

Expectations and reality of tourism development: a case study on Unawatuna, from the South Coast tourist region of Sri Lanka.

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Abstract

During the late 1960s and early 1970s, Sri Lanka was keen on promoting international tourism with the main intention of earning foreign exchange, creation of employment opportunities and also for the development of peripheral regions. The present paper examines the role of tourism in fulfilling these macro level expectations, as well as the micro level (regional) prospects and consequences of tourism development citing examples from "Unawatuna", a popular tourist destination from the South Coast Tourist Region of Sri Lanka.

Introduction

The dependence on three major plantation crops (tea, rubber, and coconuts) was a salient feature of the Sri Lankan economy for several decades. Many suppliers of these commodities including Sri Lanka, were compelled to experience the price fluctuations of these commodities, resulting from the supply and demand factors in the world market. (Peiris 1996). Sri Lankan government at the time identified two major avenues capable of remedying this problem to a certain extent (Samaranayake 1998). The first is the policy of import substitution, which was aimed at encouraging the use of locally manufactured products that can be substituted to imported products. The second is the idea of diversifying the export economy by introducing other crops (such as cinnamon, cardamoms, nutmeg etc.) capable of earning foreign exchange. Tourism was also considered as a promising alternative to diversify the export economy, and also as a measure for earning foreign exchange. According to Cater (1987) for more than 40 years tourism has been an economic panacea for the developing countries.

In Sri Lanka, planned tourism development began, in 1967. Before 1967 tourism was not an organized economic activity, and as a result a systematic way of keeping records of the number of incoming tourists, number of tourist nights, foreign exchange earnings, etc. were also totally absent.

“Tourism” in the modern sense, laden with several macro level economic and social expectations began after 1966, with the introduction of certain government legislative measures in favor of tourism development. When compared to the previous period, the period after 1966 to date is very important in several aspects. In the first instance, this period marks the beginning of planned tourism development and compilation of data on tourism according to the WTO standards. Secondly various policy measures were introduced to steer the development of the tourist industry. Thirdly the importance of the private sector in tourism development has also been recognized during this period, and various incentive measures were introduced to encourage the private sector to invest in tourism. These incentive measures combined with other physical and cultural assets of the island such as

the tropical climate, golden beaches, waterfalls, virgin rain forests, wild life, indigenous culture, Buddhist heritage, archaeological and historic monuments, etc. paved the way for the development of tourism in Sri Lanka since 1967.

At the same time the widening gap of balance of payments in the country, and the increasing unemployment problem, (specially, educated youth unemployment) have also created an urgent necessity to seek for immediate solutions.

Macro Level Expectations and the Role of Tourism

Development planners highlighted that the following macro level issues would be benefited through the development of tourism. i.e.

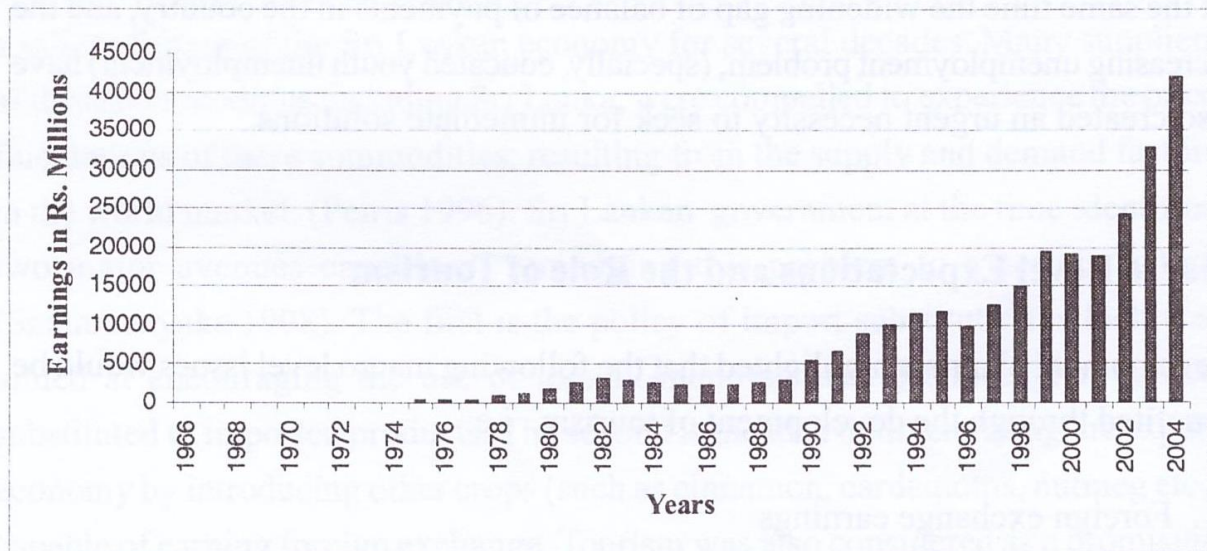
1. Foreign exchange earnings
2. Unemployment problem
3. Public sector revenue
4. Regional development

Thus, it is obvious that the expectations kept upon tourism development in order to fulfill the above issues was a major characteristic linked with the implementation of planned tourism development. Compared to the period before 1966, the period beginning from 1967 was successful in fulfilling the macro level targets kept upon tourism development. A glance at the foreign exchange earnings and creation of direct and indirect employment opportunities through the development process of tourism sector since 1967 provides sufficient evidence to the above statement

According to the Ceylon Tourist Board the receipts of hotels and restaurants, embarkation tax, receipts of the cultural triangle are the main sources that generate income from tourism. Foreign exchange earnings from tourism since 1967 to date

do not display a continuous growth trend. Instead it is characterized by several fluctuations. (see Figure 1)

Figure 1 - Foreign Exchange Earnings from Tourism in Rs. Millions



Sources: Annual Reports of the Central Bank. (1968 to 2000)

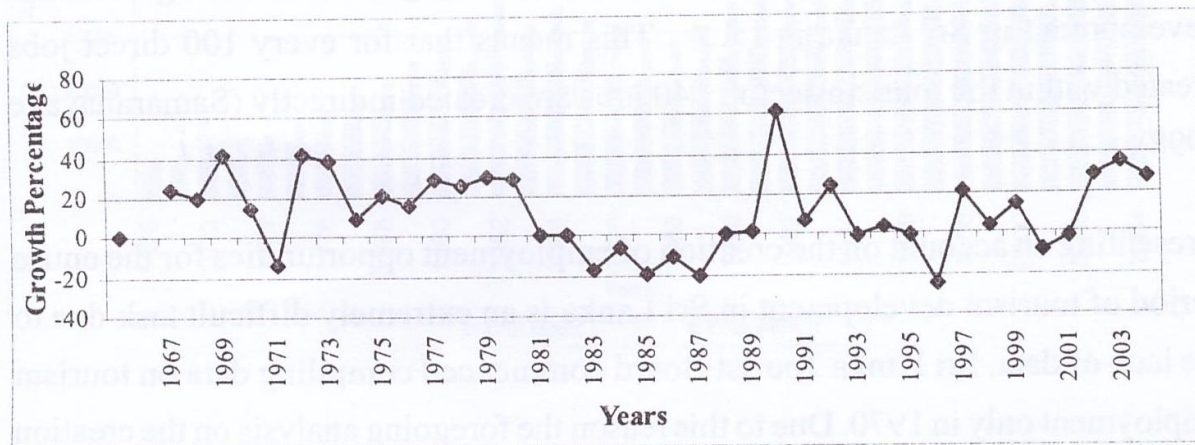
According to Figure 1, a continuous growth in income is apparent from the early 1970s until 1982, which is considered as a very successful year in tourism development. A sharp drop in earnings is also apparent from 1983 to 1989. Sinhala Tamil ethnic violence that developed in 1983 was the major cause that led to this drop in income.

