

Evaluation of Entrepreneurship Development Programmes in

Sri Lanka

A. M. N. J. Abeykoon¹

Introduction

Entrepreneurship is the key to the economic progress of a nation. Development of entrepreneurs leads to rapid industrialisation and hence to the improved well-being of a country. Entrepreneurs are therefore called wealth creators. Traditionally it was believed that entrepreneurial talent is an innate trait which one inherits through birth. An entrepreneurial development programme is the systematic and organised development of a person into an entrepreneur. The development of an entrepreneur refers to inculcating entrepreneurial skills into a common person, providing the necessary knowledge, developing the technical, financial, marketing and managerial skills, and building entrepreneurial attitude. The concept of entrepreneurship development involves equipping a person with the required information and knowledge used for enterprise building and polishing his entrepreneurial skills. The overall aim of an entrepreneurship development programme is to stimulate a person to adopt entrepreneurship as a career and to enable him to identify and successfully exploit opportunities for a new venture. These days, entrepreneurship development programmes are treated as important tools for industrialisation and as a solution for the unemployment problem in Sri Lanka (Sri Lanka has experienced two-digit unemployment rates for almost three decades). Unemployment causes many social, economic, and political problems, exacerbated by the lack of Government jobs and the mismatch between job skills and status in private jobs. Therefore Sri Lanka entrepreneurship development has adopted a new approach adopted by the Ministries of Rural Development, and Youth Affairs and Sports, as well as by the handloom textile industry in 1989, under the UNDP/ILO project SRL/87/035. According to this project, Small Entrepreneur Development Unit and Sri Lanka Industrial Development Board could obtain the Technical advice of foreign Specialists. Therefore it enhanced the opportunity to implement entrepreneurship development programmes in Sri Lanka. Currently there are three categories of Institutes which conduct entrepreneurship development programmes in Sri Lanka. Those are Government institutes, non-Government institutions and semi-Government institutes. Government institutes are the Small Entrepreneur Development Unit, Department of Manpower and Employment and Ministry of Women Affairs. Semi-Government institutes are the Sri Lanka Industrial

¹ *Department of Economics, University of Kelaniya. nimarshani03@gmail.com*

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Development Board, Mahaweli Authority, National Youth corps, Sri Lanka Export Development Board, Sri Lanka Vocational Training, Entrepreneur Development Advice center of BOC. Non-government institute are B.M.B Lanka, SMED Industrial solution Lanka and CEFS NET Sri Lanka. There are many reasons to conduct entrepreneurship development programmes in a country. They generate new opportunities, generate equitable income distribution, contribute to economic development, utilise national resources, empower industrial structure, and build up entrepreneurship culture. Therefore, there is an urgent need to orient the developmental policies and education curriculum towards promoting entrepreneurship and instilling entrepreneurial qualities among them.

Problem Statement

As a developing county Sri Lanka need to reach a rapid economic development and sustainable development. Entrepreneurship development is a major strategy for that. There are many entrepreneurship development programmes implemented in Sri Lanka. Therefore the research problem in this study is how many participants started their own enterprises after completed these programmes. According to this research problem two hypotheses were created.

H₀: not start an enterprise after completing entrepreneurship development programmes

H₁: start an enterprise after completing entrepreneurship development programmes

Objective of the Study

The main objective of this study is to identify the contribution of entrepreneurship development programmes to entrepreneurship in Sri Lanka. Other objectives are to identify the contribution of Government to entrepreneurship development programmes in Sri Lanka, to identify the strengths and weaknesses of programmes implemented in Sri Lanka, and to identify the problems of entrepreneurs during their operation of enterprises.

