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**A STUDY ON SUSTAINABILITY OF SMALL SCALE ENTERPRISES
IN RURAL AREAS; A CASE STUDY OF GARAGODA PAHALA
GRAMA NILADHARI DIVISION**

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Institutions concerned with rural development see entrepreneurship as a strategic intervention that could accelerate the development process. The major problems in rural areas such as poverty, unemployment and unequal distribution of income etc. could be solved if small scale enterprises could generate income and employment in rural areas in both production and service sector. The main objective of this study was to explore the viability of industrial sector enterprises as against service firms.

'According to the data analysis in our field it was revealed that the village enterprises 68% producing goods, 20% selling goods and 12% providing services. According to the study it was revealed that there is a significant progress of small scale manufacturing enterprises than service enterprises.

The manufacturing enterprises that have accessibility to materials, both inside and outside and trading facilities than service enterprises. Although the small scale manufacturing enterprises are the sustainable enterprises in rural areas, there are some negative effects also remain, such as constraint in access to capital and technology, the short term persistence of the enterprises. Therefore it is necessary to make proper guide and intervention of the institutions that implement and introduce entrepreneurship development programs in rural areas. The problems related with the small scale manufacturing enterprises can be solved if procedures for building more sustainable enterprises in rural areas were implemented.

Key Words: *rural development, enterprises, manufacturing enterprises, entrepreneurship, entrepreneurship development.*

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