Socio-Economic Impacts on Local Community through Tourism Development with Special Reference to Heritance Kandalama

Geethika Nayomi², W.K. Athula Gnanapala³

1. Undergraduate, Dept. of Tourism Management, Sabaragamuwa University of Sri Lanka, P.O. Box 02, Belihuloya, Sri Lanka.
   nayomi.7733@yahoo.com

2. Senior Lecturer, Dept. of Tourism Management Sabaragamuwa University of Sri Lanka, P.O. Box 02, Belihuloya, Sri Lanka.
   athulatmsusil@gmail.com (Corresponding Author)

Abstract

Tourism is considered as one of the largest and fastest developing sectors of the world. Its high growth and development rates bring considerable volumes of foreign currency inflows, infrastructure development, employment generation, regional development, economic multiplier effects and introduction of new management and educational experience actively affect various sectors of economy, which will be positively affected to the social and economic development of the country. However the industry also generates a number of other negative socio-economic and cultural impacts on local communities. Therefore, the study considers the main social and economic impacts on local community through tourism development in Kandalama area of Sri Lanka. Heritance Kandalama, a star class hotel, commenced its operations in 1994 beside the Kandalama Lake in a picturesque environment. During the construction stage there were many protests against the hotel and many parties claimed that the hotel will pollute the natural and the socio-cultural environment in the area. Finally, the company built an award winning environmental friendly hotel and introduced many programs to deliver benefits to the local community through their CSR activities. The study mainly target to identify the social and economic impacts on local community and their perception towards the tourism development in the neighborhood. The study is adapted the mixed methodology and the data is generated through structured questionnaire survey, personal interviews and discussions. The study identified that community has developed positive attitudes about the tourism development and the community is accepted tourism as a major income source through active and passive participations. The hotel also has taken numerous policy decisions and practices to ensure the delivery of benefits of tourism to the local community. As usually the industry has generated both positive and negative impacts in the area. However, the negative impacts are at a minimum level when compare with the positive impacts. It is suggested that to have more community awareness and education programs in order to obtain positive benefits and to minimize the negative impacts of tourism. Community empowerment and their capacity building is highly important in this context.

Key Words: Tourism Development; Socio-economic Impacts; Community Perception; Sustainable Tourism Development
**Introduction**

Tourism is considered as one of the largest and fastest developing sectors of the world and its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy, which will be positively affect to the social and economic development of the country (Mirbabayev & Sagazatova, 2005). As an example most highly developed western countries, such as Switzerland, Austria, and France have accumulated a big deal of their social and economic welfare on profits from tourism ((Mirbabayev & Sagazatova, 2005). According to (Mirbabayev & Sagazatova (2006) tourism provides about 10% of the world’s income and employs almost one out of tenth of the world’s workforce. Many people emphasize the positive aspects of tourism as a source of foreign exchange, a way to balance foreign trade, an “industry without chimney”. But there are also a number of other positive and negative sides of tourism’s economic impacts on local communities.

In this context economic and social impacts on the local community depend on how much of the incomes generated by tourists go to the host communities. Most of all-inclusive package tours more than 80% of travelers’ fees go to the airlines, hotels and other international companies, not to local businessmen and workers. On the other hand large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions (Robinson, 1999). Tourism has the power to affect cultural changes. Tourism often grows into mass-tourism. It leads to the over consumption, pollution, and lack of resources. However, from the ecological point of view tourism is environmentally friendlier than any other industrial production (Mirbabayev & Shagazatova, 2005).

Heritance Kandalama commenced operations in 1994 among the type of argument that usually surrounds modern architecture and infrastructure in many parts of the world. It was, after all, situated near an irrigation reservoir that was a valuable resource for thousands of farmers in nearby villages and it was situated in the heart of the Cultural Triangle. When the hotel Heritance Kandalama is going to be established, the villagers have rejected it thoroughly. That is because of the ability of damaging the sensitive natural environment and the lake Kandalama. But finally, the Kandalama was built in a sustainable architecture that is not to harm the natural environment. There were also many protests from Buddhist monks who feared that a hotel springing up in a village environment would negatively impact the rural community. Its management, recognize of these issues, took steps to address them and work with the monks as well as the villagers, to build relationships that have helped Aitken Spence to operate this award-winning resort in a sustainable manner. So the hotel Kandalama has achieved a huge success up to now. It has taken so many certificates and awards by attracting the eye of the whole world, while keeping and improving the quality in a sustainable manner.

