

TOURISM

Growth of a New Industry

Tourism today is a global growth industry. It grows faster than the growth of world trade as a whole. It is principally a service industry, and apparently uses largely the natural charm and scenic beauty of a country, and consequently is being adopted by several developing countries. It has been almost considered by some Third World countries as a free good and a natural asset that can be made a saleable product. This "Special Report" in the *Review*

aims to place in perspective the positive and negative features of the tourist industry, both globally as well as locally. Its aim is to show that tourism has several advantages as well as disadvantages, and further that one could develop strategies to maximise the advantages while lessening the disadvantages. A central theme of our "Special Report" is that such optimisation from the country's perspective has not yet been given sufficient thought.

There are several indications that global tourism has achieved boom proportions in the Western countries from the early 1960s. Thus, in the 15 years from 1961 to 1976 international tourist traffic more than trebled when counted by the number of tourist arrivals, while cash receipts increased by more than five times in the industry as a whole. The developing countries' share of tourist income remained between 10 and 20 percent, a small figure, but more recently this has accelerated. This figure of 10 to 20 percent is larger than the developing countries share of world exports as a whole.

International tourism originates largely in the West European countries and America, although travel from Japan, Australia and the East European countries are on the increase. Tourism, thus is largely a flow from the rich countries to the poor countries. However, this flow of tourists has to be seen in perspective of other human and economic flows, between the developed and developing countries, and which are today part of the North-South debate going on at several forums.

Tourism and personnel exchange in perspective

The current mass flow of tourists from the industrialised countries to the poorer ones needs to be viewed in the context of other larger flows of people occurring across continents today. It is also to be seen within the context of the massive transfer of population that occurred over the last 100 years under West European colonial control, whereby African and Asian peoples were transported thousands of miles to work as slave or semi-slave labour in European-controlled situations; while in the other directions, persons of European stock were transferred, to become controlling elites

in several continents. More recently, labour from Third World countries have been sucked towards the industrialised countries to fill in the lower rung slots in the economies of these countries. These Third World persons are more or less permanent migrants to these countries. They free the indigenous populations in Western countries of the dirtiest jobs (street cleaning, bus conductors etc.) so that the local inhabitants can now move up the class and income structure. The increasing tourism to developing countries is at least partially the result of increased incomes of workers in Western countries who are made upwardly mobile because of Third World immigrants. Thus, tourism from the industrialised countries to the less developed is at least partly due to the informal 'apartheid' which reserves the lower rung menial jobs for Third World migrants while the skilled jobs are reserved for the whites. In addition to large-scale tourism, there is also another flow of persons from industrialised countries which parallels the flow of Third World immigrant labour to the industrialised countries. This migration takes the form of personnel of multinational companies who invariably occupy higher echelon jobs in the companies' branches in the periphery. Mass tourism from the centre to our countries has to be seen in the context and perspective of these other mass transfers of personnel.

Although tourism is largely from rich countries to the poor, there is a trickle in the other direction. In contrast to tourism from the metropolis to the periphery, reverse tourism from the periphery to the centre takes a different form. Generally, entry into the developed centre by developing country inhabitants is controlled both by the developed country as well as by the developing one. In the case of peripheral countries with tight exchange controls, tourism may be difficult even for the elite of those countries, while in countries with less controls the elite often has chances of travel to the centre. But even in such cases although possibilities of travel exist, in monetary terms, the impediments to travel in the form of visas etc. are very much tighter in the developing

periphery to developed centre direction rather than from the centre to the periphery.

The Inflow of Tourists to Sri Lanka

The inflow of tourists to Sri Lanka is predominantly from West European countries. The Tourist Returns for 1978 indicate that altogether last year there were 192,592 tourist arrivals; roughly 66.6 percent being from Western Europe and 18.7 percent from Asia; while North America, Eastern Europe and Australasia had respectively 6.5 percent, 3.2 percent and 3.4 percent of the market. The country with the largest number of tourists coming to Sri Lanka was West Germany with 37,030, followed by France with 23,812 and United Kingdom with 14,274. Japan had 8,730; Sweden 14,684 and North America 12,426.

The proportion of the 192,592 arrivals by regions is seen in the table below. An analysis of the more important countries by nationality of incoming tourists shows that 19.2 percent of tourists in 1978 were West Germans; 12.4 percent were from France; 7.4 percent from the United Kingdom; 7.6 percent from Sweden; 5.1 percent from Switzerland; 4.0 percent from Italy; 5.3 percent from USA; 2.8 percent from USSR; 4.5 percent from Japan and 2.9 percent from Australia. Most tourists (45.2%) flew directly from Europe to Sri Lanka, while about 30 percent embarked from the Indian sub-continent.

