

The Perceived Impacts of Tourism on the Small Scale Entrepreneurs

(Case of World Heritage City Dambulla, Sri Lanka)

Ruwan Ranasinghe

School of Tourism Management, Sichuan University, China

Abstract- This study investigates the socio-economic impact of tourism on small scale entrepreneurs and their enterprises in UNESCO World Heritage City of Dambulla, particularly along the profile of tourism related entrepreneurship; impact of tourism in existing business establishment, impact of tourism on the personal improvement of entrepreneurs; impact of cityhood of Dambulla to tourism and perception extent to which tourism and entrepreneurship have addressed the socio-economic goals of the entrepreneurs. Descriptive method of inquiry was of most appropriate to approach the present research problem and was adopted in the study. A self administered questionnaire survey was employed to collect the needed primary data. Several interviews conducted to probe into the details were also of expedient to collect needed primary data. Descriptive analytical approach with the help of frequency count and percentage were used to analyze the collected data. Findings revealed that most of the respondents are in the middle age, more female entrepreneurs, married, and Buddhists. Most have up to O/L education level, and had been in business for more than 15 years. Tourism in existing business with cityhood to tourism in Dambulla City indicates a “satisfying” impact however, tourism on the personal improvement of the entrepreneurs revealed a “not so satisfying.” Entrepreneurs’ perception extent to which tourism and entrepreneurship have addressed their socio-economic goals have been achieved to an “average extent”. Most entrepreneurs are female and more experienced in business. Their courage and hard work serves as their strength to nurture and improve their skills in managing their business. The impact of tourism and entrepreneurship in the existing businesses show that were developments that increased their income, personal improvement of the entrepreneurs had been enhanced with the opportunities in attending training programmes, workshops and conferences to develop their business; and Dambulla now booming due to the presence of tourists. Entrepreneurs’ perceived that tourism and entrepreneurship have enhanced their socio-economic condition.

Index Terms- Small Scale Enterprises, Impact, Innovation, Socio-economic, Dambulla

I. INTRODUCTION

The impact in the social and economic development in UNESCO World Heritage City of Dambulla has its consequences and advantages affecting the lives of the people in terms of money and relationship to other people. Consequently,

the development of ventures that seeks to improve the lives of the townsfolk is indispensable. In Dambulla City, tourism has evolved into an entrepreneurial climate, both for the existing and newly established businesses. The most famous of these are those that explicitly identify with the small lodgings, guest houses, telecommunication shops, tourist shops, handicrafts, local cuisines, homestay and other services to tourists of some of them are unlawful. Not only tourism has provided legitimate income for most businesses, it has also created a socioeconomic impact into the townspeople and their simple lives.

Tourism entrepreneurship practice’s first responsibility to the society is to operate at a profit. Business is the wealth creating and wealth-producing organ of the society, but what is most important is that management realizes that it must consider the impact of every business policy and business action upon society (Kairi, 2007). It has to consider whether the action is likely to promote the public good, to advance the basic beliefs of society, to contribute to its stability, strength and harmony is the ultimate responsibility of tourism-entrepreneurship practices to itself, to the enterprise, to the Dambulla heritage, to their society and to their way of life. The key concept to successful entrepreneurship is innovation. It refers to new or different ways of doing things when an individual creates a new product or when he sells a current product in a different approach (Robert et al, 2009).

The data would be established to develop skills and entrepreneurial practices that may improve the lives of people, the business prone individuals in particular. For another, assessment studies should be able to uncover possibilities that can address the opening of the programs in tourism and entrepreneurship that enhance employment in Dambulla City. The findings of the study therefore would help the relevant parties in developing small scale business that would be insightful in a need-driven development of old and new markets suitable for the needs of the tourists.

II. THEORETICAL BACKGROUND

To have a greater insight into the concepts of socio-economic impact of tourism on and entrepreneurship, ideas from related authorities and experts were incorporated as basis of understanding.

Tourism has grown to be an activity of worldwide importance and significance during last several decades. In many Island countries, tourism is the largest commodity in

international trade. In others, it ranks among the top industries. Tourism has indeed grown to become a major social and economic force in the world (Kairi, 2007). The rapid growth of tourism in the twentieth century has produced both problems and benefits for destination countries. It has had visible impact on the socio-cultural and socio-economic environment. Although tourism can bring economic advantages to a destination country, it also brings with serious long-term problems which, without careful control and planning, can threaten the society (Robert et al, 2009).