Foreign exchange earnings have increased once again within the period beginning from 1990 to 1995. In 1996 earnings decreased due a drop in tourist arrivals, resulting from a bomb explosion in Colombo, which occurred in the latter part of the previous year. However after 1996 until 2004 the foreign exchange earnings from tourism have been increasing, with the only exception of year 2001, which has recorded a reduction in exchange earnings.

The general trend in foreign exchange earnings since 1966 until 2004 displays a considerable growth. For example in 1967 the share of tourist earnings amounted to 0.3 percent of the total foreign exchange earnings of the country, and was placed in the 6th position. By 1975 tourism generated four percent of the total foreign exchange earnings, and finally in 1982, tourism sector was successful in

earning twelve percent of the country’s foreign exchange. In 2004, tourism ranked as the 4th largest earner of foreign exchange next to Textiles and garments. But, the real growth of tourist earnings represents a roller coaster pattern, which continued until 2004, with minus growth values in 1971, 1983 to 1987, and a sharp drop in 1996 (see Figure 2) .

Figure 2 - Real Growth of Foreign Exchange Earnings



Sources: Central Bank Annual Statistical Reports, 1968 to 2000, Annual statistical report of Sri Lanka, Tourism 2004 (Electronic Copy)

In 1983 the foreign exchange earnings from tourism have dropped by 14.8% relative to the income figure of 1982. Similarly the income earned during 1996 was 23 million Dollars (Rs. Millions. 1271.9) less than the figures of 1995. The immediate cause for this sharp drop was the lesser number of tourist arrivals, due to the bomb explosion in Colombo City in 1995. These facts show that expectations kept upon international tourism as a source of foreign exchange earnings was adversely affected by vulnerability factors such as the on going war and the political instability within the country.

Generation of Direct and Indirect Employment

The second macro level expectation of tourism development is the creation of employment opportunities. Unlike the other industries, tourism is basically a service-oriented industry, and it has the capability of creating a reasonable number of

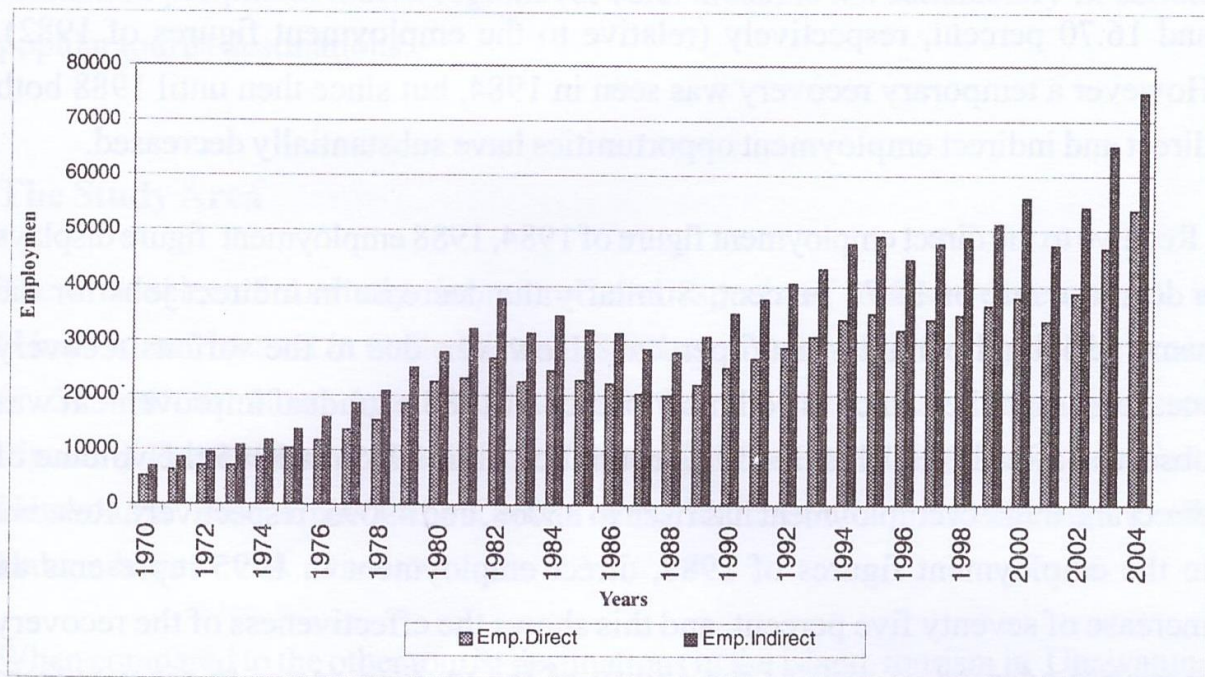
direct and indirect jobs. Employment opportunities created within the hotel sector (Restaurants, Guest Houses, tour agencies, tourist shops etc.) and the jobs, which have a direct connection with tourism, are treated as direct employment. Indirect employment includes the jobs which are not directly linked with tourism, but they either supply goods to the tourism sector as inputs; (such as food items) or they do depend to a certain extent on tourism. (ex. laundry services) It has been estimated that direct to indirect employment generated through tourism development in Sri Lanka is 1:1.4. This means that for every 100 direct jobs created within the tourism sector, 140 jobs are created indirectly (Samaranayake 1998).

Presenting an account on the creation of employment opportunities for the entire period of tourism development in Sri Lanka is an extremely difficult task due to the lack of data. Sri Lanka Tourist Board commenced compiling data on tourism employment only in 1970. Due to this reason the foregoing analysis on the creation of direct and indirect employment within the tourism sector, will be limited to the period beginning from 1970.

With the growth of tourist arrivals, and tourism related infra structure development (such as tourist shops, hotels, restaurants, etc) the employment opportunities have expanded rapidly during the past few decades (see Figure 3). Figure 3 displays an identical pattern of growth in direct and indirect employment opportunities. It is also interesting to note that the number of indirect employment opportunities have exceeded the direct category at all times. Similarly the volume of employment shows variations according to the "boom" and "recession" periods of tourism development.

From 1970 to 1976 the volume of employment generated shows a steady increase from 5138 in 1970 to 11752 in 1976. According to these statistics 6614 new jobs have been created by the year 1976, and it represents an annual increase rate 15%. Yet there were fluctuations in the number of employment opportunities created, due to internal political instability and other disturbing factors, which limit the freedom of traveling within the country.