According to the company records and reports hotel has actively support religious institutions, schools, community development work and conduct a number of social activities. Just to give an idea of hotel CSR investments. Researcher has listed below projects carried out for the last period (Figure 1). From 1992 to up to now (April, 2014), hotel has done around Rs.46 million investments on the Corporate Social Responsibility (CSR) activities. Hotel’s Community Development Fund helps the local communities in a number of ways. And also the HR practice like 55 % of hotel staffs were recruited 25 Kms radian from the hotel. On the other hand employee personality development and organization standards such as eco-friendliness, sustainability concepts are directly influence to the locals. But, hotel has not investigated the overall social and economic impacts to the society through hotel’s operation.
CSR Expenditure- Heritance Kandalama (2000-2014)

The study is going to investigate whether the community has received socio-economic benefits though tourism development in their neighborhood and the research problem is defined as ‘what are the socio-economic impacts on local community through tourism development with special reference to Heritance Kandalama?’ The problem is to address through the following research objectives; first to identify the major social and economic impacts on local community through tourism development in Kandalama area, second to identify the community perception on tourism development in their neighborhood, third to identify the socio-economic contribution to the local community through Heritance Kandalama.

Literature review

“Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited” (UNWTO, 2000). Tourism industry does not have a single entity but it is the combination of different sectors including primary suppliers like attraction of the destination, transportation industry (air, water and surface), hospitality industry (hotels, restaurant etc.), tour operators, travel agents, banking, insurance, shopping and entertainment. In the case of secondary suppliers, it involves the suppliers of primary suppliers. e.g. a hotel required supply of vegetables, fruit and other items in order to provides its services further, therefore fruits and vegetable suppliers are the secondary suppliers of the tourism industry as suppliers to primary suppliers (WTTC, 2011).

The academics and researchers are voicing that it is necessary to have a sustainable tourism development in order to get the expected benefits. Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary (UNEP and UNWTO, 2005). According to Butler (1993) sustainable tourism is; tourism which developed and maintained in an area (community, environment) in such a manner and such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes. Sustainability principles refer to the environmental, economic, and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to
guarantee its long-term sustainability. Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary (UNEP & UNWTO, 2005).

Impacts of Tourism

The tourism industry generates substantial economic benefits to both host and guest countries. Especially in developing countries, one of the primary motivations for a region to promote itself as a tourism destination is the expected economic improvement. As with other impacts, this massive economic development brings along both positive and negative consequences (UNEP, 2003). The socio-cultural impacts of tourism described here are the effects on host communities of direct and indirect relations with tourists, and of interaction with the tourism industry. For a variety of reasons, host communities often are the weaker party in interactions with their guests and service providers, leveraging any influence they might have. The impacts arise when tourism brings about changes in value systems and behavior and thereby threatens indigenous identity. Furthermore, changes often occur in community structure, family relationships, collective traditional life styles, ceremonies and morality. But tourism can also generate positive impacts as it can serve as a supportive force for peace, foster pride in cultural traditions and help avoid urban relocation by creating local jobs.

The assessment of socio-economic impacts has become an important aspects in tourism specially when promoting tourism in rural and culturally sensitive areas. Socio-economic impact assessment focuses on evaluating the impacts development has on community social and economic well-being. This analysis relies on both quantitative and qualitative measures of impacts. Development impacts are generally evaluated in terms of changes in community demographics, housing, employment and income, market effects, public services, and aesthetic qualities of the community. Qualitative assessment of community perceptions about development is an equally important measure of development impacts. Assessing proposed developments in a socio-economic context will help community leaders and residents identify potential social equity issues, evaluate the adequacy of social services and determine whether the project may adversely affect overall social well-being.