The social impacts of tourism should not be confused with the popular term “social tourism”. The objective of social tourism is to ensure that it is accessible to all people. Social impact of tourism refers to the changes in the quality of life of residents and of tourist destination (Sebastian and Rajagopalan 2009). Many tourism projects have been proven to be economically feasible but have not been developed because of the lack of the right amount of type of financing. The number of government agencies which provide specific financial incentives for tourism projects play dual roles as stimulators and entrepreneurs. The main objectives of the most of these incentive programs are to help business carry out tourism-development projects that may have been delayed because of lack of assistance (SLTDA, 2009).

The heritage promotion programme of Cultural Triangle demonstrates how cultural conservation can be used to achieve sustainable economic development. Now, Dambulla is a vibrant center for trade and tourism as its cultural treasures and agro-based industries continue to fuel the economy that has grown

significantly in a short span of time. Today, the powerful images, and sounds of modern sophisticated living have established their marked presence: business and residential infrastructure, cars, traffic, and communications. The present makes Dambulla pliant and flexible; the past makes it enduring and strong (The Island News, 2012). Innovation has become the operative word in business. Dimensions in entrepreneurship began emerging because of the flexibility it conjures for the economic development of third world countries. These are vendors who put all the work into products that will and may be known across its nation or abroad when they put on the right attitude and much enthusiasm into the venture they are doing (Business Today, 2010).

Being hard working opportunity seekers, entrepreneurs acquire more profits. Moreover, in the process, they also create better goods and services for the consumers. Through their innovation they contribute to the improvement of the standard of living. Thus, they do not only help the economy, they also help the society (Sebastian and Rajagopalan, 2009). Still another aspect of the study is the educational system that should emphasize in its curriculum the importance of local entrepreneurship. By and large, Sri Lankans are employee oriented, especially for white-collar jobs or some clerical work predominantly in public sector offices. Many are not risk-takers. Many of our society are afraid to put up their own business because of the possibility of bankruptcy. Such lack of entrepreneurial spirit, particularly among professionals, has encouraged foreigners to take advantage of our cheap labor and rich natural resources (Matheisan et al, 2006).

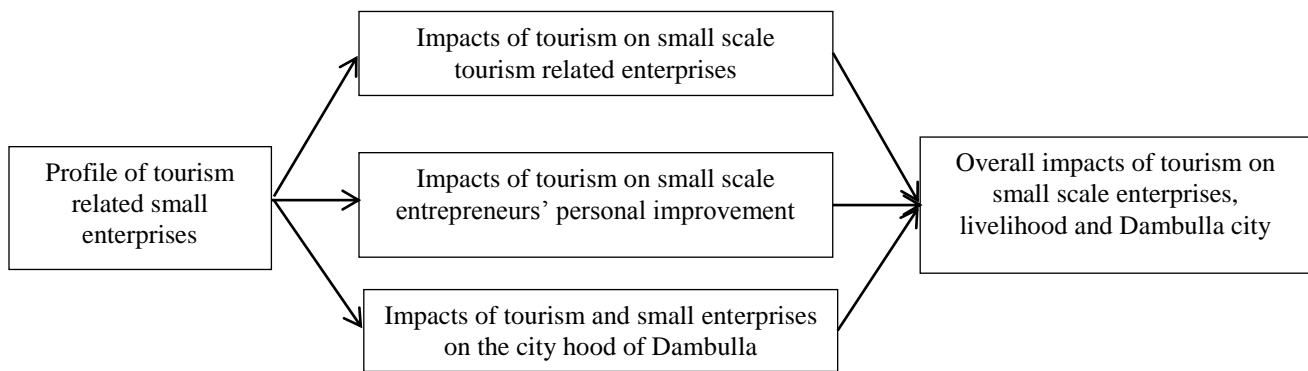


Figure 1. Conceptual Framework

Objectives of the Study

This study aimed to determine the social economic impact of tourism and entrepreneurship in Dambulla within the city limits of Dambulla. Specifically, it sought to answer the following questions:

1. What is the profile of tourism related small entrepreneur in terms of: a. age; b. sex; c. civil status; d. educational attainment; e. religion; and f. number of years in business?

2. What is the level of assessment of the socio-economic impact of tourism and entrepreneurship as to:

2.1 Tourism in the existing business establishment in terms of: a. income; b. increase in clientele; c. competition; d. taxes; e. employment; f. local patronization; g. expansion; h. government assistance; and i. market opportunities?

