ABSTRACT

One tool for economic development is the tourist sector. Tourism destination management is required at local, regional, and national levels to profit. The local population plays a significant role in the tourism industry since they serve as the tourists’ hosts. Tourism must be promoted to maximize industrial benefits. Positive outcomes must be enhanced, while negative consequences must be controlled. Therefore, this study aims to identify the economic and socio-cultural impacts of tourism on the Ella destination. This research is focused on the homestay community, because it is the main income-generating source for the resident community in Ella, Sri Lanka. The researcher selected 175 registered homestay business owners in Ella destination, Sri Lanka through a simple random sampling strategy. This study applied a Likert scale questionnaire to collect primary quantitative data for this study. Secondary data was gathered from past theses, journal articles, newspaper articles, the SLTDA website, and central bank annual reports. The SPSS software was utilized to analyze the gathered data through questionnaires. The researcher identified that there are eight main indicators that affect the socio-economic development of the homestay business community in Ella, Sri Lanka. These are local culture, local services, the community’s lifestyle, alcoholism, drugs, and prostitution, employment and income opportunities, investment & spending, infrastructure, and tourist arrivals to Ella. As per the findings, the researcher recommends that homestay tourism business owners need to invest in eco-friendly business operations, because eco-friendly hospitality services are the main trends in the current global tourism and hospitality business sector. Also, homestay business owners should know that practical knowledge is highly significant in the tourism and hospitality sector business environment. In the future, community capacity development, identification of a unique promotional mechanism, and eco-friendly business operations will be needed to manage negative impacts.

Index Terms: Tourism Development, Socio-Cultural Impact, Economic Impacts, Local Community

INTRODUCTION

Tourism recorded at the highest growth rate among all other industries, and as a result, tourism has now become one of the major economic influxes to the world’s Gross Domestic Product (GDP). Tourism has been recognized as an efficient channel for the economic development of several countries in the world (Nayomi & Gnanapala, 2015). Tourism development is a common acceptance that the tourism industry is a source of increased economic activity in the world, the tourism industry has become a source of income for community living in the tourism destinations. Further, provides diverse impacts for the resident community along with economic opportunities such as employment and high demand, it is essential that socio-economic criteria be taken into account for the medium and long-term sustainability of tourism development and facilities (Rakadzhiyska, 2018). Weaver & Lawton (2014) mentioned that the basic aim of tourism management at a destination is to maximize the sector’s economic, socio-culture and environmental benefits while reducing the interrelated cost. Within the tourism destinations, essential to enhance positive impacts managing negative impacts. In order to meet this objective, destination managers must come across the implicit positive and negative impacts of tourism as perceived by the residential communities of different countries in the world (Swarbrooke, 2010; Heath & Wall, 1992; Weaver & Lawton, 2014; Alshboul, 2016).
The main aim of tourism development in a specific geographical location and growth is to improve the economic, social and environmental benefits in a country, the practice has often produced a consummate of both negative and positive socio-economic impacts that tend to have serious adverse impacts on local and indigenous cultural values (Swarbrooke, 2010). Therefore, tourism managers and planners bear in mind that, in the quest for development, tourism should not destroy the values people seek to protect in the community. An appropriate policy framework within a contemporary tourism industry can contribute to the socio-economic development and poverty reduction through economic growth, income development and job creation for the economically lower status communities (Wall & Mathieson, 2006).