Empirical Studies

The proceeding section discuss the empirical studies regarding ‘socio-economic impacts on local community through tourism development’ and relevant topics to the objectives of the research. Eraqi (2007) has done a study on local communities’ attitudes towards impacts of tourism development in Egypt. It aims to measure the effect of tourism development on the standard of living of the Egyptian people. For achieving the research objectives data were collected through a questionnaire distributed among local people; 462 questionnaire forms were recollected after they were filled in by the chosen random sample of respondents. The main results are that local people have positive attitudes towards tourism development indicators and there are some negative socio cultural impacts of tourism development on local communities in Egypt.

Tatoglu (1998) has done a research with regard to resident perceptions of the impact of tourism in a Turkish resort town. The study attempts to identify the perceived impacts of tourism by residents in a community, Kuşadas, located on the Western Turkish coast. Based on a survey of 238 local residents, the study has identified the locals perceived the economic impacts of tourism impact most
favorably. However, the quality of environment, community attitude, and crowding and congestion were found to be the least favorable aspects of tourism impact.

Tosun (2002) has conducted a comparative study on host perceptions of impacts and investigates resident perceptions of tourism impacts on a Turkish town. Personal interviews were conducted with household heads and results compared with Fijian and American case studies. Comparative figures suggest that the Turkish residents were generally less supportive of the tourism industry and had fewer positive perceptions of its impacts when compared to the other two cases.

Methodology

The study is carried out in Kandalama, Dambulla a most famous tourism region in the Central Province of Sri Lanka and the mainly related to the Heritance Kandalama, a star class hotel, and the local community in the surrounding areas.

Heritance Kandalama was the first environmental hotel project in Sri Lanka, especially in pioneering the concept of eco friendly tourism, located in Dambulla within the cultural triangle, approximately 163 km away from Colombo. That is architected in an eco-friendly manner by the well known architecture, Geffreybawa. The hotel is a property of Aitken Spence hotel (pvt) Ltd and established in 1994. In 1995 the hotel achieved 5 star standards within short time period. At present, nearly 414 employees are working in the hotel. Heritance Kandalama comprise 152 rooms with 8 categories; Standard, Panoramic, Luxury, Luxury Panoramic, Deluxe, Suit, Luxury Suite and Royal Suite. Room prices are vary depending on categories and other marketing strategies.

The environmental friendly practices of the hotel are excellent and target to minimize the impact of its operations to the natural environment. The hotel has an Eco park and they follow solid waste management program, sewage treatment and paper recycling. Establishing an Eco-Park and opening it to any visitor (not only hotel guests), the general public has access to observe, learn and practice environmentally friendly methods. The Eco park of Heritance Kandalama was awarded the PATA Green Leaf Gold Award for its commitment to environmental education and sustainable development. Eco-techniques were used during construction and thus been awarded LEED by US Green Building Council in year 2000 as the first hotel in the world and the only building outside North America. An Environmental Management Systems established in 1996 is being maintained up to date, while continually improving. Heritance Kandalama was the first Green Globe 21 standard certified hotel in Asia being certified in 1999. It also received ISO 14001 certified in 2002. It is accepted as a global role model for eco friendly operations and maintenance. Hotel Kandalama also has a Food Safety Management System and was ISO 22000/HACCP certified in 2006.

The study is adapted to mix methodology and targeted the study population as the managers of Heritance Kandalama and the local community of Kandalama area. At present there are 36 executive managers are working in the Kandalama hotel and about 75 families are living in the Pahala Ereula village. For convenience of study, random selected 25 families and 03 executive managers for the data collection through questionnaire survey, personal interview and discussion.

Data presentation was done by using percentage pie charts. Because according to this study, the data can be easily presented by a pie chart with percentage. And also content analysis (data analysis) was done with percentages. Pie charts were used to present the data by using Microsoft Excel.
Findings and discussion

The proceeding section discuss the findings gathered though the study to meet the research objectives to answer to the research problem.