Figure 3. Direct and Indirect Employment in Tourism 1970-2000



Source: Central Bank Annual Statistical Reports, 1970 to 2000, Annual Statistical Report Tourism 2004 (Electronic Copy)

For example in 1972 and 1973 a considerable volume of employment opportunities were scrapped off due to the decrease in tourist arrivals, (due to the JVP movement of 1971). However between 1977 and 1982 the number of employment opportunities (both direct and indirect) have increased very rapidly. For example the number of direct employment has increased from 13716 in 1977 to 37486 in 1982, representing an increase of ninety five percent (95.21%) relative to the employment figures of 1977. By the end of 1981, total labor force engaged in the tourism sector amounted to 1.17 percent of the total labor force of the country (Review of the Economy, 1983).

Volume of indirect employment within the tourism sector was very much higher than the direct component. Relative to the indirect employment figures of 1977, figures of 1982 represent an increase of 102.4%. But during the latter part of 1983 this growth trend was disturbed, and once again a state of instability was developed within the tourist sector due to the Sinhala Tamil ethnic violence. The impact of ethnic violence on the tourism sector was clearly apparent from the

reduction of employment opportunities in the direct and the indirect categories. Both direct and indirect employment opportunities have dropped by 16.44 percent, and 16.70 percent, respectively (relative to the employment figures of 1982). However a temporary recovery was seen in 1984, but since then until 1988 both direct and indirect employment opportunities have substantially decreased.

Relative to the direct employment figure of 1984, 1988 employment figure displays a decrease rate of 18.73 percent. Similarly the decrease in indirect jobs for the same period amounts to 18.66 percent. However, due to the various recovery measures launched since the ethnic violence of 1983 a gradual improvement was observed after 1988. This trend has continued until 1995. In 1995 the volume of direct and indirect employment has risen to 35068, and 49095, respectively. Relative to the employment figures of 1988, direct employment in 1995 represents an increase of seventy five percent, and this shows the effectiveness of the recovery measures adopted as well as the ability of the tourism sector to recover from temporary shocks and disturbances. But unfortunately this trend was once again disturbed in 1996 due to the bomb explosion in Colombo City in January. The vulnerability of this incident on the tourism economy was clearly apparent by the end of the year. Tourist arrivals have dropped by twenty five percent relative to the figures of the previous year. It was observed that tourists from all major regions have declined. Due to the reduction in tourist arrivals, gross earnings also declined by twenty three percent (from Rs. millions 11551 in 1995 to 9559, in 1996). Direct employment as well as the indirect employment opportunities also declined by 8.85 percent in 1996. (see Annexure 1) However a recovering trend in foreign exchange earnings and the number of employment opportunities created is once again apparent since 1997, with the only exception of 2001, where the terrorist attack on the world trade center in America has crippled the world tourism scenario.

Micro Level Expectations of Tourism Development

The total foreign exchange generated, and the number of employment opportunities created, clearly shows that the macro level expectations of tourism development have been fulfilled to a great extent, even amidst certain disturbing factors such

as terrorism. But the micro level expectations associated with development of tourism in peripheral tourist regions (or rural areas) is not satisfactory in certain popular tourist destinations.

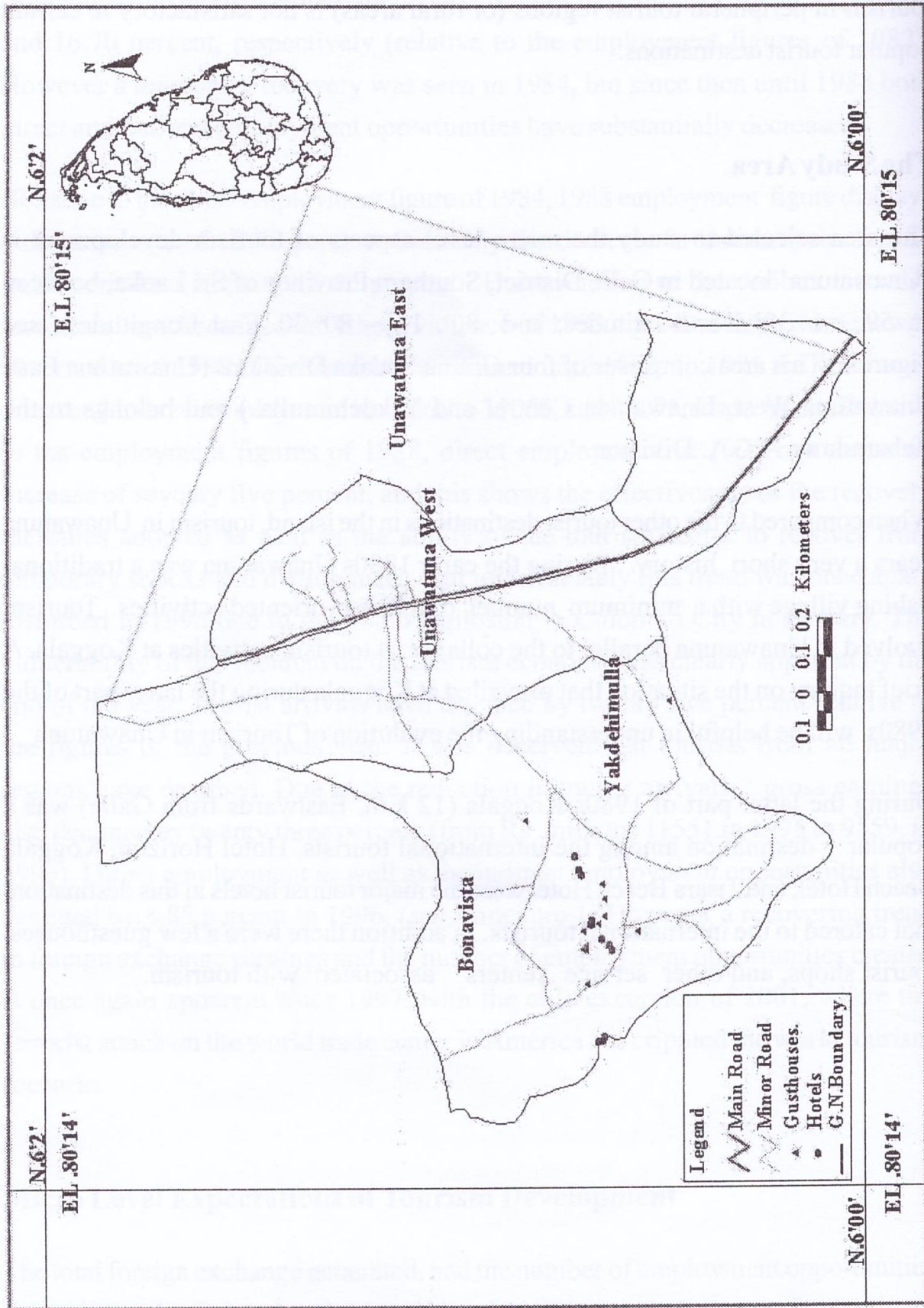
The Study Area

The area selected to study the micro level aspects of tourism development is "Unawatuna" located in Galle District, Southern Province of Sri Lanka, between 5°. 59' – 6°.30' North latitudes; and 80°. 14' – 80°.20' East Longitudes.(see Figure 4) This area comprises of four Grama Sevaka Divisions (Unawatuna East, Unawatuna West, Unawatuna Central and Yakdehimulla) and belongs to the Habaraduwa A.G.A. Division.