Sri Lanka consisted of various destinations which provide diverse experience to the people. Ella is centrally placed for some great getaways such as the Horton Plains, the Udawalawe National Park, the Yala National Park, and the area between the southern and eastern coast (Srilanka.travel.com, 2019). The accommodation facilities at Ella consist of five-star hotels to homestays. Ella destination most popular among local and foreign tourists. Homestay is most popular within Ella destination and this is one of the direct incomes for the people live in the area. The research mainly focusses only homestay sector when considering residential community. Many previous scholars identified that impact of tourism on socio-economic development in the business environment in many ways. Jayasuriya & Guoping (2017) recommended conceptually that tourism development produced economic, physical, and social impacts in the Ella destination area. Lokuhetty, Jayawardena & Mudadeniya (2013) maintained the economic advantages and the costs of social, cultural, and environmental impacts of tourism. Identification of the impacts to the local community is really important. Davidson (2000) identified “attention for local tourism development” and “personnel and community benefits” as tourism influences while strengthening the tourism impacts attitude scale. However, Ella is a faintly growing tourism destination with high potentials. Therefore, essential to identify social economic impacts within Ella area. Ella located within the Uva province and the region is lagging region. Therefore, this research gains direct benefits to the people as well as manage the negative impacts. Contemporary most of the tourism destinations local residence are migrating to outer city due to negative impacts. This will lead to direct unaccepted activities within the region. Therefore, in-depth study of the socio-economic impacts will involve identifying the area’s situation and formulating strategies to ensure sustainability directly. Therefore, this research focus in identify socio economic indicators to study economic development of Ella area and identify socioeconomic impacts. The extent to which the community in Ella destination derives benefits from tourism development.

LITERATURE REVIEW

The tourism industry is still emerging in the 21 century as it expresses to 9.2% of world GDP and 235 million individuals are utilized inside this industry (Worldbank.org, 2020). World Travel and Tourism Council (WTTC) measurements uncover that the tourism industry’s immediate commitment to Sri Lankan GDP in 2014 is 4.8%, and is expressed to rise by 6.1% per annum from 2015-2025 (Wdi.worldbank.org, 2020). At first, the Sri Lanka government endeavored to make a situation favorable for the tourism industry; For example, improvement of the infrastructure, authorizing methodology and speculation endorsement forms, making chances to advance shopping of globally rumored brands and amusement, pulling in universally presumed traveler accommodations and critically presenting an earth inviting idea of urban turn of events (Sltda.gov.lk, 2020).

Economic development expands national efficiency and per capita salary and therefore, the population’s way of life. It stresses on the creation and level of production and whenever accomplished then; its advantages will stream down to the population all in all. As indicated by Todaro & Smith (2015), development isn’t just a financial procedure yet rather a multidimensional procedure including the redesign and reorientation of whole monetary and social frameworks enhancements in earnings and produce, yet additionally extreme changes in institutional, social and authoritative structures, perspectives.
and customs and convictions in country’s community.

Christian (2016) recognizes some various classifications of socio-cultural effects: sway on populace structure; change of structures and kinds of occupations; change of qualities; impact on the conventional way of life; and alteration of utilization examples and advantages of tourists to the picked area. Some researchers address the socio-cultural of the tourism industry on have communities remembering for entertainment openings (Bajwa & Kaur, 2007); The greater part of the tourism industry-related socio-social effect research features the negative effects and dominates the positive effects, which may have set up the discernment communicated by Scheyvens & Biddulph (2017). Weaver & Lawton (2014) say that negative effects are more predominant in creating nations than in enormous created locales with a developer and stable economy.

Todaro & Smith (2015) recognize a few socio-cultural effects of the tourism industry: increment of bothersome exercises, social dualism, show impacts, the commercialization of culture, and development of a negative disposition towards tourists. Mbaiwa (2005) notes changes in group and individual worth frameworks, standards of conduct, community structures, ways of life, and the personal satisfaction. The socio-cultural impacts of the tourism industry on the home stay business community can be partitioned in two classifications: financial and socio-cultural.

### A. Homestay in Sri Lanka

Home stay provides a different experience to the tourists. The mostly local community provides accommodation and teach local culture, lifestyle, or language. The host community provides room and other facilities within the house and they live in with the local community and experiencing their living pattern. It exposes local traditions and culture for tourists. It is sometimes used by people who wish to improve their language skills and become familiar with the local lifestyle (Bavani et al., 2015).