Benefits for local community through tourism development in Kandalama area

Respondents describe those benefits in different ways. Managers described the common benefits from tourism and the benefits from Kandalama hotel. Manager A replied;

“At the past, we could see lot of women in the family went abroad to improve their economic condition. Now it has differed. And also has reduced urban relocation by creating local jobs. Now female can start a small business from the home like fruit shop, vegetable cultivation, souvenir shop and handicraft production like that things. That means lot of tourists are coming this area, so community can earn money by engaging different job opportunities, service and production sales, infrastructure developments, get donations from the hoteliers and foreign funds” (Personal Communication, 1st of June 2014).

According to manager A describes the common benefits for locals from the tourism development in Kandalama area. In Dambulla area has lot of hotels, restaurants and guest houses. So lot of people in this area depends on the tourism industry. Therefore researcher could identify from that question, the socio-economic benefits to the society from the managerial level of the hotel.

Socio-economic and environmental benefits that are delivered to the local community in Kandalama area

The study investigated the positive socio-economic and environmental impacts to villagers from the hotel. As a common answer, manager A replied,

“When we consider about the economic benefits, according to our recruiting policy we have targeted to recruit 70% of locals around 25 kms radian from the hotel. Out of that percentage currently there are only 55% of employees work in the hotel. Otherwise we have a purchasing policy. That means variety of fruits and vegetables purchase from the local community, it directly caused to increase their incomes. Our CSR investment projects also benefited locals like build houses of poor people, spectacles donation for villagers, donation of wheel chairs, etc” (Personal Communication, 1st of June 2014).

According to that hotel’s recruiting policy, CSR activities and purchasing policy has more benefited to the community.

When asking about the environmental impacts of the hotel, Manages A said,

“We practice the 7Rs principle in the hotel; reduce, reuse, repair, reclaim, replace, reject, recycle. We followed sustainable development concept throughout our operation. So, we mainly consider about the environment. On the other hand we have a water treatment plant. We use that water for garden and to wet gravel roads inside and outside the hotel. It is very cost effective method for us. Nowadays locals has reduced the cutting trees, for that they plant. If talk about that environmental benefits, we can talk more than one day” (Personal Communication, 1st of June 2014).

According to above statement researcher could identify the major environmental impacts from the 7R principal and Eco-park.
When researcher asking about the socio-cultural impacts Manager C said,

“Otherwise our English, computer, training and development classes for staff has directly affected to increase their personality, attitudes like that things. Also organizational culture is become the personal culture in their homes. The staff members apply eco friendly concept, 5S concept like that things. Their family operations also become very easy by applying those things” (Personal Communication, 1st of June 2014).

According to the manager C, improve the educational quality through CSR projects, training and development programs and practice of 5S concept were identified.

Manager A has a different idea. The manager A said,

“We are doing lot of CSR activity through Japan Lanka Friendship Association. We are doing special thing, you know? In the Christmas day, we prepare a large Christmas tree. We collect the schools’ needs of poor students in the area with their photographs. Then we hang on their necessaries with photographs in that large Christmas tree. Lot of guests brought those photos by paying the enough money to fulfill those students’ necessaries. We sale about 300 children’s photos at one Christmas period. As well as we have provided electricity, deep wells, road developments, held shramadana campaign at the village, tree plantation program, like that things. (Personal Communication, 1st of June 2014).

According to the above statement researcher could identify different welfare activities, staffs; attitude development programs and organizational values to the society.

Negative socio-economic impacts to the society through tourism development in Kandalama area.

The study identified the negative socio-economic benefits to the society by tourism developments. Manager A said that the manager had not seen any negative impacts to the society from tourism.

Manager B said,

“There is a new hotel in this area, it has a night club. So, as a cultural triangle hotel, it is totally unmatched with the culture” (Personal Communication, 1st of June 2014).

