneurship in the country. The existing banking and debt models are costly and prohibitive due to collateral requirements, etc. Sri Lanka definitely needs to create a national fund to support entrepreneurs. This should be a key priority for the Government and not anymore, a choice. Cost of capital is very high in Sri Lanka. That is a huge hurdle for young entrepreneurs. Government should Provide more information (which is high in quality) on acquiring financing and investments for business start-ups and make links to other entrepreneurship support programs such as training, coaching and mentoring

and business advisory services at a district level. Rate of inflation is also a huge hurdle.

REGULATORY AND INSTITUTIONAL POLICIES

37. It is imperative that regulatory and institutional policies are in place to drive the entrepreneurship development agenda in the country. There should be ease of doing (and setting up) business including incentives for business registration and tax compliance. That has not implemented in Sri Lanka

BUSINESS FUNCTIONING PROBLEMS

a. LACK OF KNOWLEDGE ABOUT BASIC BUSINESS FUNCTIONS

38. All businesses have access to an extensive pool of knowledge - whether this is their understanding of customers' needs and the business environment or the skills and experience of staff.

39. The way a business gathers, shares and exploits this knowledge can be central to its ability to develop successfully. This doesn't just apply to huge multinational companies. Knowledge management can benefit everyone from a local newsstand to a manufacturing firm.

b. MARKETING STRATEGY

40. Growing a business isn't easy. First, you need a viable idea. From there, you need to discover a profitable niche, define a target demographic and have something of value to sell them. Whether you're peddling products, services or information, getting the word out has become increasingly burdensome. And without the right marketing strategies to fuel your growth, churning a profit and staying afloat is virtually impossible.

c. **CULTURAL FACTORS**

41. Social and cultural factors affecting business include belief systems and practices, customs, traditions and behaviors of all people in given country, fashion trends and market activities influencing actions and decisions. Socio-cultural perspective is one of the most important factors influencing decision of marketing managers and strategic goals of companies entering new foreign markets. It should be noted that legal factors affecting business is also considered as one of the major socio-cultural factors that can influence companies. Proper identification of this factor during strategic analysis

d. **BUSINESS ENVIRONMENT CHANGES**

42. A business environment, changes can happen all the time for various reasons and mostly for positive outcomes. Not many of us like change. We do not wish to get out of that comfort zone, adapt to changes and go through all the sometimes-traumatizing effects change may create, but one needs to stop worrying and panicking about change, take it as a positive factor, and work towards accepting and adapting it.

CHAPTER 6

ADVANTAGES OF BEING AN ENTREPRENEUR IN SRI LANKA

ABILITY TO WORK INDEPENDENTLY

GATHER THE MOST SUITABLE PEOPLE AS THE TEAM

43. Since, you are the leader of the business you can gather the people who can work with you, who are capable of achieving the objectives you required. It is indeed quite difficult to work with numerous people in an office under a boss which will limit your skills and competencies. It also, limit your chance of expressing the ideas. Being an entrepreneur has the chance of choosing the perfect fit as the team according to your requirements and brand of the business (Fairoz, Hirobumi and Tanaka, 2010).

ABILITY TO WORK WITH FREEDOM AND ENHANCED CREATIVITY

44. You are the boss of your own business. So, you need to do things innovatively. For that, you don't need anyone's permission. So, it creates a platform with greater freedom and creativity with enhanced enthusiasm to promote the business towards achieving goals and success. Furthermore, the entrepreneur gets the chance to make the decisions of the business.

ENHANCED LEARNING EXPERIENCE

45. Real-world experience is the best way to prepare for the business world. Even if you studied business in college, lessons learned in the workplace are more memorable and easier to comprehend. While you may have learnt how to write business plans for start-ups, reality may be a little more chaotic and unstructured. Your start-up will very certainly go through multiple duplications before resembling the original vision (Philip, 2005).

ADJUSTABLE SCHEDULE

46. You have more control over your time as the owner of your company. Also, you have the option to work earlier in the morning and rest later in the afternoon, or to

work late at night.