### B. Socio-economic impact on tourism

Host and tourists’ similar advantages monetarily because of the tourism industry exercises, in this way creating nations, are focused on financial improvement through the tourism industry (Bajwa & Kaur, 2007). Therefore, the social effects stay as a progressively challenging issue because of numerous immaterial expenses and advantages that the tourism industry development may initiate (Sharma, 2008). They characterized sway as the type of adjusted human behavior that comes from associations between problem solvers and sub-frameworks on which they encroach. As per Weaver & Lawton (2014), the tourism industry impacts are not just regarding monetary effects, occupations, and duties; however, those are expansive and frequently impact regions past those ordinarily connected with the tourism industry. The tourism industry is as a motor of development reaching upward to accomplish most extreme maintainable the tourism industry development in the nation (Rathnayake, 2015).

Based on the literature review developed conceptual framework identifying indicators to identify tourism impact on socio-economic development. The indicators categorized as Socio-culture development and economic development. Those indicators are explained as below:

### TABLE 1

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<tr>
<th>Local Culture</th>
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<td>As per Gijsbers &amp; Leon (2018), tourism is making helpful mindsets towards each other culture and getting some answers concerning each other’s lifestyle and customs. The tourism improvement preparing for home stay business owned residents ought to incorporate the teaching of cultural resilience and get to know about cultural differences (Brida &amp; Zapata, 2010). The term local culture represents the local community’s feelings beliefs norms which are followed by them in their everyday life. Some areas the culture considers as their social asset of the community (Sharmini &amp; Bandusena, 2020).</td>
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Local Services
The local residents should choose their own pioneers who will have the option to speak to the network interests in the tourism advancement structures in the nation (Dewar, 1998). Also, heaps of new small tourism related organizations have been made, because of the expanding sorts of the tourism industry. Such local services incorporate crafted works, souvenir shops, language translation, and transportation administrations (Silvana, 2013).

Life Style of Community Members
The social and social effects of the tourism can bring about changes to examples of conduct, a way of life and the personal satisfaction of the occupants or neighbourhood individuals. Turker, Selcuk & Ozyildirim (2016) told that tourism industry is the quickest developing market and can produce public salary in creating economies.

Alcoholism, Drugs and Prostitution
Drugs and alcoholism use by tourists considerably affect numerous components in the host society, expanding utilization levels, especially among youngsters working in the tourism industry (Uriely and Belhassen, 2006). Prostitution as a social phenomenon merits extraordinary consideration not just on the grounds that it has been viewed as a „social evil or sickness‟ (Monterrubio and Hernandez, 2010).

Employment and Income Opportunities
Ramnani (2012) said that tourism is a significant financial action giving jobs to needy individuals. Additionally, Kim, Uysal & Sirgy (2013) said that home stay businesses directed tourists visiting the rural areas. They can get additional pay and exploited by offering convenience to visitors as per Teo (1994), it is obvious that the impact of public and private investment on the tourism development is positive. Also, Foreign Direct Investment (FDI) may happen when a business puts straightforwardly in new facilities to create an item or administration in a foreign nation.

Volume of Tourists Arrivals to Ella Destination
Arrival of international tourists would need to gracefully their cash to have the option to buy items inside the host nation and to buy the money of the host nation that they are travelling to (Todaro & Smith, 2015).