TABLE I

Proportion of the 192,592 Tourist Arrivals to Sri Lanka, by Region of Origin, in 1978

| | | |
|----------------|----|------|
| North America | .. | 6.5 |
| Western Europe | .. | 66.6 |
| Eastern Europe | .. | 3.2 |
| Africa | .. | .8 |
| Middle East | .. | .7 |
| Asia | .. | 18.7 |
| Australia | .. | 3.4 |

In a typical year, 1975, it was found that almost 66 percent of tourists travelled on package tours. By far the most arrivals (65%) were by scheduled airlines, while charter traffic constituted 28.0 percent, the rest being sea traffic. Almost all the charter traffic involved foreign carriers. The airforce carried a small

percentage of charter traffic, largely to Maldives. Of the scheduled carriers Air Ceylon nominally carried 8.4 percent of the load to Sri Lanka, but this traffic was in fact carried by the Air Ceylon Regional Services (mainly from India) and is therefore to be considered as accruing only a small part of the income generated by the traffic to the country. Air Ceylon International carried only one percent the total volume of traffic. See Table below for 1978 position. (Air Ceylon services were often curtailed during this period).

TABLE 2

Tourist Arrivals to Sri Lanka by Carrier Jan.-December 1978

| Carrier | No. of Arrivals |
|------------------------------------|-----------------|
| Scheduled Air Carrier Total | 128,788 |
| Air Ceylon (International) | 2,039 |
| British Airways | 10,836 |
| Aeroflot | 7,716 |
| Swissair | 14,988 |
| U.T.A. | 8,275 |
| S.I.A. | 16,970 |
| K.L.M. | 4,521 |
| Garuda | 412 |
| Korean Airlines | 278 |
| Air Ceylon (Regional) | 14,158 |
| P.I.A. | 4,512 |
| I.A.C. | 20,362 |
| Air Maldives | 11,497 |
| Thai Airways | 10,022 |
| Royal Nepal Airlines | 2,202 |
| Charter Air Carriers Total | 50,000 |
| Balais | 9,495 |
| Condor | 14,851 |
| Scanair | 9,115 |
| Sterling Airways | 7,386 |
| JAL | 1,905 |
| Maerksair | — |
| L.T.U. | 6,502 |
| Montana | 679 |
| Others | 67 |
| Sea Carriers Total | 13,804 |
| Passenger Ship | — |
| (CBO Harbour) | 259 |
| Ferry Boat (Talaimannar) | 13,545 |
| Grand Total | 192,592 |

A large portion of the tourist traffic is arranged by international firms like Neckermann, Touropa-Scharnow, Hotel Plan, Vingressor etc. According to the 1975 figures of the Tourist Board, the percentage

distribution of people coming into the country was as follows:

| | Percent |
|----------------------------|---------|
| Businessmen | 8.8 |
| Professionals | 8.7 |
| Executives | 18.7 |
| Scientists and Technicians | 13.3 |
| Educationists | 7.0 |
| Other occupations | 12.0 |
| No occupation | 29.1 |
| Retired persons | 2.3 |

(These figures drawn from embarkation cards, have to be treated with caution as there is a tendency to overstate their status among incoming tourists. Interviews carried out as part of a study suggest that a large number of incoming personnel from West European countries are of lower middle class origin, mainly skilled workers).

The sex and age distribution of the visitors were as follows:

| | Percent |
|--------------------------|---------|
| Sex : Male | 60.5 |
| Female | 39.5 |
| Age Group : 3 - 19 | 5.2 |
| 20 - 29 | 30.6 |
| 30 - 39 | 27.5 |
| 40 - 49 | 16.2 |
| 50 - 59 | 12.9 |
| 60 and over | 6.6 |

The above data gives a broad picture of the type of tourist, how many tourists came and from where. A question now to be raised is why do tourists come to Sri Lanka.

Why Tourists Come

The tourists who arrive in the country do not necessarily come because of the income differential between the rich industrialised countries and Sri Lanka, nor is their choice of Sri Lanka altogether conscious and voluntary. They come, according to recent research, because of a strongly structured socio-psychological situation which exists in their countries and also because of carefully structured perceptions of our countries which are fed to them. The socio-psychological climate in the industrialised countries is historically a result of the particular form industrialisation took place in those countries and of the artificial division of work and leisure which occurred as a result. Because of the consequent dehumanisation of the work situation brought about by the advent of industrial capitalism, a concurrent need arose for leisure

as an activity and a commodity distinct from that of work. Consequently a socio-psychological climate exists in the developed world today for a packaged commercial item termed leisure.