According to the view of manager B, there is a negative impact to the society through night clubs. Manager C said,

“There are young staff members working in the hotel industry. They move to use new technologies; tabs, i phones, laptops like that things. Those things has become as a necessary thing in their lives, so they avoid family basic wants. As well as basic salary for trainee is less than Rs. 4000. They have to work more than one or three years to increase that salary with get the service chargers in hotel industry. Here is coming mostly less educated and poor family’s employees. On the other hand hotel shift is too much long with considering with the other industries. Some shifts comprise with 12 or 14 hours. It caused to increased work stress, to reduce motivation and creativity, sometimes may not have a leaves for participates family events or society meetings of the village. So those things caused to reduce family relationships and the village relationships with employees. And also increasing bars in the area lot of people has practiced to take alcohol. It caused to reduce family income and the family cooperation” (Personal Communication, 1st of June 2014).
Researcher could identify lot of socio-economic negative points from the above statement; working long hours and stress, low salary, creation of poor people and less educated employee and addiction to alcohol.

The way of minimizing negative impacts to the society by Heritance Kandalama

The study also investigated the negative impacts from the hotel to the society. Managers’ answers were similar, manager A said,

“Yes, at the beginning there were many restrictions to the hotel from locals. They against to start the hotel within this area. Discussing and considering their complaints we went to eco friendly manner (Personal Communication, 1st of June 2014).

According to the above expression, the eco friendly concept was applied to the hotel as a result of community’s complaints. The hotel has started constructions after the agree with villagers. Those agreements are positive socio-economic and environmental impacts. Manager B said,

“Yes. Kandalama hotel has taken many ways to minimize the negative impacts. As we talked early, we give the first place for traditional things. Low employment rate can be reducing, because we provide lot of jobs to the locals. We held computer classes and English classes, from those things we expect to improve knowledge of employees” (Personal Communication, 1st of June 2014).

In the track of above statement, manager B talked about reducing unemployment rate and the way increasing employees’ knowledge.

Suggestions and complaint from the community to the hotel

The study investigated whether there is a mechanism to receive the complaints and suggestions from the villagers. The manager C said,

“Yes. Mostly complaints received at the construction period. Now it is low. Their suggestions are not received to us, but according to our hotel members’ suggestions we help to the helpless people” (Personal Communication, 1st of June 2014).

Above answer was common to all the respondents and could not identify the complaints and suggestions at the present.

The hotel responses for the community’s suggestions and complaints

It is investigated the way in which the hotel response to the community’s complaints. Manager A said,

“Hotel had many complaints, but not now. Beginning of the hotel there were many complaints against us. Community attitudes like the hotel may cause to destroy culture, society and environment. We followed sustainable concept to protect this environment and the culture (Personal Communication, 1st of June 2014).

The study identified whether the hotel considers about community’s ideas when going to do a new tourism activity. Manager C said,
“When doing the activities surrounding area of the hotel, we mainly consider the environment, security of the guest, operational cost and benefits like that things” (Personal Communication, 1st of June 2014).

The manager A respond to the same question in different way,

“We have about 243 acres. As an example we did hot air balloon. We got it from outsourcing. We did not inform or did not get permission from the villagers for that. Before the day of hot air balloon tour, we should sent identity card copy of participants and tour starting time to the Dambulla police station. If we fly more than 30 meters above we should inform to the Sri Lankan Air force” (Personal Communication, 1st of June 2014).

Above statement also has not considered about community Ideas. It is a negative point of the hotel. Manager has mainly considered about the legal side. The hotel has been reducing the community participation for their decisions.

Benefits of local Community through Tourism Development

The study investigated the benefits that received by the local community through tourism development in the Kandalama areas. It is identified that the majority of the are benefitting though tourism and therefore they are having positive attitude about the tourism development.

Community engagement in tourism

The study investigated the community engagement in tourism industry and nature of their engagement and the results are presented in Figure 2 and 3.