RESEARCH METHODOLOGY
A background study conducted based on a literate rereview, grounded information and practical experiences. Based on that identified a knowledge gap as well as industry gap to promote sustainable tourism within the Ella tourist Destination. Socio-economic indicators are identified based on a comprehensive literature review. Reviewed similar case studies and research papers published in refereed journals. After identifying all indicators finalized based on formal discussion with experts and local community live in Ella Destination. The finalized indicators are namely local culture, local services, lifestyle of community, alcoholism, drugs and prostitution, employment & income opportunities, investment & spending, infrastructure, and volume of tourist arrivals to Ella destination. Base on that developed a conceptual framework as below:
Ella destination selected as a case study, and there are from 350 Sri Lanka. Tourist Board registered homestay business operations in Ella destination, Sri Lanka. Hence, the researcher applied a simple random sampling strategy to collect data in this research. The researcher used this technique, because it allows all the respondents in the population to have an equal probability of being selected (Majid, 2018). According to Grimbeek (1999), this study was applied a Likert scale questionnaire to collect primary quantitative data for this study. Secondary data were gathered from past theses, journal articles, newspaper articles, SLTDA website, central bank annual reports. SPSS software was utilized to analyse the gathered data through questionnaires. Quantitative data were summed up in a descriptive structure with minute clarifications. SPSS software was utilized to analyse the gathered data through questionnaires. A Likert scale questionnaire was attracted in order to give a conceivable arrangement on comprehending the impact of tourism on the socio-economic development of the resident community in Ella destination, Sri Lanka. Except for that, Cronbach’s alpha 55 reliability test, descriptive statistics, correlation analysis used to identify the connection assessment procedure to quantify the connection between chosen eight independent factors and community participation in tourism development in Ella destination to test the hypotheses and multiple regression analysis. The finding section explains only the outcome of the analysis.

**FINDINGS**

A. **Local Culture**

According to the analysis 37.14% of respondents were agreed that tourism brings increased opportunities to meet and socialize with worldwide tourists who visiting to Ella destination.

Tourism improves understanding of the image of different communities, more than 50% agreed that the tourism helps to boost international cultural exchange to get advices and develop home stays in Ella destination in more tourist attractive way market for local crafts and produce. Calculating descriptive analysis, local culture factors are relatively high. As a result, it proves that local culture and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism brings increased opportunity to meet and socialize; tourism improves understanding of the image different communities; tourism helps to boost international cultural exchange

B. **Local Services**

Tourism leads to increase the prices of accommodation, goods & services. Tourism supports to local shops and creates a market for local crafts and produce. Enhances the quality of local businesses in Ella area. Local services and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism leads to increase the prices of accommodations, goods and services; tourism support to local shops and creates a market for local crafts and produce; tourism enhance the quality of local business in Ella area. Further, this will lead to upgrade the standards.

C. **Lifestyle of Community**

Tourism contributes to income and standard of living. Tourism has an undesirable effect on the way of life of the home stay owners. Tourism makes a positive contribution to the quality of life for the home stay owners in Ella area. Local services normal distribution curve. As a result, it proves that lifestyle of community and community
participation in tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism contributes to income and standard of living. Tourism makes a positive contribution to the quality of life for the homestay owners in Ella area.

D. Alcoholism, Drug and Prostitution

Tourism impacts of alcohol consumption of homestay owners in the Ella area. Respondents were agreed that tourism impacts of alcohol consumption of home stay owners in the Ella area. 49% agreed that the tourism impacts to increase drug addicts in the Ella area. Further, 21.4% accepted the tourism increased creating prostitution in the Ella area. As a result, it proves that alcoholism, drugs and prostitution, and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that the tourism impacts of alcohol consumption of home stay owners in the Ella area; tourism impacts to increase drug addicts in the Ella area; tourism is increasing will create prostitution in the Ella area.

E. Employment and Income Opportunities

Tourism leads to the development of opportunities and jobs for local businesses. 28% of respondents were agreed that tourism leads to the development of opportunities and jobs for local businesses. Tourism increases several of recreation activities, which lead to job opportunities for residents in the homestay’s in Ella area. 53.71% of respondents were agreed that tourism increases availability of recreation facilities, which lead to job opportunities for residents in home stays in Ella. Further, most of them are earning providing accommodation, foods and other services. Employment & income opportunities and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism leads to the development of opportunities and jobs for local business such as waiters, chef, bookkeeper, restaurant manager; Tourism increase availability of recreation facilities, which lead to job opportunity for residents in home stay in Ella area; most of the resident became self-employed by converting their houses as small & medium size homestay in Ella destination, Sri Lanka.