2.2 Impact on the personal improvement of the entrepreneurs in terms of: a. opportunity to attend seminars, workshops and conferences; b. opportunity to interact with tourists and competitors; c. working schedule and work load; and d. decision making?

2.3 Impact of the citihood of Vigan to tourism in terms of: a. liveliness of the place; b. effect towards the simple lives of people; and c. increase in number of tourists?

3. To what extent has tourism and entrepreneurship addressed the socio – economic goals of entrepreneurs as to:

3.1 Improvement in entrepreneurial skills; 3.2 Improvement in productivity; 3.3 Improvement in interaction and communication; and 3.4 Increase in income?

III. METHODOLOGY

This cross sectional study was completed within September 2013 to May 2014. A total of 65 entrepreneurs involved in various tourism related ventures composed the sample for this study. The respondents are entrepreneurs from the different business perspectives and different areas yet their business based in Dambulla City. Descriptive analytical method of research was more appropriate in order to reflect the respondent's views as much as possible.

Research Design

The design used in the study was descriptive survey method of research. Both quantitative and qualitative approaches were employed to make the findings more relevant to the context. The profile of tourism-related entrepreneur was described, and the impact of tourism in the existing establishment, impact on the personal improvement of the entrepreneurs, impact of the cityhood of Dambulla to tourism were characterized, and the extent to which tourism and entrepreneurship addressed their socioeconomic goals was examined.

Unit of Analysis

The unit of analysis for the present study was small scale tourism related entrepreneur. In addition several detail interviews were conducted with officials and key figures in the area to create a solid background to the data collection tool.

Research Instrument

The research instrument design to collect required data was adopted from several previous studies and modified as appropriate to the present study context. The data collection tool composed of three parts:

Part I was designed to gather information required to profile the small scale tourism entrepreneurs.

Part II dealt with the respondent's perception on the factors which affect tourism related entrepreneurial practices, and

Part III dealt with the perceived extent to which tourism and entrepreneurship addressed the socio-economic goals of entrepreneurs. Observation and interview were also utilized in the study. Data gathered in the study were analyzed through the use of frequency count, percentage and weighted mean.

The Study Setting

The present Dambulla city known as Rangiri Dambulla is of pivotal in the history of Sri Lanka. Not only today right throughout the Sri Lankan history Dambulla has been of primarily significant as a cultural, religious and administrative stronghold. Major attractions of the area include the largest and best preserved cave temple complex of Sri Lanka, and the Rangiri Dambulla International Stadium, famous for being built in just 167 days. The area also boasts the largest rose quartz mountain range in South Asia, and the Iron wood forest, or Na Uyana Aranya. Ibbankatuwa prehistoric burial site near Dambulla cave temple complexes is the latest archaeological site of significant historical importance found in Dambulla, which is located within 3 kilometers of the cave temples providing evidence of the presence of indigenous civilisations long before the arrival of Indian influence on the Island nation. At the Ibbankatuwa Prehistoric burial site near Dhambulla, prehistoric

(2700 years old) human skeletons were found on scientific analysis to give evidence of civilisations in this area long before the arrival of Buddhism in Sri Lanka. Evidence of ancient people living on agriculture have been detected in this area for over 2700 years according to archaeological findings. (750 BC).

At present Dambulla is a significant economic centre for the distribution of vegetable and other consumables to the economy and as a result all kinds of financial institutes and facilities are presence. As a touristic centre it has numerous businesses catering to tourism industry which range from multinational companies, national level giants, medium size organizations and small scale business operators.

IV. RESULTS AND DISCUSSION

Based from the data gathered and interpreted, the following findings were revealed:

Personal Profile of the Respondents

The data shows that majority of the respondents are of the middle-aged group from forty two (41) years old and above. It can be inferred that there are more female than male in the small scale tourism entrepreneurial world whereby 65 percent are female and 35 percent are male. Majority of the entrepreneurs in Dambulla are married whereby 23 percent are single, 66 percent are married and or 11 percent are widowed. Out of the total sampled 69 percent are Buddhists, 16 percent are Islam, 9 percent is Catholic and 6 percent other religions.

It is inferred that most entrepreneurs are up to O/L in education concern whereby 8 percent is graduates, 23 percent is secondary Advanced Level passed, 27 percent trained from vocational school and 42 percent up to Ordinary level of education. Most of the entrepreneurs have been in business for more than fifteen (15) years.