Figure 2: Community Engagement in Tourism Industry

Source: (Field survey, 2014)

The majority (80%) are engaging in tourism businesses are getting benefits.
Nature of Engagement in Tourism Industry

![Nature of Engagement in Tourism Industry](image)

Figure 3: Nature of Engagement in Tourism Industry

Source: (Field survey, 2014)

According to figure 3, fruit and vegetable suppliers has taken large percentage (56%). Because, researchers could identify positive economic impacts from the tourism industry. Other parts are representing similar percentages.

Members in Tourism Industry: Family Wise

![Members in Tourism Industry: Family Wise](image)

Figure 4: Members in Tourism Industry: Family Wise

Source: (Field Survey, 2014)

According to figure 4, from a family between two-three persons have been engaged with the tourism industry (48%). As well as one person engaged to the industry by 32 percent. Only 20 percent represent the no participation to tourism industry. According to that 80 percent (32%+ 48%) of family has engaged with tourism in the village.
Figure 5 Responsible Parties of Decisions Making in Tourism Development

Source: (Field Survey, 2014)

Figure 5 shows 64 percent (the whole community) represent the large percentage. That means, lot of villagers hope to take decisions regarding the tourism development in area of involvement with whole economy.

Table 1: Community Perception on Tourism Development Kandalama Area

<table>
<thead>
<tr>
<th>No</th>
<th>Statement</th>
<th>Agree percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>I.</td>
<td>Income Generation through Tourism Industry</td>
<td>52</td>
</tr>
<tr>
<td>II.</td>
<td>Willingness to maintain a Relationship between Community and Tourists</td>
<td>32</td>
</tr>
<tr>
<td>III.</td>
<td>Contribution of Tourism for Quality of Family Life</td>
<td>32</td>
</tr>
<tr>
<td>IV.</td>
<td>Developments of Infrastructure Facilities in the Village</td>
<td>32</td>
</tr>
<tr>
<td>V.</td>
<td>Community Participation for Tourism Developments’ Discussion within the region</td>
<td>20</td>
</tr>
<tr>
<td>VI.</td>
<td>Importance of Community Involvement in Regional Tourism Development Planning Activities</td>
<td>08</td>
</tr>
<tr>
<td>VII.</td>
<td>Opportunity for Local Products through Tourism Development</td>
<td>25</td>
</tr>
<tr>
<td>VIII.</td>
<td>Contribution of Tourism Industry for</td>
<td>20</td>
</tr>
</tbody>
</table>
Table 1 presents the community perception regarding the tourism development. 52 percent is strongly agreed to accept, community earn more income through tourism industry and also other 48 percent agree with that. And also 68 percent of community agreed to have a contact with the tourists and 32 percent also strongly agree to have a contact with tourists. Next statement is ‘contribution of tourism industry for family’s quality’. According to the responses, there are high percentages for agree and strongly agree (40% and 32%). Small no of percentage (8%) has expressed disagree. The large amount of community has agreed and strongly agreed (60% and 32%) for infrastructure facilities’ development in the village. But, community participation for tourism developments’ has been reducing at the present. Because, high percentages of 52 is indicate by disagree and strongly disagree level (32% and 20%). That mean, only 40 percent (32% + 8%) has expressed agree and strongly disagree. On the other hand, majority of community participation has not included in the regional tourism developments plan. So 40 percent (20% + 20%) of community has disagreed and strongly disagreed with that statement. Next statement is ‘opportunity for local products through tourism development’. Large percentage (65%) of community represented the agree level and 25 percent community strongly agreed with that. Majority of the community consider the tourism conserve the traditional culture. Because, 60 percent of community has agreed to accept tourism conserve the culture in area. As a result of tourism the community has overcrowded with people. The hotel is situated within the Pahala Eraula village, more than 52 percentage (32% + 20%) persons agreed and strongly agreed to accept the community has overcrowded with the tourism development. Overall perception regarding the tourism was positive in the area. According to that 80 percent of community has expressed disagree irritation with tourism industry. But, large percentage (48%) of community has agreed to accept, there is a negative effect of tourism on their lives. The final statement is ‘community attitudes toward the tourism’. Community believes that, they have more benefits from the tourism industry more than the disadvantages. 68 percent of community represents the agree level and 32 percent represents the strongly agree level. According to that researcher identified that community in getting more economical and social benefits from the tourism industry. And also, community has a positive image regarding the tourism industry in the area.