F. Investment and Spending

Tourism improves investment, development and infrastructure spending in the economy in Ella destination, Sri Lanka. 37.15% of respondents were agreed that tourism improves investment, development and infrastructure spending in the economy in Ella destination, Sri Lanka. 47.43% of respondents were agreed that tourism increases opportunities for shopping in Ella area. 35.43% of respondents were agreed that tourism enhances the local economy in Ella destination, Sri Lanka. The investment & spending, and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism improves investment, development and infrastructure spending in the economy in Ella destination, Sri Lanka.

G. Infrastructure

Tourism leads to the development of building and tourist activities in Ella destination, Sri Lanka. 40% of respondents were agreed that tourism leads to the development of building and tourist activities in Ella destination, Sri Lanka. Tourism improves transport infrastructure in Ella destination, Sri Lanka 49.71% of respondents were agreed that tourism improves transport infrastructure in Ella destination, Sri Lanka. Tourism leads to develop public utilities in Ella destination, Sri Lanka. 44.57% of respondents were agreed that tourism leads to develop public utilities such as electricity, water, transport facilities in Ella destination, Sri Lanka. As a result, it proves that infrastructure and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that tourism leads to the development of building and tourist activities in Ella destination, Sri Lanka; tourism improves transport infrastructure in Ella destination, Sri Lanka; tourism leads to develop public utilities such as electricity, water, transport facilities in Ella destination, Sri Lanka.
H. Volume of tourist Arrivals to Ella Destination

Ella destination, Sri Lanka attracts more budget tourists who like to stay in home stays. 36.57% of respondents were agreed that Ella destination, Sri Lanka attracts more budget tourists who like to stay in home stays. Ella destination, Sri Lanka has to increase the number of tourists who stay overnight. 37.71% of respondents were agreed that Ella destination, Sri Lanka has to increase the number of tourists who stay overnight. Sri Lanka needs to be increased 49.15% of respondents were agreed that the average stay of tourists in Ella destination, Sri Lanka needs to be increased.

Volume of tourist arrivals to Ella destination and community participation on tourism development in Ella destination is positively correlated. Therefore, the researcher identified that Ella destination Sri Lanka attracts more tourists; Ella destination, Sri Lanka has to increase the number of tourists who stay overnight; the average stay of tourists in Ella destination, Sri Lanka needs to be increased.

DISCUSSION

The main cause of the growing concern has been the developing indication that tourism can both positive and negative consequences on homestay business community and economic systems that are involved. This study takes an effort to identify the main socio-economic impact on homestay business community through tourism development in Ella destination, the study was critically identified positive economic impacts are infrastructure resource development, benefits from community related social activities, income development, direct and indirect employment & income opportunities and increased the value of local assets. The positive level social impact is town area re-location by generating local employment & income opportunities, staff in Ella area tourism and hospitality business culture into their homestays and hospitality business organization contribution for social activities were critically identified. The greater level impact of tourism in Ella area includes socio-cultural and economic impacts. The concept of sustainability is factored into these tourism impacts, when the extent of impacts becomes extensive sufficient to drastically develop economic, socio-cultural, and environmental sectors of Ella tourist destination in Sri Lanka. The significance of these impacts will be examined and assessed in this study, retaining in mind that this will be retained in the circumstances of sustainability in tourism.

The influx of guests to the Ella area tourism sector can be the foundation for growing a more extensive tourism industry, which can carry years to grow. Local officials in the Ella area can utilize this event as a base for whatever was performed well and what wants to be developed, to maximize economic impacts. While the economic impact is maximized, the income generated can be utilized to develop different facilities to the tourism sector; For example, improve the capacity of the home stay business, as well as developing accommodation facilities, eating and night life activity elements of the town area, to generate a more reliable image of the Ella destination and attract more foreign guests to the tourism industry in Ella. The socio-economic impact of tourism in an Ella destination, Sri Lanka can impact to social and economic fluctuations highly.