When compared to the other tourist destinations in the island, tourism in Unawatuna bears a very short history. . During the early 1980s Unawatuna was a traditional fishing village with a minimum number of tourism-oriented activities. Tourism evolved in Unawatuna parallel to the collapse of tourism activities at Koggala. A brief inquiry on the situation that prevailed at Koggala during the latter part of the 1980s, will be helpful in understanding the evolution of Tourism in Unawatuna

During the latter part of 1980s Koggala (12 k.m. Eastwards from Galle) was a popular destination among the international tourists. Hotel Horizon, Koggala Beach Hotel, and Tisara Beach Hotel were the major tourist hotels in this destination, that catered to the international tourists. In addition there were a few guesthouses, tourist shops, and other service centers associated with tourism.

Figure 4. Study Area Unawatuna



In 1992, fairly a large number of lands along the coast, which were previously used for tourist shops and fishing settlements were acquired to construct various buildings for the Koggala Free Trade Zone. Even the fishing families were displaced due to the changes that took place in the land use pattern. All these factors ultimately paved the way to the collapsing of tourism in Koggala. Thus, the decline of tourism at Koggala, led to a gradual development of tourism in Unawatuna. The rich environmental quality in the area attracted most of the tourists who traveled beyond Galle

The development of tourism, gradually creates an impact on the existing socio economic structure, as well as on the environment in any tourist destination. On the global scale, many researchers have highlighted that tourists who travel for pleasure are generating the highest impact on a tourist destination. Tourists belonging to this category normally prefer to stay in beach hotels, or in guesthouses. They usually develop a close friendship with the local community. This in turn leads to develop social, cultural and economic impacts on the host community. This type of tourism characterizes Unawatuna.

Pros and Cons of Tourism Development

Introduction of tourism activities to Unawatuna area has brought in economic prospects (Pros) as well as negative (Cons) impacts to the traditional society. The immediate impact of tourism development was felt upon the existing traditional economy, namely the fishing industry. Specially, a competing demand for the beach, was created by both these economic activities, and finally the fishermen were compelled to abandon their ancestral fishing areas, and provide beach space for tourism. Therefore it is not misleading to assume that the fishing community has been victimized by this newly introduced economic activity.

Tourism vs. The Fishing Community

About a decade ago Unawatuna was a calm and quiet fishing village with a minimum number of tourism oriented activities. The majority of the fishing

community was concentrated to Yakdehimulla bay area. According to the statistical data available at the Habaraduwa Divisional Secretariat Office (Resource Requirements and Economic Activities, 1990) there were four fishing villages within the administrative boundaries of the Habaraduwa Secretariat Division (see Table 2). According to Table 2 it is apparent that the majority of fishermen were from Yakdehimulla GN division. Together with the number of fishermen in Unawatuna Central, the percentage of fishermen in these two GN divisions was around 60 percent. (340 Fishermen) The steady growth of tourism in Unawatuna during the late 1980s and early 1990s, has led to a dramatic change in the land use pattern.

Table 1- Number of Fishermen by GN Divisions- 1990 Habaraduwa D.S. Division

| G.N. Division | Number of Fishermen In each G.N. division | |
|-------------------|---|------|
| | 1990 | 1999 |
| Unawatuna East | — | — |
| Unawtuna West | — | — |
| Unawatuna Central | 157 | 11 |
| Yakdehimulla | 183 | 17 |
| Total | 340 | 28 |

Source: For 1990 Planning Division, Southern Provincial Council, Unpublished Data.

For 1999: Statistics Division, Secretariat Office, Habaraduwa.

Table 2- The Number of Fishermen by G.N. Divisions- Unawatuna 1999

| GN Division | Number of Fishermen | Percentage in each GN Division |
|-------------------|---------------------|--------------------------------|
| Habaraduwa | 127 | 22.08 |
| Unawatuna Central | 157 | 27.30 |
| Yakdehimulla | 183 | 31.82 |
| Talpe | 108 | 18.78 |
| Total | 575 | 99.98 |

Source : Resource Requirements and Economic Activities, 1990, (Unpublished office documents in Sinhala Language) Habaraduwa Divisional Secretariat office, Habaraduwa Page 28,

This change has directly affected the fishermen of Yakdehimulla, and by 1999 the majority of fishermen were compelled to move to other nearby fishing areas. As a result, the number of fishermen in Unawatuna has been reduced to 28 (see Table 3).

Table 2 clearly shows the reduction of fishermen in Yakdehimulla and Unawatuna Central G.N. divisions in 1999. When compared to the figures of 1990, the observed decline in the number of fishermen in Unawatuna area in 1999 was 91 percent. In other words only a mere 9 percent of the fishermen are presently remaining in these areas. All the other fishermen have moved either to Habaraduwa or to Kataluwa, which are located South of Unawatuna.

Several reasons have contributed to this situation. The first among them is the competition for land along the beach for both tourism and fishing. Since the late 1980s there was a great demand for coastal land for the construction of tourist hotels, guesthouses, and for the construction of various types of tourist shops. At the same time fishermen were also in need of the beach for anchoring their boats, traditional fishing crafts, and also to spread out their fishing nets, in order to get them dried in the sun. Therefore it is evident the competitive demand for the beach has ultimately resulted in pushing the fishing community further towards the South (Towards Habaraduwa). However, during the tourist off-season,

fishermen are allowed to carry out their normal fishing activities within this area, by the hoteliers.

The second reason, leading to the reduction in fishing activities within this region is the "Demonstration Effect" of tourism. The younger generation of the fishing community is directly affected by the "Demonstration Effect". When compared to the fishing industry the prospects within the tourism sector are very much attractive, and there is a growing tendency of youth population from fishing community willingly joining the tourist industry. Jobs within the tourism sector are not risky as those of the fishing sector. Therefore the youth turning towards the tourism sector is inevitable. As a result of this tendency, the ageing fishermen find it difficult to motivate and attract young generation into fishing activities.

Employment Opportunities Created Within the Tourism Sector

One important expectation of introducing tourism into the peripheral regions is the creation of employment opportunities to the resident population and enabling them to reach a higher standard of living. Main sources of employment are the tourist accommodation sector and other institutions providing tourist infrastructural facilities.

Altogether there are 76 tourist guesthouses and hotels located within the administrative limits of Habaraduwa D.S. division, out of these, 20 are registered. The rest of the hotels and guesthouses are unregistered. Nearly 69 percent of the tourist hotels and guesthouses are located in Yakdehimulla. The main reason for the heavy concentration of hotels and guesthouses in this G.N. division is the beach and the bay area of Yakdehimulla. The absence of strong waves and ocean currents, relatively shallow water, and the coral reef bordering the bay area ensure the safety of sea bathing to visitors, to a certain degree. Unawatuna west is the next important tourist area with a little more than 17 percent of the hotels and guesthouses. Unawatuna Central has recorded only 14 percent of the hotels and guesthouses

It is apparent that the demand for cheaper accommodation facilities is fairly high in Unawatuna, and this trend has benefited the local community. For example small guesthouses, mushrooming in the area have created employment opportunities to the inmates. In addition plenty of opportunities have been created for persons interested in earning quick money. Opening restaurants, providing accommodation to tourists in homes have become the most common ways of earning tourist dollars. The number of restaurants, and the number of persons providing accommodation facilities (in their houses) for the tourists, in these G.N. divisions, justifies the above statement.