(A detailed treatment of the work-leisure problem in industrialised countries by H. L. Wilensky, appears in the *International Social Science Journal*, Vol. 12, 1960, under the title "Work, Careers and Social Integration.")

The services now being offered as tourism by the Third World countries are packaged and fed to tourists as an item with a particular image just as any other commercial commodity such as soap. Jacques Bugnicourt, a French Development Researcher, has subjected tourist publicity for Third World country destinations in Western countries to a systematic scrutiny and has shown that four-fifths of the documents distributed evoke the sun in the text and two-thirds of advertisements in newspapers or magazines refer to it. The sun is generally represented in these advertisements not only as a source of heat and light but, also as evoking an image of fun and "paradise", in the same sense that the popular Western mind has associations of the South Sea islands. Sex is also a prominent symbolism in all these advertisements and local women are projected as being especially sensuous and permissive. Thus, to quote another Social Scientist, Adholla, the coast of Kenya has been evoked "in certain centres of tourist customers, especially in Germany, as an exotic sex paradise". A paper read at the congress of travel agents in Sri Lanka, by J. Fischer of Touristik Union International which brings in 100,000 tourists a year, poses the question why European tourists go to Asia and lists as the first reason "To find an exotic destination".

The exotic allure of these tourist locations is further amplified by giving emphasis to the apparent "wildness" and "savage" aspects of both their human and animal populations. There is thus a constant drive to maintain the wild nature of these regions even in the face of demands of human habitants who are even, on occasion, driven away from those areas so that they can be declared sanctuaries. The "savage"

aspect in the image build-up of tourist literature is emphasised by photographs and displays focusing on "strange" behaviour. (A few years ago the Tanzanian Government put an end to exploiting the Masai photographically by tourists in this regard). Naturally, removal of the exotic image of a Third World country is discouraged by the tourist industry. Nevertheless, "Not every country is trying to keep its exotic charm. Singapore is demolishing the old quarters and substituting them with skyscrapers. The friendly Thai people are losing their smiles in Bangkok and Pattaya and are becoming more and more unfriendly towards tourists", complains a tour operator.

This building of an exotic image is emphasised also in the case of Sri Lanka tourism as indicated in the reasons given by tourists as to why they come here. Thus, the Ceylon Tourism Plan, in a survey conducted in 1967 points to Sri Lanka's exoticism as a very important factor: "The exotic environment, a category in which Ceylon excels, is ranked 'very important' to 15 percent of Pacific tourists and 'fairly important' to 44 percent.

Since the visitors are seeking a varied experience this is worthy of promotion", concludes the Tourist Plan. "Warm sun, limpid sea, beautiful beaches, tranquility, new sights, sounds...", reads a publicity blurb for Hotel Serendib and again "emerald sea and the azure blue sky, a sunny serene paradise" for Ceylon Holiday Resorts Ltd. "Inginiyagala, deep in the heart of Veddah- elephant country, savagely beautiful. Way off the beaten tracks lies the wildly beautiful Galoya", Mercantile Tours. And one radio advertisement used this slogan: "Your Island in the Sun". The above examples were taken from material available locally, and aimed at least partially at the local clientele as well, where the exotic paradise imagery was evoked.

The Image Motivation Study of visitors to Sri Lanka carried out in 1972 by the Economist Intelligence Unit tends to confirm these factors. Pleasure is the main motivation for visitors to the country, while "The cultural attractions of Sri Lanka... are hard to sell in comparison with

India and Thailand..." Thus, "those who have been to Sri Lanka have a very strong positive view as to the attractions of the Island, in particular beaches, scenery, places to see, easy-to-know local people, and friendly people". More important, this study on the basis of its survey of visitor preferences recommends the following as the central theme with which tourism should be promoted:

"A charming tropical island with beautiful natural scenery, intriguing culture and customs, historic old buildings, and relics, fascinating temples, a wide range of tours and activities to be indulged in, a warm friendly artistic people who produce a fine range of craft work, an atmosphere of peace and relaxation, warm sunshine and uncluttered beaches, a range of hotels to suit all tastes and means, and a variety of evening entertainment; a unique blend—it is called Sri Lanka, resplendent isle".

There is no doubt that the exotic is in demand.

Beginnings of Formalised Tourist Promotion

There was hardly any formal tourist development before 1966. The main promotion agency for tourism upto this time was the Tourist Bureau which was a government department. At that time there was no urgency about tourist promotion. In the period 1960-1965 a Hotels School was inaugurated and the Tourist Bureau was brought under the Prime Minister. During this period improvements were made to the Hikkaduwa Rest house and proposals were made to invite a large multinational hotel chain (Hilton) to set up a hotel in the country.

