

**TOURISM AND ECONOMIC DEVELOPMENT:
AN ANALYSIS ON THE DEPENDENCY,
VULNERABILITY AND INSTABILITY OF
THE TOURISM SECTOR IN SRI LANKA**

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International tourism in the modern sense is essentially a post-war phenomenon. It arose as a result of the dramatic, social and political changes that took place in the Western World after the Second World War. From the early stages, majority of the activities connected with tourism were concentrated in the developed countries of the world. As a result majority of the tourist flows were seen either between or within the developed countries. In addition during the initial stages of tourism development, bulk of the tourism activities were domestic and were designed to attract a financial elite who had the resources and time to seek such leisure activities (Holloway 1986). This trend totally changed with the increase of real disposable income and leisure time of many other groups in society, and also due to the developments in transport across national boundaries since 1945.

Today tourism has become the largest industry in the world with visitor arrivals topping 594 million in 1996 and foreign exchange earnings soaring (Frangialli 1997). In 1997, tourism receipts represented more than one third of the value of world trade in the services sector. According to latest available information tourist ventures provide one out of every fifteen jobs in the world. Yet, in terms of tourist arrivals to different parts of the world the picture has changed only to some extent and the dominance of the developed countries tend to remain intact. Still the less developed countries receive a small share of international tourist arrivals. For example in 1997 developing countries received only 30.5% of world international tourist arrivals, (WTO, 1998). However the interest and activities relating to International tourism has been growing in a significant manner in almost half of the 48 low-income countries, and in virtually all the 53 low income and middle-income countries. It is noteworthy that among the 12 countries that are home to 80% of the world's poor, tourism is significant or growing in all but one. Today practically all the countries of the world have opened their doors to international tourism, not only as a means of economic and social development, but also as a part of their globalization policies.