The socioeconomic impact of tourism and entrepreneurship

Assessment of the impact of tourism in the existing business establishments The weighted mean for the perception on the impact of tourism in existing businesses is 2.55 which is interpreted as "satisfying". In the component: my income increased since tourist began visiting Dambulla was rated "satisfying" with a mean rating of 3.25. The following components: Tourist comprise majority of my customers ($x = 3.0$); There are opportunities to market my products now that Dambulla is a city ($x = 3.0$); I have more competitors now, than before Dambulla was proclaimed a city ($x = 2.75$); I am paying more taxes than before ($x=2.75$); I intend to expand my business in the future ($x=2.5$). The respondents found the rest of the components: Local people also patronize my products ($x=2.0$); There is government assistance available for my business ($x=2.0$); and I am employing more helpers for my business than before ($x=1.75$) are "not so satisfying".

The impact of tourism on the personal improvement of the entrepreneurs

The weighted mean for the impact on the personal improvement of the entrepreneurs is 2.3 which is interpreted as "not so satisfying". In the component: There are opportunities to interact more with tourist and competitors through social events and activities was rated "satisfying" with a mean rating of 3.0 In

the components: The other components: Decision making now is much more important because of the needs of tourist and local townsfolk now that Dambulla is a city ($x=2.5$); I am given the opportunity to attend training sessions, workshops, conferences for the development of my business ($x=2.25$) and working schedule and work load are reasonably allocated ($x=1.75$) are all found “not so satisfying”.

The Impact of Cityhood in Dambulla City

The weighted mean for the impact of cityhood to tourism in Dambulla is 2.62 which is interpreted as “satisfying”. In the component: there are more places to visit and enjoy in Dambulla now than before was rated “satisfying” with a mean rating of 3.25; Dambulla is more alive now that it is a city ($x=3.25$) rated as “satisfying”. The following components: Dambulla’s cityhood has affected better on the simple lives of the townsfolk ($x=2.25$); and more tourists come to Dambulla since it became a city ($x=2.29$) which were rated as not “satisfying”.

The impact of tourism on Enterprises in achieving Socio-economic Goals

As a whole the entrepreneurs’ perception extent to which tourism and entrepreneurship have addressed their socio-economic goals have been achieved to an “average extent” with an over all mean of 3.06.

V. CONCLUSIONS AND RECOMMENDATIONS

Most entrepreneurs come from the middle-aged group and show that because of their age, they are more experienced in going into business. Females are more inclined entrepreneurs and risk takers than males as per the findings. Most of them already have their own families and that going into business gives them a better chance to provide for their families and the hope of giving them a brighter future. Religion is one of the factors not directly related to the respondent’s perception in going to business but some have believed that their hard work, dedication and honesty have helped them to reach their success in the business. Now, education is a big factor in creating a business. Most of them got the medium educational attainment they could obtain under the circumstances and raised their chance of making a business in tourism segment. Others who have not been able to get the chance of a good education went into vocational schools and ventured into business just to maintain their basic needs and provide their children good education. Some of the respondents have been in business for the longest time but are still struggling in their lives and others who are just at the beginning of their venture are seemingly more successful than the ones who have been in business longer than they have been.

The impact of tourism and entrepreneurship in the existing business establishment shows that there were developments in business. Since Dambulla became a City, tourism and entrepreneurship was enhanced. Business income increased; more tourist come to see Dambulla; healthy competition for business; opportunity to expand their business and opportunity to market their products and seek government assistance. Moreover, some entrepreneurs need to hire more workers to help them in their business and which will also give these workers the opportunity to earn their own income; wanting the government to

assist them in their related entrepreneurial activities and practices through the conduct of more training for them. They also explore on the products marketable to both tourists and townsfolk. On the impact of tourism and entrepreneurship on the personal improvement of the entrepreneur, business people are now given the opportunity to interact with more costumers and competitors to build good sense of business relationship among them; thorough and sound decision making on how to improve their business developing their skills and enhancing their responsibility and attitude towards work opportunity to attend training programmes, workshops and conferences for the development of their business. In the expansion of their business, they situate themselves in a thorough planning and decision by considering their capital, location and projected sales profit before pushing through; see to it that working schedule and workload be reasonably allotted to give them time for their families. Their need to attend training programmes, conferences and workshops to improve themselves and their business management is most wanting. On the impact of cityhood to tourism in Dambulla City, there are now more tourist sports to enjoy than before; Dambulla is more alive now that it is a city; cityhood has affected better the simple lives of the town’s folks; and more tourist come to Dambulla since it became a city. There are now more tourist places to go to and enough recreational places to visit n Dambulla, nonetheless tourist operators should be directed to improve their facilities to make the visit of tourists more comfortable and enjoyable. Moreover, regular inspection of tourist spots by the Department of Health and Central Provincial Tourism Ministry should be ensured to keep them sanitized and clean.

