



THE IMPACT OF THE TOURISM INDUSTRY ON SOCIO-ECONOMIC DEVELOPMENT OF INFORMAL AND SMALL SCALE BUSINESS COMMUNITY: A CASE STUDY FROM ELLA DIVISIONAL SECRETARIAT DIVISION OF BADULLA DISTRICT

Hettiarachchi HAN

Department of Geography, Faculty of Humanities and Social Sciences,
University of Sri Jayewardenepura, Sri Lanka
nishanthahan@gmail.com

Abstract

As an international economic activity, tourism is an increasingly important sector in the economies of many countries. It is considered as a strategy for peripheral economic growth due to the contribution made for the development of different small scale businesses. It is also a mechanism which accelerates the socio-economic development of the communities. The link between tourism and the sectors such as agriculture and informal and small scale businesses is a much studied field in tourism research. Since many of the tourist destinations have been scattered over the peripheral regions, diverse benefits can be achieved through the promotion of such business culture. Communities engaged in small scale tourism related businesses have positively been benefited and it causes for their socio-economic development. Since there is a positive link between these two sectors, a study about the impact of the tourism industry on socio-economic development of the informal and small scale business community is timely significant. After a preliminary survey which carried out in different tourist attractions in Sri Lanka, Ella divisional secretariat of Badulla District was selected as the study area. The main objective of this research was to study the impact of tourism industry on the socio-economic development of the informal and small scale business community of the study area. Based on the preliminary survey, tourism related business community were categorized as accommodation suppliers, sellers, labours, assistants in tourism related business establishments, producers of different items etc. and a representative stratified sample of 100 was selected applying the stratified random sampling technique. Various methods of data collection were employed to collect data and quantitative and qualitative analytical methods were used in combination for data analysis. The findings of this study reveal that the tourism industry has contributed for the domestic improvement, promotion and enhancement of small scale industries, entrepreneurial development, generating income and employment opportunities, saving enhancement, women representation in business sector and agricultural and livelihood development of the of the study area while ensuring the community development process of the region including socio-economic development. A total of 17 (17 percent) women of the study area, are either the owners of a small scale business or work in such establishments. There are 03 communication females and 04 janitors who work in tourism related establishments on permanent basis. Further, there are 15 are owners of homestays, the prominent small scale business in the region. Mobile selling, another noticeable informal sector is the occupation for 14 while 13 are owners of food and snack stalls. Different materials required by the tourism sector are provided by 12 persons. In this way, the tourism industry of the study area has contributed to the socio-economic development of the business community.

Keywords: tourism industry, informal and small scale business, business community, socio-economic development