

Impact of Tourism Sector on the Rural Development of Sri Lanka

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Abstract:-As a result of globalization, living conditions in communities have changed. The changing economic situations, communication, and technology have made people more individualistic. Tourism is a rural development resource which has both beneficial social as well as economic consequences according to Bahrami and Noori (2013). In most countries, tourism is used as an instrument for economic and social development. According to Ross (1992), integrated tourism plays a vital role for rural development and local population development in these natural, cultural and social attractions, in particular in developing countries. A stable population and economy have been promoted by tourism, which are both important in order to achieve long-term rural development. The aim of this study is to examine the rural development impact of tourism in Sri Lanka. The research was led by four objectives of research, which included an analysis of the social, economic, cultural and environmental effects of tourism in rural areas. The study revealed that, based on data collected from 150 locals in Eastern Sri Lanka, tourism has an 87% impact on rural development. The study found that both economically and socially, tourism had significant positive impacts on rural development. The study also showed that the environmental impacts and cultural impacts showed a weak but positive association with rural development

Keywords:- Tourism Sector, Economic Impacts, Rural Development

I. BACKGROUND INFORMATION

Sri Lanka, a small island in the Indian ocean is blessed with a number of factors. Its strategic location, geography of the country, history, civilization, climate and nature of the people augurs well to be a tourist destination. But most unfortunately, we have still not been able to exploit the available resources to its maximum potential. One of Asia's most popular tourist destinations is the small island floating in the beautiful waters of the Indian Ocean. The tourism sector is a world leader in revenue and employment growth, and it is undoubtedly the most prosperous commercial enterprise. Andereck et al. (2005) asserts that travel, in the words of the authors, has both positive and negative impacts

on society. Changes in people's behaviors have been dramatic as a result of digital advancements. tourism is increasingly favored over expectations and demands of the public. Tourism activities draw everyone, regardless of socioeconomic background or age, to the level of high stress, work pressure, and various other physical and psychological factors. Rural development has benefitted from tourism over the previous several decades. We should include discussions of rural development and rural tourism when addressing the new rising segment of another specialty tourism product: rural tourism. Tourism has played a major role in rural development, and a variety of researchers and specialists have sought to understand how best to manage it. The goal of this research is to explore the ways in which tourism helps to advance rural development in Sri Lanka.

A. Objectives of the Research

The Objectives of this study is to assess how tourism has contributed to rural development in Sri Lanka. The specific objectives of the study are;

- To analysis the effects of tourism on rural social impact
- To find the effects of tourism on rural economic impact
- To look at the effects of tourism on rural cultural impact
- To examine the effects of tourism on rural environmental impact

B. Research Questions

This study explores the answer to the following research questions :

- Is there a positive association between tourism and social development in research area?
- Is there association between tourism and economic development?
- Is there association between tourism and cultural development?
- Is there association between tourism and environmental development?

C. Significance of the Study

The outcomes of this research will provide explanations for the effects of tourism on the quality of life of Sri Lankans. Furthermore, the findings of this study will aid tourism development stakeholders in local regions in adopting tourism development plans based on citizens' opinions toward tourism's influence on local development in

a tourism destination. This study will be valuable to planners and policymakers for future planning and future studies. It will also benefit many present and new tourist organizations, stakeholders, and destinations in limiting the negative effects of tourism on locals and taking into account future decisions, planning, implementing, and facilitating tourism operations.

II. LITERATURE REVIEW

Tourism is one of the most critical activities in the community that support the development of various sectors. The rural tourist sector has values and different influences on the human and natural environment, according to San and Herrero (2012). Most people feel that tourism is a kind of business activity which serves tourists, in particular rural tourism. Gannon (1994) argues it is a type of activity that offers people in various sectors, such as agriculture, retail and other industries extra incomes. Thus, rural tourism development plays an essential role in rural diversification and promotes sustainable and smooth rural development. Rural development. This section will provide different reviews on the social, economic, cultural and environmental development in rural areas based on the impact of tourism activities.