Entrepreneurs’ perception extent on tourism and entrepreneurship have enhanced their socio-economic condition in the following goals: improvement in productivity; improvement in entrepreneurial skills; improved interaction with tourists and customers and increase in their income thus improve themselves and their lifestyle. On the basis of the findings and conclusions, the following recommendations are advanced:

The business sector should be encouraged to invest in “rent a car” business in answer to the problem of inadequate and inconvenient transportation pointed out by the tourists. The office of the Central Provincial Tourism Ministry should organize tour guide groups equipped with the necessary training to at least who can speak English fluently. To be able to meet the needs of a steadily increasing number of tourist arrivals, more lodging and foodservice establishments should be put up. Such establishments should have adequate provisions for the necessary amenities and should necessarily be observed for required level of quality standards directed by the Sri Lanka Tourism Development Authority. Subsequent studies will hopefully shed light on this dilemma and provide new insights in this research area.

REFERENCES

- [1] Central Province Ministry of Tourism (CPMT). The directory of tourism related business operators in Central Province, CPMT, Kandy, Sri Lanka, 2010.
- [2] Easterling, Debbie S, The residents’ perspective in tourism research: A review and synthesis. *Journal of Travel & Tourism Marketing*, 2004, Vol 17, pp 45-62.

- [3] EDSA, Norton Consulting, Kathleen Wood, Blue Dolphin Research, Rob Wild, George Mclelland, and Jackie Mulligan. Belonger Business Opportunities in Protected Areas. Prepared for the Turks and Caicos Islands Department of Environment and Coastal Resources, 2005.
- [4] Kairi Consultants. National Socio-economic Development Framework 2008-2017. Prepared for the Turks and Caicos Islands Department of Economic Planning and Statistics, 2007. Available at : <http://www.depstc.org/pressreleases/2007/sep07/0921a.html>
- [5] Matheison, Alistair and Geoffrey Wall, Tourism: Economic, Physical and Social Impacts. London and New York: Longman, 2006.
- [6] McIntosh, Robert W. et. al, Tourism: Principles, Practices, Philosophies. Michigan: John Wiley and Sons, Inc, 2009.
- [7] Sebastian L.M. and Rajagopalan P, Socio-cultural transformations through tourism: a comparison of residents' perspectives at two destinations in Kerala, India, Journal of Tourism and Cultural Change, 2009.
- [8] Simoni, S. & Mihai, D. "Tourism Organization and Coordination in Australia and the Managerial Strategy for Tourism Development", Journal of Knowledge Management, Economics and Information Technology, Issue 5, 2012. Available at: www.scientificpapers.org/.../1319_Simoni_Mihai_Tourism_Organization...
- [9] Sri Lanka Tourism Development Authority, Strategic plan for tourism development in Sri Lanka, SLTDA, Colombo, Sri Lanka, 2009, Available at: <http://www.srilankatourism.org>
- [10] Spanou, E., "The Impact of Tourism on the Sociocultural Structure of Cyprus", Tourism: an International Multidisciplinary Journal of Tourism, 2007, Vol. 2, No. 1, pp. 145-162.
- [11] Sprecher, D. and Jamieson, D. A. Manual for Monitoring Community Tourism Development, Training and Technology Transfer Program, Canadian Universities Consortium Urban Environmental Management Project at AIT, 2000.
- [12] Tourism Subcommittee (sectoral committee). Report of Tourism Subcommittee. Based on meetings held January 26 and February 15, 2006, as part of the formulation of the National Socio-Economic Development Framework, 2008-2017, assembled by Kairi Consultants, 2006
- [13] Williams, John and Rob Lawson. Community issues and resident opinions of tourism. Annals of Tourism Research, 2001, Vol 28, pp 269-290.

AUTHORS

First Author – JPRC Ranasinghe, BSc, PGDM, MBA, PhD (Reading), School of Tourism Management, Sichuan University, China, ruwan@uwu.ac.lk