The questionnaire survey conducted in this area by the author, to find out the exact number of residents employed within the tourism sector reveals some interesting facts. Table 4, based on the information collected from the questionnaires reveals that there are altogether 242 employees in these hotels and guesthouses in 2003. From this total, 232 are employed on permanent basis, while the rest are on temporary basis. As mentioned earlier the number of employees in the “Star Class” or “tourist Board Approved B Grade” hotels has been limited to 43 percent from the total. The main reason for the lesser number of temporary workers within the hotel sector is the structural composition of the work force. Especially most of the small guesthouses are functioning employing family labor. (mostly husband and wife, and children) Therefore they automatically fall into the permanent category. In such instances family members provide all the services in the particular guesthouse.

An important fact apparent from this table, is the relatively lesser number of employees, from Unawatuna area itself. (22.31 percent) It is also evident that the majority of the employees (77.68 percent) are from other areas, such as Galle and Matara. The presence of Tourist board approved hotels, and classified hotels (such as A, or B grade, or star rating) is one of the important reasons that led outsiders to join the industry. Especially because these hotels require persons with proper training and experience in order to maintain the quality of the services provided. Therefore educated youth from Galle and Matara districts get a better chance of joining the tourist industry.

A closer look at this table shows some other important facts also. For example the highest number of persons from Unawatuna area are engaged in minor jobs within the hotel sector. (such as room boys 32 percent, and helpers 38 percent). It is also visible that the inmates of the area are holding 22 percent managerial posts. But this is a misleading figure, because it is highly inflated due to the inclusion of small guesthouse owners into this category. In the strict sense, the role and the responsibilities of these managers are very much less than the managers in high-class hotels. Therefore it should be highlighted that the true percentage of inmates holding managerial level jobs is much lower than the figure indicated in Table 3

Table 3 - Employment Opportunities in the Hotel Sector –Unawatuna-2003

| Job Title | Total number of employees in each category | Percentage | Number of Persons In Each category From Unawatuna | Percentage | Persons from other Areas * | Percentage |
|--------------|--|------------|---|------------|----------------------------|------------|
| Managers | 35 | 14.46 | 08 | 22.85 | 27 | 77.14 |
| Clerical | 31 | 12.86 | 06 | 19.35 | 25 | 88.65 |
| Receptionist | 28 | 11.57 | 03 | 10.71 | 25 | 89.29 |
| Room Boy | 58 | 23.96 | 19 | 32.75 | 39 | 67.25 |
| Chef | 46 | 19.00 | 05 | 10.86 | 41 | 89.14 |
| Helper | 31 | 12.80 | 12 | 38.70 | 19 | 61.30 |
| Gardener | 08 | 3.30 | 01 | 12.5 | 07 | 87.50 |
| Driver | 05 | 2.05 | 00 | 00 | 05 | 100 |
| Total | 242 | 100 | 54 | -- | 188 | -- |

Source : Field Survey Data (July 2003)

* Includes persons mainly from Galle and Matara

Lack of English education, and the lower levels of overall education has been a barrier for the youth population of the study area when they seek for employment within the tourism sector. For example 20 percent of the population in Yakdehimulla

have never been to school. The number of persons studied up to G.C.E. (O.L.) is also very limited. (14.7 percent) Similarly the G.C.E.(A.L.) qualified persons are also limited to 4 percent of the total youth population. This may be a result arising from the negative enthusiasm towards education. In fishing communities, some of the young boys of schooling age, involving in fishing activities along with their fathers, leaving aside education is a normal practice. This in turn results in low literacy levels among the youth and it provides an opportunity for the educated youth from other areas to join the tourist industry.

Thus, the location of tourist hotels and guesthouses in Unawatuna, has benefited more to the youth from outside areas than to Unawatuna. Apart from the direct employment in tourist hotels and guesthouses, indirect employment opportunities have also been created in various sales outlets (such as batik, curios, antiques and jewellery shops) that are catering to the international tourists. There are altogether 25 such commercial outlets located within the study area. (see Table 4)

Table 4 - Indirect Employment in Tourism - Unawatuna - 2003

| Type of Institution | Number of shops in each category | Percentage | Total number of employees | Percentage | Number of employees from Unawatuna | Percentage |
|----------------------|----------------------------------|------------|---------------------------|------------|------------------------------------|------------|
| Jewellery shops | 12 | 48 | 16 | 48.48 | 08 | 56.24 |
| Curio shops | 03 | 12 | 03 | 9.09 | 03 | 100 |
| Wood carving centers | 02 | 08 | 03 | 9.09 | 03 | 100 |
| Batik shops | 03 | 12 | 06 | 18.18 | 06 | 100 |
| Diving centers | 02 | 08 | 02 | 6.06 | 02 | 100 |
| Antique shops | 03 | 12 | 03 | 9.09 | 03 | 100 |
| Total | 25 | 100 | 33 | 99.99 | 25 | |

Source : Field Survey Data 2003

When compared to the employment opportunities created through the accommodation sector, the number of indirect employment opportunities created by the tourist shops are relatively low. Table 5 shows that the majority of indirect employment opportunities, as well as the maximum number of employees from Unawatuna area are confined to Jewellery shops. It is also apparent that in all the other shops the number of employees are low, and at the same time all employees are from Unawatuna. However the average number of employees in these shops varies between two to three, but the total number of persons employed in these shops cannot be treated as indirect employees, because most of these shops are functioning through family labor. These workers are not monthly paid, but whatever earned is shared among them, according to each member's nature of involvement in that particular business.

Persons outside Unawatuna own fifty percent of the jewellery shops, (especially by Muslim traders from Galle) and these shops specialize in silver jewellery and gems. The number of batik shops, curio and antique shops are also considerably low relative to the other popular tourist destinations (such as Bentota, Hikkaduwa) of the South Coast Tourist Region. It is also evident that more than 50 percent of these shops are owned by local families, and are functioning through family labor. Majority of the items sold in these shops are manufactured outside Unawatuna.

Apart from these indirect jobs, some school leavers have found employment within the tourist industry as tourist guides. The hotel (or guesthouse) owners normally pay these guides 10 percent commission from the room rent, per each tourist brought to their hotels. During the off season the room occupancy rate in most of the hotels and guesthouses declines and this in turn leads to termination of the services of temporary employees. Furthermore, the reduction in the number of tourists reduces the income of the tourist guides also. All these factors finally create several other social problems. For example more than 50 percent of the respondents selected for the household survey have reported that minor thefts are increasing during the tourist off-season, due to the seasonal unemployment. These are much pronounced in Yakdehimulla, than in the other GN divisions of Unawatuna.