Main occupations of villagers

In the questionnaire, researcher hoped to find the occupations of villagers. The study has mentioned an open ended question in the questionnaire as ‘What is your main occupation?’ Majority of community has replied as ‘farmer’ (12 respondents, 48%) and hotel employees were 11 (44%). Others were one driver and government officer. According to that majority of villagers depend on the cultivation.
Community willingness on Tourism Development in Area

Researchers wanted to know the community opinion regarding the tourism development in the area. Researcher mentioned a question as ‘do you like for tourism development in your area?’. All the respondents answer was ‘yes’ and has mentioned causes for that. According to that researcher could identify common reasons like electricity facilities, road development, fruit and vegetable sales, employment opportunities for the young generation, contribution for regional developments, economic developments within the region, economic developments of the families, increase of family income level as a result of employment opportunities and increase value and price of local lands. According to the answers, villagers have got many economic and social advantages through the tourism developments.

Benefits from the Tourism Industry for Local Community

The study has investigated the benefits that received by the local community through tourism. The majority of community has replied ‘we can easily sale our products, developments of infrastructure developments up to some extent, helped to developments of schools, road developments in area, can earn extra income from the tourism like souvenir shops like that things’. Furthermore one respondent has mentioned different benefits as ‘have increased our properties’ prices such as lands and have added value to some places like Kandalama Lake, Aliyagala rock and Puranagama village because of tourism industry in area.

Benefits from Heritance Kandalama

According to objectives of the research, researcher hoped to identify the major tourism impacts to the locals through tourism development special reference to the Heritance Kandalama. According to that villagers are getting more advantages from the hotel. They have mentioned benefits like the benefit of selling the local products to the hotel, fulfill the requirements of schools and temples, contribution for social activities in the village, development of small businesses, contribution for the infrastructure development in area, give scholarships for the poor students, direct and indirect job opportunities, has received a value and famous to village in the world, increased the price of local lands and environmental conservation in area.

Furthermore some different ideas were identified by the researcher; Employees are practicing the hotel’s culture into their homes, improve the economic value of the village and clean the common place of village by conducting the shramadana campaign. There are more social and economic benefits to the locals.

Benefits from other Hotels in Area

The study wanted to identify the special advantages to the community from other hotels development in Dambulla area than Kandalama hotel. But answers were similar to common benefits. Such as employment opportunities, increase the enthusiastic for tourism and the new income opportunities.

Disadvantages through Tourism Development in the Area

Researchers want to identify the negative impacts of the tourism in the area. Majority of respondents has not replied for the question of ‘what are the negative benefits that you/your community received through tourism development in this area?’. But researcher could collect some negative points. Such as, addiction to alcohol, addiction to new technological instruments, many jobs occupied by local people in a lower level, such as housemaids, waiters, gardeners, maintenance and
other practical work, while higher-paying and more prestigious managerial jobs go to other provincial employees. Increase the prices of lands, buildings and basic needs, changed the styles and behavior of younger and affect for wild life through the entrance of tourism into wildlife area.

Suggestions of Local Community toward Tourism Development in the Village

The study wanted to get new ideas of community towards tourism development. Therefore researcher could gather lot of suggestions from the villagers like, make innovations as natural way, train the freshman to industry, and inform the villagers regarding tourism industry for new production development, develop a supermarket for villagers’ fruit and vegetables, improve the government support for tourism, improve the new attractions in the area and develop new promotional campaign.

Furthermore respondents have expressed the suggestions. Those suggestions are very difficult to fulfill, such as develop a night club in the hotel and to carpet the road which is entrance to the hotel. Because, hotel is following sustainable development and also manager B described the hotels’ view on night club in the personal interview. The hotel rejects the night club as unsuitable thing for the cultural triangle. So those suggestions have to defeat.