WORKING TOWARDS DEFINED SET OF GOALS AND OBJECTIVES

47. Entrepreneurs do not incur the risk of starting a business for the sake of it. Whether it's a perceived lack of options or an unmet client need, something usually motivates them to take action. One of the most significant distinctions between an entrepreneur and a small firm is the desire to innovate and compete (Mudalige, 2017).

COST CONTROL AND INCREASED PROFITS

48. Because entrepreneurs have the option to allocate resources, they can save money in specific areas, such as on pricey marketing campaigns or office maintenance.

ABILITY WORK FROM HOME OR SMALL SPACE OF WORK

49. Forget stuffy cubicles and cramped workspaces. You can work from home, depending on the size of your company. Some entrepreneurs take use of the opportunity to travel the world while working.

ABILITY TO WORK IN GENUINE MANNER WITHOUT UNNECESSARY STRESS

50. Traditional hierarchies are irrelevant to an entrepreneur. There's no need to be concerned about vertical mobility because you'll immediately become the CEO of your company. All you have to do now is make sure your company is working well (Wickramaratne, Kiminami and Yagi, 2014).

ABILITY TO CREATE A UNIQUE WORKING CULTURE AND ENVIRONMENT

51. Many entrepreneurs were once entry-level employees who were stuck in someone else's idea of a workplace. Dreams of more inclusive policies and ideals centered on the team can now come true. Entrepreneurs have the opportunity to set the tone for how their employees behave consumers and one another.

CHAPTER 7

DISADVANTAGES OF BEING AN ENTREPRENEUR IN SRI LANKA

LACK OF ACCESS TO FINANCE AND FINANCIAL PRESSURE

52. Businesses require a lot of money to get started. Many entrepreneurs begin their adventure in the world of free enterprise in debt because must borrow their initial start-up costs.

53. These first investments sometimes have an enormous impact on the performance of the opportunity being pursued, which may lead to long term debt for some people.

54. When it comes to Sri Lanka main issue that entrepreneurs face is the economical fluctuations. The entrepreneur has to take the financial risks and be liable to such on your terms in case of economic downturns.

55. Many entrepreneurs struggle to save enough money in good times that they could use in bad times. And it is a serious difficulty for Sri Lankan entrepreneurs. You see now due to the pandemic there could be many emerging entrepreneurs who may have already given up the dream.

56. Since Sri Lanka is a middle-income earning country it's hard for them to make it towards the success determining margin.

LACK OF ACCESS TO BUSINESS SUPPORT

57. The political condition is not completely stable in Sri Lanka, which may affect foreign business.

58. Unlike established and emerging technology hubs in the US, Europe and Southeast Asia, there are no startup accelerators or business incubators, which can guide and help technology businesses grow.

59. All previous attempts at creating sustainable business incubators in Sri Lanka have failed, due to lack of proper programming and government support. This is a major disadvantage of being a Sri Lankan entrepreneur.

DIFFICULTY IN STARTING A BUSINESS IN SRI LANKA

60. For those who are interested, starting a business in Sri Lanka is not easy. The country ranks 104 out of 189 economies for the ease of starting a business under the World Bank “Ease of Doing Business” ranking, which is slightly below the regional average for South Asia. It also has the highest cost associated with starting a business in the region (20.7% of income per capita).

TOILING WORK LOAD WHICH LEADS TO STRESS

61. Entrepreneur is not just the owner of the company. Entrepreneur is the CEO, secretary, website designer, accountant, head of marketing, and janitor. Since you have to play multiple roles simultaneously, expect more than just 8 hours a day of work.

62. The mounting workload of management, hiring, investment, and finding space can be exhausting and it leads to stress.

63. Stress also occurs due to the nature of the ongoing systems in Sri Lanka such as lack of support for Sri Lankan entrepreneurs financially or not even mentally. When the entrepreneurs put themselves under stress it is a disadvantage for the success of the business.