Social Consequences of Tourism Development.

The qualitative changes that develop in a tourist destination with the spread of tourism are generally considered as social impacts, (or social consequences) and these impacts originate due to the spread effects of “Social Tourism” (Mathieson and Wall 1982). The spread of “Demonstration Effects of Tourism” is a good example. The younger generation is considered as the pioneers in accepting the demonstration effects of tourism, and therefore they are the main actors engaged in spreading most of the social consequences of tourism to the peripheral tourist destinations.

It is apparent that persons between the ages of 15 to 30 years are highly under the influence of “Demonstration effects”. Especially the young generation of the study area, with the desire to embrace the western life styles, and the willingness to discard traditional norms and values of the society, has been the forerunners to grab the behavioral habits of the tourists. Thus the transfer of Western ideologies and practices through “the Demonstration Effect” cause the breaking down of traditional family structure.

Apart from the “Demonstration Effects, nudity and semi nudity has increased in certain beaches of Sri Lanka with the development of tourism economy. It is apparent that this type of behavior is a common occurrence where the majority of tourists are belonging to the “Hippy” tourist category. The large number of small guesthouses, and the number of boards displaying “Rooms for Tourists” hanging on the walls of many houses provides a clear indication about the type of tourists patronizing this area.

During the household questionnaire survey, the resident population was asked about the awareness of nudity or semi nudity, prostitution, homosexuality and drug addition. The answers given reveal some interesting facts. It is apparent that 52 percent of the population of Unawatuna area has not responded to the questions on prostitution and homosexuality. It is therefore clear that 48 percent of the population admit either they are aware, or have seen such behavior. The author believes, the persons who did not respond to those questions did so because of

two reasons. The first is, they may be thinking that if they were to accept the occurrence of prostitution, or homosexuality within their area, it will destroy the image of the village existed so far.

The second reason is the organized nature of such activities and the backwardness of the people. Normally villagers are shy to answer questions on sex related matters. Drug business is well organized, and people do not like to comment on these things because, doing so, may some times get them into unnecessary trouble.

It is also apparent that nudity or semi nudity, and drug addiction are more pronounced than prostitution and homosexuality. Forty eight percent of the sample has reported that they have seen nude tourists on the beach at Yakdehimulla. Since the residents of the area are not involved in such behavior, this question was answered without any hesitation. Only 28 percent of the sample refused to answer this question. But it should be noted here that residents of the area do not tolerate nudity or semi nudity on the beach. Majority of the resident population admitted, that some local persons are engaged in the drug business. Twenty percent of the respondents selected for the household survey reported that drug business in the area is handled mostly by the local youth, and the spread of tourism has become an advantage for their business (Especially heroin). Fifty two percent of the sample reported that they have seen tourists as well as locals inhaling heroin, while relaxing on the beach at Yakdehimulla. Police records indicate that illicit sale of liquor, possession and selling of drugs (such as heroin), in certain guesthouses was increasing during the mid 1990s with the spread of tourism. (see Table 6) One of the main reasons leading to this situation is the high price charged for a liquor license. The higher fees charged for the liquor license (even to sell beer) is not affordable for most of the guesthouse owners. During the discussions with managers of small guesthouses it was revealed that most of them do not have enough income to pay such an amount of money for the license. Especially because, their earnings from tourism is mostly confined to the tourist season, and they are mostly out of business during the off-season.

Table 5 Liquor and Drug Offences from 1989 –2001- Unawatuna

| Year | Total number of illicit Liquor Sales in Habaraduwa Police division | Number of cases from Unawatuna | Percentage | Number of Heroin raids in Habaraduwa Police Division | Number of raids from Unawatuna | Percentage |
|------|--|--------------------------------|------------|--|--------------------------------|------------|
| 1989 | 76 | --- | --- | 01 | 01 | 100 |
| 1990 | 274 | --- | --- | 02 | 02 | 100 |
| 1991 | 288 | --- | --- | 15 | 15 | 100 |
| 1992 | 94 | 19 | | 03 | 03 | 100 |
| 1993 | * | * | * | * | * | * |
| 1994 | 321 | 29 | 9.03 | 20 | 20 | 100 |
| 1995 | 326 | 97 | 29.75 | 16 | 16 | 100 |
| 1996 | 405 | 99 | 24.44 | 20 | 20 | 100 |
| 1997 | 383 | 116 | 30.28 | 21 | 21 | 100 |
| 1998 | 391 | 131 | 33.50 | 14 | 14 | 100 |
| 1999 | 211 | 36 | 17.06 | 14 | 14 | 100 |
| 2000 | 274 | 49 | 17.88 | 16 | 16 | 100 |
| 2001 | 324 | 42 | 12.96 | 02 | 02 | 100 |
| 2002 | 479 | 37 | 7.72 | 10 | 10 | 100 |

Source : Minor Offences from Registers from 1989 – 2002, Police Station , Habaraduwa.

*Data not available at the police station

A similar trend is apparent regarding the spread of drugs. From 1989 to 1994 there were few drug offences within the Habaraduwa Police Division. It should be highlighted here, that all the drug offences (possession, selling and Inhaling heroin) recorded since 1994 were from Unawatuna Area. The majority of these incidents were from Yakdehimulla.

After 1998, the Police Records show a drop in the number of illicit liquor sales in Unawatuna. But sales, possession and incidents of inhaling heroin does not show a specific trend. For example between 1994 to year 2000 the number of police raids on drug related matters were fairly high. In 2001 there is a sharp drop, followed by an increase in the following year (see Table 6). This fluctuating pattern does not necessarily represent the real situation of drug sales and use within the area during this period. Some times the number of police raids may have got reduced, and their emphasis may have deviated to other important areas according to the prevailing socio political conditions of the country. For example during a local government election, or a general election, the majority of the police forces are assigned to election duties, and it may in turn lead to a lesser emphasis on other issues, where people are violating the general rules and regulations of the country. However the spread of drugs, with the development of tourism has become one of the major social problems in Unawatuna area. Especially the young generation, under the influence of the "Demonstration Effect" is attracted towards this social menace. As a result of this trend to number of patients suffering from various physical disorders due to drug addiction has been growing since 1990 (see Table 7).

Table 6 - Number of Drug Addicts and Patients Treated-Unawatuna 1990-1999

| Year | Number of Drug Addicts | Increase relative to the Previous year (Percentage) | Patients Reported For Treatments | Increase relative to the Previous year (Percentage) |
|------|------------------------|---|----------------------------------|---|
| 1990 | 25 | -- | 21 | -- |
| 1991 | 35 | 40 | 25 | 19.04 |
| 1992 | 37 | 08 | 20 | -20 |
| 1999 | 50 | 35.13 | 45 | 125 |

Source : Adapted from monthly admission records, 1990- 1999 National Dangerous Drugs Control Board, Treatment and Rehabilitation Center, Unawatuna

Local youth motivated by the "Demonstration Effects" of tourism easily become victims of this social menace. In the first instance, they are very inquisitive about the experience they get after inhaling these drugs (specially heroin), and they just want to test and experience the physical effects of drugs. Gradually these youngsters become addicted to these drugs.