A. Social Impacts

Various infrastructures like hospitals and roads have developed as a result of rural tourism (Khadaroo and Seeranah, 2008). They also found that most people are employed in tourism facilities like hotels, and entertainment facilities, thus earning income that helps them to cater for their living expenses. Rural tourism is associated also associated with the growth of various entertainment sectors in the host countries. Besides, recreation and restaurant development as a result of tourism development offer employment to thousands of people in rural areas. However, McAreavey and McDonagh (2011) posit that tourism development also contributes to social ills like prostitution and drug trafficking among young adults in exchange for money. Infrastructures developed as a result of tourism have been considered as a cause of congestion and crowdedness especially in clubs, theaters, and concerts. The study focused on understanding whether the social impacts of tourism contribute to rural development or not. The first hypothesis can therefore be stated as;

H01: *There is no positive association between tourism and social development in local areas of Sri Lanka*

B. Economic Impacts

Thousands of people have been employed in the tourism industry, according to Ashley et al. (2007). Which has had a substantial impact on the host country's economic progress. In tourism-dependent countries, people's living standards have substantially increased. Tourism development also aids the host country's foreign exchange earnings. This increases government spending on rural development and raises people's living conditions in rural areas. According to a previous study, the expansion of rural tourism has resulted in an increase in the earnings of various

rural businesses (Chheang, 2008). Most previous research focused on the economic effects of tourism, with little attention paid to how these effects aid rural development. As a result, the goal of our research is to close that gap. The second theory is as follows:

H02: *There is no positive association between tourism's economic impacts on rural development in Sri Lanka*

C. Environmental Impacts

Different studies have found different results on tourism's environmental impact. Liu et al. (1987) found an improvement on environmental conservation in Istanbul, North Wales, through development of tourism in rural regions. They also found that the quality of parks in the host country has been improved by tourism. However, Zong et al. (2011) found that the cost of littering and dumping, the loss of natural resources, the degradation of vegetation and pollution have been increased. Gobster et al. (2007) studied the development of rural tourism to improve people's understanding of the esthetic aspect and to improve ecologically harmful conditions. This study focuses on examining the positive effect of these effects on rural development with a lot of evidence of the impacts of tourism on the environment. The third hypothesis is as follows:

H04: *There is no positive association between tourism and environmental development in local areas of Sri Lanka*

D. Cultural Impacts

There has been an exchange of culture as a result of the development of rural tourism (George et al., 2009). Various studies have criticized tourism development for influencing the social, cultural, and behavioral patterns in society (Terkeli et al., 2007). High levels of social crimes, loss of cultural heritage among the locals have been experienced in tourism regions. Lawton (2001) publishes that tourism cause acculturation as the local cultures tends to be overtaken by foreign culture over time. Besides, although tourism brings about the exchange of cultures and traditions among the residents and tourists, the locals embrace much of foreign culture as they assume them more developed than their cultures (Amir et al., 2015). With so many studies carried to investigate the cultural impacts of tourism, this study tries to fill the gap on how these impacts relate to rural development. The fourth hypothesis can thus be stated as;

H03: *There is no positive association between tourism and cultural development in local areas of Sri Lanka*

E. Conceptual Framework

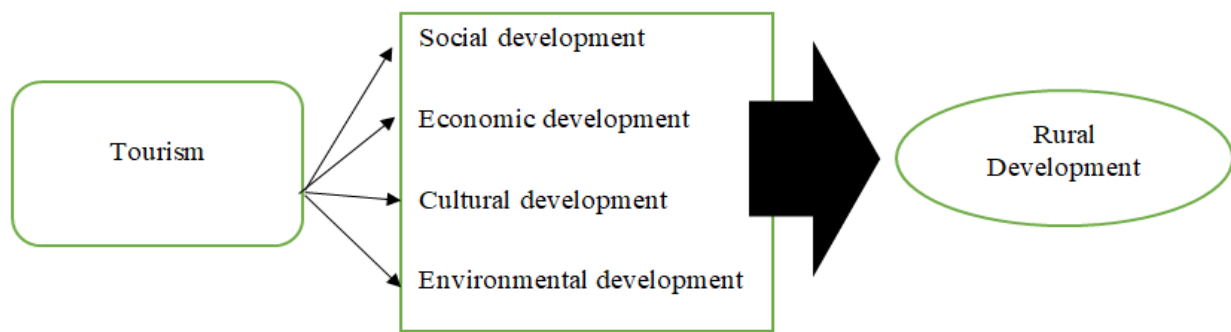


Fig 1 Conceptual Framework

III. RESEARCH METHODOLOGY

The study used a descriptive research design to collect and analyze the data. This design is considered to be the best as the study involves the description of population elements, and investigates the association of different variables to determine whether they are positively or negatively connected. The population of the target is residents in rural areas in the Eastern province of Sri Lanka. The province consists of regions like Ampara, Batticaloa, and Trincomalee. Random sampling used to select participants. This research used a sample size of 150 participants, which is efficient with the researcher's time and cost. The study used primary data, which were collected using questionnaires.