Methodology

Primary data were collected from 60 participants who completed entrepreneurship development programmes in Small Entrepreneur Development Unit conducted by Industrial Development Bureau in Kurunegala Divisional Secretariat area in 2014. The sample was collected from a population of 729. Simple random sampling method used for selecting sample for this study. Questionnaire and interviews were used to collect primary data. Secondary data were collected through Central Bank and International Labour Organisation reports, magazines, and web sites. Bar, pie,

and line charts were used to represent data. Descriptive statistics and chi square test were used for data analysis, with the aid of SPSS software. The chi square equation was,

$$\chi^2 = \sum_{i=1}^k \frac{(O_i - E_i)^2}{E_i}$$

O_i = frequency of i^{th} section observation

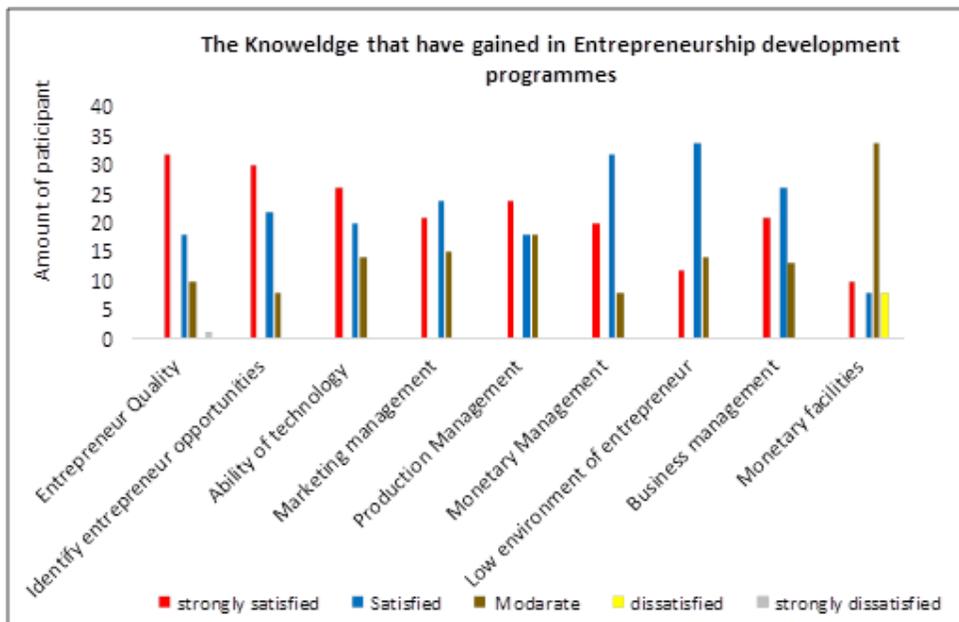
E_i = compatible expect frequency

K = number of section

Result and Analysis

According to the data collected by this study, participants selected program es in business (75%), business management (16.7%), accounts (11.7), marketing management (13.3), and costing (13.3). The knowledge obtained by participants are represented in Figure 1.1 below.

Figure 1.1: Knowledge gained by the participants through entrepreneurship development programmes



Source : Survey Data, 2014

According to the above figure, a majority of participants have moderate satisfaction with the knowledge gained through entrepreneurship development programmes.

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76.7% of the sample were employed and 23.3% were unemployed. A majority are neutral as to whether their skills have improved as a result of the programmes. When considering the problems of entrepreneurs in this study, they faced many problems such as lack of capital investment, insufficient knowledge of finance, management, accounts, and technical matters, and the lack of trained employees. The chi square test first experimented the relationship between participation in entrepreneurship development programmes and starting enterprises after the completion of such programmes. The significance was 0.008. Entrepreneurship development programmes contributed to the respondents becoming entrepreneurs, as established under the 95% significance level. In Sri Lanka such programmes are one to four day programmes, and are therefore of insufficient duration. Further, Government intervention is not satisfactory in the context of such programmes.

Conclusion

The study focuses on evaluating entrepreneurship development programmes in Sri Lanka and identifying the contribution of such programmes in generating entrepreneurs in Sri Lanka. Therefore these programmes are a major strategy to reduce unemployment in Sri Lanka. The Government must further intervene in their implementation and should increase the duration of existing programmes, thus improving them.

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