Environmental Consequences of Tourism Development.

When compared to the beaches in the East Coast, the beaches in the West and South Coast are developed, but they do experience various problems due to excessive use of the beach. The emerging tourist destination Unawatuna, is also subject to environmental damage as a result of unauthorized buildings, and unplanned tourism development. For example the accumulation of garbage and beach pollution, and disposal of wastewater have become acute problems. Even amidst these problems the second tourism master plan (Tourism Master Plan 1992) has identified Unawatuna as an area with tourism development potential, and the tourist board had declared Unawatuna as a Tourism Development Area.

The Problem of Solid Waste Disposal

Accumulation and disposal of solid waste is a growing problem in Sri Lanka. The amount of waste generated has changed over the years, with the introduction of various types of economic and social development policies. According to a recent report published by the Ministry of Environment and Natural resources (2002), the main cause for the growth of solid waste disposal problem, is lack of resources at local authorities for the provision and maintenance of an efficient waste disposal system.

Tourism is also an economic activity that generates a considerable amount of solid waste. Several reasons lead to the accumulation of solid waste in this area. The first among them is the tourist hotels and guesthouses. During the tourist season the amount of solid waste disposed from the tourist hotels and guesthouses are fairly higher than the off-season. When compared to the other popular tourist destinations of the South Coast Region, (such as Hikkaduwa) the amount of daily solid waste accumulation is relatively low in Unawatuna. But accumulation of solid waste has become a problem due to the absence of an organized waste disposal system. However, a solid waste removal system devised by the Habaraduwa Pradeshiya Sabha is functioning currently to maintain the cleanliness of the environment. A work fleet comprising of 12 laborers and a tractor is being used for this purpose, and they have been entrusted with the task of collecting the solid waste from Unawatuna area twice a day. But it is apparent that this fleet cannot cope with the daily accumulation of solid waste disposed from the tourist hotels. Inability in removing the daily accumulated solid waste (garbage), has led to decomposition of organic garbage, and the emission of an unpleasant smell, finally polluting the environment. However it is apparent that only a restricted

zone along the Galle – Matara main road and in the Unawatuna and Yakdehimulla GN Divisions are covered by this system (Abhayaratne, *etal*, 2000).

Malpractices have also creped into this business and guesthouse owners are compelled to bribe these laborers in order to keep their hotel surrounding clean. Even though the laborers employed for this task are monthly paid by the local authority, they expect Rs. 50.00 to 200.00, (.5 to 2, U.S. \$) from each hotel and guesthouse to perform this task regularly The problem of solid waste is further intensified due to the role of domestic tourists. Especially during the weekends and public holidays there is a heavy influx of local visitors to the Unawatuna beach, and their presence creates an unpleasant atmosphere to the foreign visitors, as well as to the environment.

Congregation of tourist hotels and guesthouses in Yakdehimulla GN division has created another acute problem, namely wastewater disposal. Since there is no common sewage disposal system operating in the area, hotels are compelled to devise their own ways and means for this purpose. Therefore some hoteliers have constructed large pits to dispose solid waste and wastewater. (Abhayaratne, *etal*, 2000) It is reliably understood that certain hotels in the area release sewage into the sea unobtrusively. There are also instances, where private households release sewage into the waterways without any concern about the environment. However some of the small hotel owners have. constructed small septic tanks within their hotel premises to dispose wastewater. (see Table 7)

Table 8 reveals some interesting facts about the volume of wastewater discharged per day during the tourist season Out of the 20 hotels studied, 75 percent have been using septic tanks to discharge wastewater while the remaining 25 percent have been discharging waste water to the Dutch Canal, which drains into the bay area of Unawatuna. The amount of water discharged per day varies from 300 to 3000 liters, depending on the number of hotel rooms available in each hotel. On both these occasions the environment is affected. For example, the water drained to the septic tanks finally reaches the ground water table leading to contamination of ground water. This in turn creates a serious problem to the residents of the area, because contaminated water is drained to the wells through ground water channels..

**Table 8 -Wastewater Disposal from the Tourist Hotel Sector -2003
Unawatuna**

| Name of the Hotel / Guest House | Number of Rooms | Wastewater disposed per day during Tourist season (In liters) | |
|---------------------------------|-----------------|---|----------------|
| | | To septic Tanks | To Dutch Canal |
| Unawatuna Beach Resort | 55 | 3000 | |
| Milton Hotel | 29 | 3000 | |
| Beach Hotel Conference | 8 | 800 | |
| Ocean Hill | 8 | 800 | |
| Araliya Restaurant | 10 | 1000 | |
| Banana Garden | 3 | 350 | |
| Peacock Restaurant | 2 | 300 | |
| Nayomi Guest House | 27 | 3000 | |
| Sun and Sea | 20 | 2000 | |
| Dilinena Beach Resort | 18 | 1000 | |
| Banana Guest House | 7 | | 800 |
| Sweet Guest House | 24 | | 2500 |
| Tabrobane Restaurant | 7 | | 750 |
| Nirosh Restaurant | 6 | 700 | |
| Neptune Restaurant | 12 | 1000 | |
| Rock House | 10 | | 1100 |
| Golden Inn | 10 | | 1000 |
| Village Inn | 6 | 700 | |
| Zimmer Restaurant | 7 | 750 | |
| Nimasha Guest House | 7 | 300 | |
| Total | 180 | 20350 | 6150 |

Source Field Survey Data 2003

Similarly the Dutch Canal has also been a source of environmental pollution. During the rainy seasons this canal flows into the bay area without any problem. But during the dry season the volume of water drained through this canal becomes less and it does not reach the bay area. Thus it becomes a stagnant water body. At the same time an unpleasant stink is emitted due to the decomposition of organic material contained in water. In addition it has become a breeding place for the mosquitoes

Due to these reasons residents of the area object to the construction of septic tanks, especially; when they are designed to be constructed outside the hotel premises. There are instances where the hoteliers have tried to construct such pits, without considering the inconveniences it creates to the local community. The seriousness of this problem is clearly apparent from the petitions sent by local people to the Habaraduwa Divisional Secretariat Office, against some of the leading tourist hotels in Unawatuna. The petition against Unawatuna Beach Resort is a good example. Unawatuna Beach Hotel, opened in 1985, with only five hotel rooms, Hotel management did not encounter any problem during its initial period regarding the disposal of solid waste or wastewater. But with the recent expansion of the hotel, the number of hotel rooms has been increased to 55, and the hotel management was faced with the problem of disposing solid waste and wastewater. The hotel management has taken steps to construct a large pit (40 x 20x 5 feet) right in the middle of this coastal settlement to overcome this problem. The villagers have opposed this construction, because of the fact that it will be a threat to the quality of the environment.

Illegal Constructions

It is apparent that illegal constructions associated with tourism development have also created problems to the host population in Unawatuna. In the initial stages of tourism development in this area there were no restrictions regarding the location of the buildings. Therefore, since the end of 1980s numerous buildings associated with the tourist industry have come up in Unawatuna area destroying the quality of the environment. Considering the damage created by this unplanned development,

The Coastal Conservation Department had spelled out some legislative measures to regulate the expansion of the industry.