The collected data was mainly based on the social impacts, economic impacts, cultural impacts, and environmental impacts of tourism on rural areas. The questionnaire mainly consists of closed-ended questions to compress participants finding into the responses. This will also make the analysis more-simpler. The researcher intends to use a 5-point Likert frame (1 strongly disagree to 5 strongly agree). The analysis was entirely quantitative as the data collected were also quantitative. The correlation and regression analyses were used to test for the association between the Impacts of tourism variables and rural development variables. The study used IBM SPSS to analyze the data. All the analyses were conducted at a significance level of 0.05.

A research model can be described as;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y = Rural development

X1 = Social development

X2 = Economic development

X3 = Cultural development

X4 = Environmental development

ϵ = Stands for the error terms

A. Test of Reliability

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.891	17

The study used Cronbach's Alpha to test for reliability. The test gave an alpha value of 0.891 which is relatively high. Therefore, the data collected is reliable and thus its analysis will give valid results, reading to valid conclusions.

IV. DATA ANALYSIS

A. Respondents' profile

This provides general information about the individuals who participated in this study. The information included gender, age, and beneficiaries of tourism sectors in rural areas.

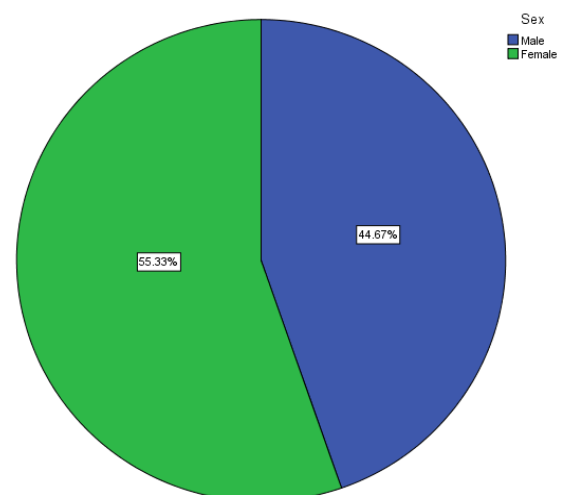


Fig 2 Sex of the Respondents

The figure above shows that there was a higher number of females who participated in the study compared to top males. That is 55.33 percent of respondents were females while 44.67 percent were males.

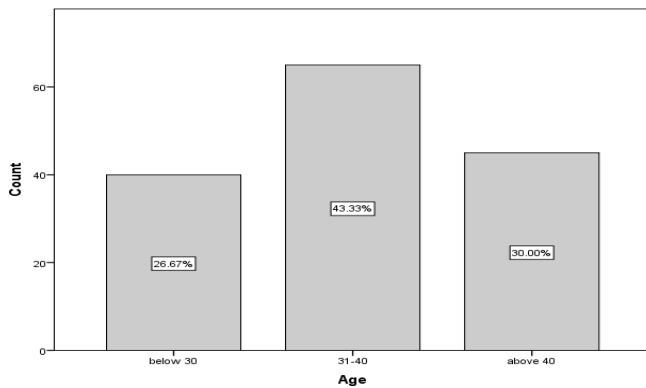


Fig 3 Age of the Respondents

From the figure above, it is evidence that the highest number of respondents were between 31 years and 40 years (43.33%). 30% of the respondents were above 40 years, while 26.67% were below 30 years of age.

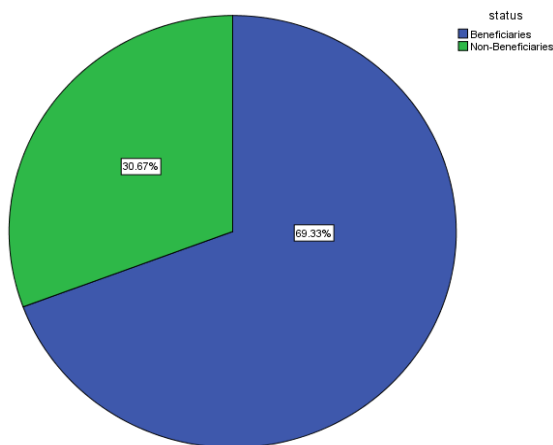


Fig 4 Status of the Respondent

The study involved people who have directly benefited from the tourism sector in the rural area (beneficiaries) and those who have indirectly benefited from the sector (non-beneficiaries). From the figure above, most of the respondents of the study were beneficiaries with 69.33%, while non-beneficiaries were 30.67%.

B. Descriptive statistics

This part involved frequencies statistics; mode, median, mean and standard deviation. The descriptive statistics provide the general description of data collected for social, economic, environmental, and cultural impact variables.