CONCLUSION & RECOMMENDATION

Tourism sector businesses in Ella area, Sri Lanka, homestay businesses need to provide a financial contribution to establish language training centers/language centers in Ella area rural locations. Also, homestay tourism businesses in Ella should conduct different communication projects to improve resident community view about tourism activities in Ella area. Moreover, homestay tourism businesses in Ella area should provide proper training opportunities to local communities who are coming to spend their vacations in Ella area.

Tourism sector businesses in Ella area should provide an opportunity to supply essential raw materials in Ella area residents. This supports to increase these homestay business owners’ income statuses and life style quality in Ella area people. Moreover, when conducting day to day tourism business operations in the Ella area tourism sector, homestay tourism business owners, and other tourism businesses and related parties should provide financial support to community development programmes in Ella area.
When getting raw materials to the food preparations in medium scale hotels and Sri Lanka Tourism Board registered small scale tourism businesses should collect natural fruits and vegetables from this area farmer. Moreover, through this process Ella area tourism industry businesses need to motivate fruits and vegetable farmers to cultivate more and more fruits and vegetables using carbonic cultivation procedures.

Tourism sector businesses in Ella area should focus on candidates’ practical and academic knowledge about different products and services. Therefore, home stay business owners should know that practical knowledge is a highly significant in tourism and hospitality sector business environment. Sri Lanka Tourism Board registered home-stay tourism business owners need to launch their day to day business operations without negative influences on Ella area people’s life style status.

Moreover, homestay businesses in Ella area should protect the environment in the Ella area without any natural plantations and disturbances to cultural situations. In the context of Ella is a tourism business sector, homestay tourism business owners should offer some specific job positions in Ella area residents. This is also significant to improve these area residents’ income level and financial status.

Moreover, homestay business owners in Ella area should establish proper communication system to solve current employees’ job-related issues. In this context of this procedure, they can use new technological communication methods like; Viber, WhatsApp, Skype and etc. Also, different level homestay tourism business owners in Ella area should support infrastructure facility development situations.

In Ella area tourism industry, homestay tourism business owners need to invest eco-friendly business operations, because eco-friendly hospitality services are the main trends in current global tourism and hospitality business sector. Moreover, Sri Lanka tourism board also needs to motivate small scale tourism business owners to conduct eco-friendly transportation services in airport to accommodation service location in Ella area.

The taxi service business is significant unique infrastructure development idea for homestay business owners in Ella area that related to the travel and tourism sector thrives quite well in an Ella destination and suburb area. Many of the foreign tourists that come to Ella area constantly feel the need to move from one tourism location to another one; hence, there is a requirement for a tourist bus service, which is also important in tourism transportation activities from the hotel to different tourist locations.

Home-stay tourism business owners need to conduct unique promotional campaigns to attract more foreign tourists to Ella area tourism sector. Recognizing the mentalities of local people towards the effect of the tourism industry on prostitution; however, it might be valuable in the plan and execution of the tourism marketing, arranging, management and monitoring purposes. The national and global thought of strategies to diminish liquor and drug issues should contemplate the likely unfavourable impacts on public liquor/ drug approaches emerging from the tourism industry.

As per the findings, the researcher recommends that homestay tourism business owners need to invest eco-friendly business operations, because eco-friendly hospitality services are the main trends in current global tourism and hospitality business sector. Also, home stay business owners should know that practical knowledge is a highly significant in tourism and hospitality sector business environment.

Future research studies can test the relationship between residents’ perception towards tourism and tourism planning on socio-economic development. The qualitative research method can be attempted in this study in the future. Face-to-face interviews with a chosen sample group is the best way to gain a broader understanding of residents’ perception and attitudes. Considering that contemporary research uses social exchange theory, future research can use A’p’s model for understanding residents’ reactions as a key guide and connect to other theories to obtain and in- understanding of tourism development procedures in the study area. Further, future researchers can analyze the environmental impact on community participation in tourism development in Ella destination. Also,
the same methodology can use for other tourism areas too.

REFERENCES