It is clear that, most of the buildings that have been constructed before the enactment of the environment protection laws, were located very close to the sea, some times damaging the visual amenity of the sea. However the congestion of hotels has ultimately led to high land values along the coast. This is further intensified due to the recent measures adopted by the Coast Conservation Department to regulate land use in this area.

Conclusion

The discussion elaborated above shows several important facts regarding expectations kept upon the tourism development and its reality. It is apparent that development of international tourism has been successful in fulfilling the macro level expectations of the country .But as a measure for fulfilling the micro level expectations of peripheral tourist destinations; tourism sector's ability is debatable, especially because most of the micro level expectations of tourism development were reaped by the outsiders who are controlling the business.

Social mobility is expected through tourism development. In reality, the resident population of Unawatuna has not been highly benefited by tourism development, because the hotel industry in this area is dominated by financial elites from other neighboring areas. As a result employees from other areas hold most of the executive and clerical jobs. Lack of English knowledge, and the required educational background has been a major limiting factor, for the residents of this area when they seek employment within the hotel sector. Absence of strict policy measures to control the location of various buildings linked to tourism business, during the early stages of tourism development, and development process carried out without systematic planning has created additional problems, rather than solving the existing problems associated with different levels of development.

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Annexure 1 Tourism Growth Trends From 1966-2004

| Year | Tourist Arrivals | Growth % | Earnings in Rs. Millions. | Difference In Earnings | Number of hotel Rooms | Growth | Annual Occupancy Rate | Direct Employment | Indirect Employment |
|------|------------------|----------|---------------------------|------------------------|-----------------------|--------|-----------------------|-------------------|---------------------|
| 1966 | 18969 | | 6.1 | | 720 | | | | |
| 1967 | 23666 | 24.76 | 5.9 | -1.1 | 720 | Nil | 35.0 | | |
| 1968 | 28272 | 19.49 | 10.5 | 4.6 | 903 | 183 | 40.7 | | |
| 1969 | 40204 | 42.20 | 17.0 | 6.5 | 986 | 83 | 44.3 | | |
| 1970 | 46247 | 15.03 | 21.5 | 4.5 | 1408 | 422 | 42.8 | 5138 | 6940 |
| 1971 | 39654 | -14.24 | 20.3 | -1.2 | 1767 | 359 | 31.1 | 6397 | 8640 |
| 1972 | 56047 | 41.34 | 43.8 | 23.5 | 1891 | 124 | 38.8 | 7040 | 9300 |
| 1973 | 77888 | 38.96 | 79.5 | 35.7 | 2468 | 577 | 42.4 | 7134 | 10780 |
| 1974 | 85011 | 9.14 | 107.1 | 27.6 | 2905 | 437 | 39.7 | 8551 | 11550 |
| 1975 | 103204 | 21.40 | 157.1 | 50.0 | 3632 | 727 | 36.8 | 10148 | 13700 |
| 1976 | 118971 | 15.27 | 237.8 | 80.7 | 4581 | 949 | 37.7 | 11752 | 15900 |
| 1977 | 153665 | 29.16 | 363.1 | 125.3 | 4851 | 270 | 42.0 | 13716 | 18520 |
| 1978 | 192592 | 25.33 | 870.0 | 506.9 | 5347 | 496 | 47.7 | 15404 | 20795 |
| 1979 | 250164 | 29.89 | 1209.4 | 339.4 | 5599 | 252 | 52.8 | 18472 | 24937 |
| 1980 | 321780 | 28.62 | 1830.3 | 620.9 | 6042 | 443 | 57.8 | 19878 | 28002 |
| 1981 | 370742 | 15.21 | 2546.5 | 716.2 | 6891 | 849 | 54.5 | 23023 | 32232 |
| 1982 | 407230 | 9.84 | 3030.4 | 503.9 | 7539 | 648 | 47.8 | 26776 | 37486 |
| 1983 | 337530 | -17.11 | 2896.1 | -154.3 | 8852 | 1313 | 35.9 | 22374 | 31234 |
| 1984 | 317734 | -5.86 | 2669.5 | -226.6 | 9627 | 775 | 35.6 | 24541 | 34357 |
| 1985 | 257456 | -18.97 | 2233.5 | 436.2 | 9826 | 199 | 32.7 | 22723 | 31810 |
| 1986 | 230106 | -10.62 | 2300.1 | -115.1 | 9794 | -32 | 32.9 | 22285 | 31199 |
| 1987 | 182620 | -20.63 | 2415.2 | 66.8 | 9921 | 157 | 31.5 | 20338 | 28473 |
| 1988 | 182662 | 0.02 | 2438.3 | 23.1 | 9977 | 56 | 32.1 | 19960 | 27944 |
| 1989 | 184732 | 1.13 | 2739.7 | 301.4 | 9459 | -518 | 31.0 | 21958 | 30741 |
| 1990 | 297888 | 61.25 | 5303.3 | 2563.6 | 9556 | 97 | 47.2 | 32964 | 34950 |
| 1991 | 317703 | 6.65 | 6485.8 | 1182.5 | 9679 | 123 | 48.4 | 26878 | 37629 |
| 1992 | 393669 | 23.91 | 8825.6 | 2339.8 | 10214 | 535 | 55.3 | 28790 | 40306 |
| 1993 | 392250 | -0.36 | 10036.8 | 1211.2 | 10365 | 151 | 57.0 | 30710 | 42994 |
| 1994 | 407511 | 3.89 | 11401.6 | 1364.8 | 10742 | 377 | 56.6 | 33956 | 47538 |
| 1995 | 403101 | -1.08 | 11551.6 | 149.5 | 11255 | 513 | 52.6 | 35068 | 49095 |
| 1996 | 502265 | 25.01 | 9559.1 | -1992.5 | 11800 | 545 | 40.3 | 31963 | 44748 |
| 1997 | 366165 | 21.14 | 12806.0 | 2946.9 | 12370 | 770 | 49.1 | 34006 | 47608 |
| 1998 | 381063 | 4.06 | 14873.0 | 2367.0 | 12772 | 402 | 52.8 | 34780 | 48842 |
| 1999 | 436440 | 14.53 | 19228.0 | 4355.0 | 12918 | 146 | 57.6 | 36560 | 51184 |
| 2000 | 400414 | -8.25 | 19024.0 | -204.0 | 13311 | 393 | 52.3 | 37943 | 53210 |
| 2001 | 336794 | -18.88 | 18863.3 | -160.7 | 13626 | 315 | 42.1 | 33710 | 47194 |
| 2002 | 393171 | 16.73 | 24202.0 | 5338.7 | 13818 | 192 | 43.1 | 38821 | 54349 |
| 2003 | 500642 | 21.46 | 32810.0 | 8608 | 14137 | 319 | 53.2 | 46761 | 65465 |
| 2004 | 566202 | 11.57 | 42058.6 | 9248.6 | 14332 | 195 | 59.3 | 53776 | 75286 |

Sources: Tourist Board, Annual Statistical Report 1997 p.43, and Central Bank Report - Sri Lanka 2000, Ceylon Tourist Board (2004), Annual Statistical Report, (electronic Copy)