Table 2 Social Impacts

		Infrastructure	Living Standards	Entertainment Facilities
N	Valid	150	150	150
	Missing	0	0	0
Mean		3.8267	3.7933	3.6867
Median		4.0000	4.0000	4.0000
Mode		5.00	4.00	4.00
Std. Deviation		1.31459	1.13100	1.14772

The table above shows that the mean values for the infrastructure variable, living standards variable, and entertainment facilities were greater than 2.5, a mid-point of 5-point Likert scale. Therefore, the residents in the Eastern region accepted that tourism development in rural areas has influenced the development of infrastructure and entertainment facilities. Besides, it has led to improved living standards for rural residents. These results were confirmed by the median and mode values above.

Table 3 Economic Impacts

		Employment	Saving for Investment	Earning Of local enterprises
N	Valid	150	150	150
	Missing	0	0	0
Mean		3.4467	3.0133	2.5067
Median		4.0000	3.0000	2.0000
Mode		4.00	3.00	1.00
Std. Deviation		1.10239	1.27961	1.47801

The table above shows that the mean values for the employment variable, and saving for investment variable were greater than 2.5, a mid-point of 5-point Likert scale, with median values of 4 and 3; and the mode of 4 and 3 respectively. This indicates that the residents of the Eastern province of Sri Lanka agreed that tourism has led to an increase in employment, and saving for investment in the rural areas. However, the mean, median, and mode for earnings for rural enterprises were less than 2.5, indicating that the residents disagreed that tourism development in rural areas has improved earnings for rural enterprises.

Table 4 Environmental Impacts

		Environmental Conservation	Aesthetic Appearance	Littering and Dumping Sites
N	Valid	150	150	150
	Missing	0	0	0
Mean		3.5800	4.0600	3.9000
Median		4.0000	4.0000	4.0000
Mode		5.00	5.00	4.00
Std. Deviation		1.25463	1.05060	1.00835

From the statistics in the table above the mean values for environmental conservation, aesthetic appearance, and littering and dumping sites were greater than 2.5, a mid-point of 5-point Likert scale, with median values of 4; and the mode of 5, 5, and 4 respectively. This indicates that the residents of the Eastern province of Sri Lanka agreed that tourism development in rural areas has improved environmental conservation, and aesthetic appearance, and development of littering and dumping sites.

Table 5 Cultural Impacts

		Cultural Exchange	Traditions Change	Encouragement of Various Cultures
N	Valid	150	150	150
	Missing	0	0	0
Mean		4.3667	4.1200	4.1200
Median		5.0000	4.0000	4.0000
Mode		5.00	5.00	5.00
Std. Deviation		.84676	.93349	1.00949

The mean values for all cultural impact variables; cultural exchange, encouragement of variety of cultures, and traditions change were greater than 2.5, a mid-point of 5-point Likert scale. Their median values of 5, 4, and 4 respectively; and the mode values of 5. This indicates that the residents of the Eastern province of Sri Lanka agreed that tourism development in rural areas promoted cultural exchange, encouragement of variety of cultures, and traditions change.

C. Correlation Analysis

The study used Spearman's rho correlation to examine the association between the variables. The social impacts were the overall mean for infrastructure variable, living standards variable, and entertainment facilities variables. Economic impacts were the overall mean for employment variables, saving for investment, and earnings for rural enterprises variables. Environmental impacts were the overall mean for environmental conservation, aesthetic appearance, and littering and dumping sites, while cultural impacts were the overall mean for cultural exchange, encouragement of variety of cultures, and traditions change. The correlation results show the strength of association but not the causality relationship between them. The results were as below;

Table 6 Correlations Statistics

			Rural Development
Spearman's rho	Rural Development	Correlation Coefficient	1.000
		Sig. (2-tailed)	.
	Social Impacts	Correlation Coefficient	.619
		Sig. (2-tailed)	.000
	Economic Impacts	Correlation Coefficient	.776
		Sig. (2-tailed)	.000
	Environmental Impacts	Correlation Coefficient	.466
		Sig. (2-tailed)	.000
	Cultural Impacts	Correlation Coefficient	.359
		Sig. (2-tailed)	.000

The Spearman' rho correlation values for social impacts and environmental impacts were greater than 0.5, indicating that rural development was positively and strongly correlated with social and economic impacts of

tourism development in rural areas. On the other hand, environmental impacts and cultural impacts showed a weak but positive association with rural development. In other words, rural development was highly experienced development of infrastructure, living standards, entertainment facilities, employment, improved in saving for investment and earnings for rural enterprises.