Socio-economic Contribution to the Local Community through Heritance Kandalama

Heritance Kandalama is doing many CSR activities on the local community. As an example manager A said,

“We have a contact with 36 schools. Annually we went to that schools and we provide scholarships, bags, exercise books, books for library, sanitary facilities, musical and sport instruments. We are doing lot of such a activity through Japan Lanka Friendship Association” (Personal Communication, 1st of June 2014).

The hotel has done CSR activities about Rs.46 million from 1993 to April of 2014. The figure no 1 shows the CSR Expenditure from 2000 to 2014. And also recruiting policy (55% of staffs are recruiting within 25Kms radian) of the hotel has directly benefitted for the community.

Table 2: Identify Solutions to Overcome the Negative Economic Impacts

<table>
<thead>
<tr>
<th>Negative Economic impact</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase in prices</td>
<td>• Improve the local production</td>
</tr>
<tr>
<td></td>
<td>• Provide subsidiary for local suppliers (Tax)</td>
</tr>
<tr>
<td>• Economic dependence of the local community on tourism</td>
<td>• Develop a vegetable farm in the village</td>
</tr>
<tr>
<td></td>
<td>• Improve the professional qualifications of villagers</td>
</tr>
<tr>
<td></td>
<td>• Inform the community regarding the risk of dependency</td>
</tr>
</tbody>
</table>
Economic inequality

Stimulate community to develop own small business

Provide donations for poor people

Source: (Field survey, 2014)

Table 3: Identify Solutions to Overcome the Negative Social Impacts

<table>
<thead>
<tr>
<th>Negative social impacts</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job level friction</td>
<td>Provide a skill development and professional training for new comers of the industry</td>
</tr>
<tr>
<td></td>
<td>Motivate the local students for high education</td>
</tr>
<tr>
<td>Changing living styles and behavior of the young</td>
<td>Advice young generation by showing the impact of changing the behavior</td>
</tr>
<tr>
<td>Long working hours and work stress</td>
<td>To introduce meditation time and way for the employees</td>
</tr>
<tr>
<td></td>
<td>To introduce a game for every employee to participate</td>
</tr>
<tr>
<td>Lower level contribution of community ideas for tourism</td>
<td>Improve community personality to present their ideas</td>
</tr>
<tr>
<td>development</td>
<td>Inform tourism planers regarding the value of community ideas</td>
</tr>
</tbody>
</table>

Source: (Field survey, 2014)

Conclusion

This research takes an effort to identify the major socio and economic impacts on community through tourism development with special reference to Heritance Kandalama. The study could identify the both of negative and positive socio-economic impacts of tourism. The identified positive economic impacts are infrastructure developments, benefits from CSR activities, income generations, direct and indirect employment opportunities and increased the value of local properties. As positive social impact; urban relocation by creating local jobs, employees are
practicing the hotel culture into their homes and hotel contribution for social activities were identified.

The study also could identify the negative economic impacts like increased prices, economic dependence of the local community on tourism and economic inequality. As social negative impact; job level friction, changing living styles and behavior of the young, long working hours and work stress and Lower level contribution of community ideas for tourism development were founded. The community perception regarding tourism was positive and community has willingness to develop tourism industry in the area.

The study identified that community has developed positive attitudes about the tourism development and the community is accepted tourism as a major income source through active and passive participations. The hotel also has taken numerous policy decisions and practices to ensure the delivery of benefits of tourism to the local community. As usually the industry has generated both positive and negative impacts in the area. However, the negative impacts are at a minimum level when compare with the positive impacts. It is suggested that to have more community awareness and education programs in order to obtain positive benefits and to minimize the negative impacts of tourism. Community empowerment and their capacity building are highly important in this context.

References


UNEP, (2002). World Economic and Social Survey 2002 (Sales No. E.02.II.C.1), New York, UN.


World Tourism Organization (WTO), (2000). Basic References on Tourism Statistics, Madrid, WTO.