

THE CHALLENGES FACED BY SMALL-SCALE ENTREPRENEURS IN TOURISM: A CASE STUDY IN ELLA, SRI LANKA

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Small-scale entrepreneurs (SSE) in tourism represent around 80 percent worldwide and face several challenges, including lack of learning and knowledge, low quality of human resources, inadequate infrastructure, variable numbers of customers, and financial challenges. The tourism industry in Sri Lanka, including Ella, experienced a significant setback between 1983 and 2023 due to the civil war, pandemic, and economic crisis, which led to a decrease in the number of tourists, and caused severe disruptions in the daily income of SSE. The main objective of this study was to identify the key challenges faced by SSE. Primary data were gathered from 25 purposively selected small-scale entrepreneurs through interview guides. Results show that 92% of the respondents identified a lack of financial resources as a significant hurdle. Apart from that, the most prominent challenge mentioned is high competition, reflecting the intense challenge among businesses for tourists' attention and support. Seasonal fluctuations in tourism demand, cited by 50% of the respondents, are a recognized challenge. Limited access to infrastructure resources also underscores the importance of improving the transportation and utilities to enhance the overall tourist experience in Ella and to meet the needs of the tourism industry. Fraudulent bookings and delaying essential permits were a major challenge for more than 80%. Government regulations or policies, although more frequently mentioned, are still seen as potential matters. Supportive policies and incentives are essential to address the above-mentioned challenges ensuring. Moreover, ensuring the sustainability of the tourism industry in Ella.

Keywords: Challenges, Ella, Small-scale entrepreneurs, Tourism