D. Multicollinearity test

The study carried out a multicollinearity test to investigate whether there are cases of a strong correlation between independent variables that would influence the findings of regression analysis. A collinearity test was done using variance inflation factor, with a critical value of 3.0.

Table 7 Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Social Impacts	.780	1.282
	Economic Impacts	.890	1.123
	Environmental Impacts	.470	2.128
	Cultural Impacts	.511	1.955

All independent variables gave VIF values less than 3.0, thus there was no case of collinearity. Therefore, all variables were valid to be used in regression analysis without influencing the results.

E. Regression Analysis

The study used regression analysis to investigate the impacts of tourism on rural development.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933	.870	.866	.30497

The regression statistics gave an R-Square value of 0.870, and the adjusted R-Square value of 0.866. This indicates that the tourism sector has influenced rural development by 87%.

Table 9 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.987	4	22.497	241.886	.000
	Residual	13.486	145	.093		
	Total	103.473	149			

The ANOVA analysis gave an F-statistic value of 241.886, and a significance value of 0.000. This shows that there was a significant joint association between independent variables and dependent variables.

Table 10 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.313	.147		2.130	.035
Social Impacts	.444	.031	.484	14.245	.000
Economic Impacts	.480	.022	.696	21.918	.000
Environmental Impacts	.022	.045	.022	.498	.619
Cultural Impacts	-.004	.042	-.004	-.090	.929

The coefficient values indicate the strength of the causality relationship between variables. From the table above, the social impacts of tourism development have a positive and significant influence on rural development. The table above shows that tourism's social impacts contribute to 44.4% influence on rural development. The economic impacts of tourism show a positive and significant influence on rural development. It contributes to 48% influence on rural development in the research areas.

However, the environmental impacts of tourism sectors showed a positive but insignificant influence on rural development. It constituted to 2.2 percent influence on rural development. Lastly, the cultural impacts of the tourism industry showed a negative but insignificant influence on rural development. The results indicated that cultural impacts contributed to -0.4% on rural development.

The research model can be fitted as;

$$Y = 0.313 + 0.444X_1 + 0.48X_2 + 0.022X_3 - 0.004X_4$$

V. CONCLUSIONS

The study's major goal was to determine how tourism has aided rural development in Sri Lanka. The study discovered that tourism has greatly helped to rural development using data collected from residents of Sri Lanka's Eastern province. The study concluded that tourism's effects on social development in rural regions, such as infrastructure, living standards, and entertainment facilities, had influenced rural development in Sri Lanka positively. Furthermore, the study found that tourism's effects on economic growth in rural regions, such as employment, savings for investment, and revenues for rural firms, had a favorable and significant impact on rural development.

However, the study discovered that tourism has a good but minor impact on rural development; environmental protection, aesthetic appearance, and littering and dumping sites in rural regions all have a positive but minor impact on rural growth. Finally, it was discovered that tourism has a detrimental impact on cultural development; cultural interaction, the encouraging of a diverse range of cultures, and the changing of customs in rural regions all have a negative impact on rural development.

SUGGESTIONS

- Sri Lanka, with all its resources, potential and worthiness to be an absolute tourist destination, fell short in the process of trade development mainly due to the lack of a national policy and party due to the long-drawn war which lasted almost three decades. A large number of employment opportunities could be created with the development of tourists' trade directly or indirectly which will finally boost our national economy.
- Tourism provided the oxygen required for the country to survive the present economic crisis. An increase in the inflow of tourists depends on the quality of the product Sri Lanka offers tourists.
- Private sector participation is vital in the enhancement of rural tourism as they playing a major role in this business.
- Going further event tourism is attracting Visitors to a country for an event or event-based tour which could be an international sporting event, high level business forum, regional leaders conference on a vital issue, musical show where the world stars take part, top level trade exhibitions or even a national religious festival like Vesak which can create attraction around the world.
- To build lost image, to first heal the self-inflicted wound through a strong social media campaign that made the world feel safe in visiting and enjoying the warm hospitality of rural in Sri Lanka.
- Working on a long-term brand building strategy for Sri Lankan rural Tourism.
- Developing an all-in-one App for rural tourism services.
- Make sure that Sri Lanka becomes a destination for international events that will attract tourists.
- Awareness on environment friendly rural tourism (eco-tourism)
- Need a rigorous campaign to attract more tourists to visit Sri Lanka.
- If we are keen to develop tourism, this will generate more dollars by making it safe for tourists and utilising the Eastern part
- Additionally, medicinal gardens, which account for Ayurveda and traditional medicine for tourists
- Implementing the proper rules and regulations.

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