IRREGULAR INCOME

64. It's a no brainer that the initial days of the business won't get you profit. The initial period is the most difficult as well as the crucial time to survive. The entrepreneurs need to have a backup for rentals, bills, wages etc. to keep the business running. Unstable income can be among leading disadvantages of entrepreneurship

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especially for Sri Lankan entrepreneurs

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CHAPTER 8

DISCUSSION AND RECOMMENDATIONS

ENTREPRENEURSHIP CULTURE

65. It is important that we encourage an entrepreneurship culture in the country. This requires improving the skills and knowledge levels of people on how to set up and run an entrepreneurial venture. Given below are some of the recommendations on how we can create a conducive culture for entrepreneurship in Sri Lanka

66. Introduce and encourage entrepreneurship to the secondary and tertiary education curriculum.

67. Establishment of entrepreneurship clubs within schools so that it becomes an extra-curricular activity which ensure a fun learning environment.

68. Promote Entrepreneurship to vocational education and training programs across the country.

69. Establishment of a national center for entrepreneurship coaching and mentoring.

70. Provide entrepreneurship training for teachers at primary and secondary schools within regular teaching studies and also as continuous professional development including international internships. Furthermore, provide opportunities for entrepreneurship training to university professors, university staff and youth workers in the country.

71. Promote entrepreneurship and self-employment to students through workshops, conferences, business competitions and media (both traditional and digital).

ENTREPRENEURSHIP HUBS AND BUSINESS

INCUBATORS/ACCELERATORS

72. The establishment of an entrepreneurship hub and business incubation center is mandatory to support and identify the best entrepreneurs. The following could be the key aims and objectives of these hubs:

- a. Provide regular awareness and training for prospective entrepreneurs
- b. Ensure local entrepreneurs get the necessary coaching and mentoring to successfully run their ventures
- c. Provide skills training to entrepreneurs in areas such as financial planning, marketing, business model validation, etc.

ACCESS TO FINANCE/FUNDING

73. Provide more information (which is high in quality) on acquiring financing and investments for business start-ups and make links to other entrepreneurship support programs such as training, coaching and mentoring and business advisory services at a district level.

74. Focus on repayable instruments for venture financing and move away from grants.

75. Introduce some flexibility into the lending rules i.e., capital moratorium, structured financing plans and grace periods, etc. for interest payments to support entrepreneurs.

76. The brain-gain incentives for Sri Lankans who return back from overseas to get preferred tax concessions and lower cost loans to set up an entrepreneurial venture.

77. Provide special incentives for women entrepreneurs such as tax concessions, statutory fee waives offs and the Government for example bearing around 50% of the interest on loans especially for first time women entrepreneurs.

Regulatory and institutional policies

78. Improve the ease of doing (and setting up) business including incentives for business registration and tax compliance.
79. Scale-up efforts to promote a positive image of entrepreneurs and entrepreneurship mindset using various success stories and role models.
80. Promote entrepreneurship to youth with different information channels, digital media etc. including a nationwide campaign organized by the respective line ministries.
81. Continue efforts to simplify the taxation and compliance.
82. Create international level partnerships with incubators, angel investors, venture funds, innovation platforms, etc. For example, TechStars, Startup weekend, etc.

CHAPTER 9

CONCLUSION

83. Young entrepreneurs are the wheels on which a country can run its economy. Innovation can play an important role in catch-up and growth in a global economy. But the policy and institutional environment is an important determinant of innovative behavior. Government support for innovation is important. Young entrepreneurs have their own set of challenges and opportunities. Sometimes, even an adverse environment can spur innovative behavior and entrepreneurs may become the drivers of policy and institutional change, rather than only being determined by the policy and institutional Environment.

84. The country's economic policy environment must be favorable for organizations to achieve efficiency in today's global market. It should enable the entrepreneurs to provide a magical touch to an organization, whether in public or private or joint sector, in achieving speed, flexibility, innovations, and a strong sense of self-determination. They bring a new vision to the forefront of economic growth of a country. The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. More than increasing national income by creating new jobs, entrepreneurship acts as a positive force in economic growth by serving as the bridge between innovation and market place.

85. It is our job to point out above issues, but we also understand that no government can make overnight changes to fix them. It will take a concerted effort from both public and private sectors to come up with long-term strategies that encourage youth entrepreneurship and drive technology innovation in the country. Hopefully, this post would be a meaningful contribution however small in inspiring such an initiative.

CHAPTER 10

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