However, it was the period 1965-1970 that saw institutional changes in the promotion of tourism in 1966, by an Act of Parliament; the Ceylon Tourist Board was created as a policy-making body, and the Hotels Corporation was also established. The major promotional activity in 1966 was the hiring of a consortium of firms, (Harris, Kerr, Foster and Company) financed by U.S. AID, to do a feasibility study and formulate a 10 year plan of development for the industry. This team which

was drawn largely from Hawaii, stayed in the island for three to four months and produced a report which, in its broad outlines, acted as the fundamental blueprint for tourist expansion since then.

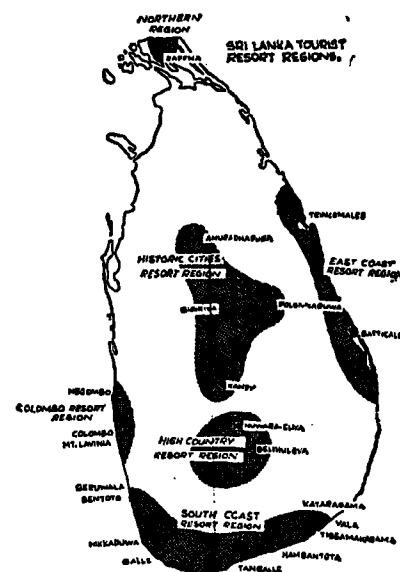
It is important at this stage to note that this report, presented as a technical one, was adopted wholesale by the then authorities (and so too with subsequent ones) without any serious discussion of the larger implications and impact of the particular brand of tourism being purveyed by the firm. This Ten Year Tourism Plan of 1967 has since been followed faithfully in broad outline, except for a lag in the time table by two years. This setback in the time table was necessitated by the change in government in 1970 and the Insurrection of 1971. Tourism is said to have suffered an "image collapse" during this period; though the 1972 Five Year Plan of National Development also incorporated the basic plan of the Harris-Kerr Foster document.

The Harris-Kerr Plan divided the country into five resort areas, namely:

1. Colombo Resort Region. From Negombo to Mt. Lavinia (Attractions: city and beaches).
2. South Coast Resort Region. From Bentota to Yala (Attractions: beaches).
3. East Coast Resort Region. From Trincomalee to Pasakudah (Attractions: beaches).
4. Ancient Cities Region. Anuradhapura, Kandy, and Polonnaruwa (Attractions: history).
5. High Country Region. (Attractions: scenic beauty and tea gardens).

This classification is maintained today by the Tourist Board except for the inclusion of the Northern region (which then absorbed only an insignificant 0.3 percent of tourist nights).

A 1978 Committee reporting on the Tourist Plan has envisaged tourist arrivals of nearly 460,800 by 1984; the figure for 1978 being about 192,000. The annual rate of growth of the tourist industry has remained remarkably constant at 21 percent tourist arrivals a year.



The Five Resort Areas

"The market shares on this projection will be Western Europe, 77 percent or 355,000 arrivals; North America and Japan; 5 percent or 24,500 arrivals from each market. Australia 12,400 arrivals; India and other Asian countries 7 percent or 32,000 by 1984.

"Consequently our overseas promotional programmes would involve efforts to increase our present share of the major markets—Germany, France, Sweden; greater penetration into Britain, Switzerland, USA and Japan; a fuller programme in Australia and organised programmes in centres of affluence in Asia", according to Director General, Ceylon Tourist Board, Mr. M. Y. M. Thahir.

Rooms in 1978

| | |
|-------------------------------|--------------|
| Colombo City | 1,310 |
| Greater Colombo Resort Region | 974 |
| South Coast Resort Region | 1,158 |
| East Coast Region | 320 |
| Hill Country | 195 |
| Ancient Cities | 506 |
| Kandy | 326 |
| Northern Region and Others | 57 |
| Total .. | 4,846 |

Projected Room Requirements in 1984

| | |
|-----------------------------|---------------|
| Colombo City | 2,742 |
| West Coast Beaches | 4,221 |
| East Coast Beaches | 1,590 |
| Circuits | 2,303 |
| a) Kandy | 934 |
| b) Anuradhapura/Polonnaruwa | 713 |
| c) Hill Country | 328 |
| d) Other areas | 328 |
| Total .. | 10,856 |

The growth of the tourist industry in the period 1966 to 1978 can also be seen in the growth of hotel rooms. In 1966 the total number of hotel rooms in the entire island was 770 while twelve years later it had increased over six-fold to a total of 4,846 rooms as indicated in the figures on page 6. By 1984, to cater for an estimated nearly 470,000 visitors, a total of 10,856 rooms has been aimed at. This implies a need for over 6,000 additional rooms.

The total investment in the industry upto 1975, has been estimated at about Rs. 400 million. The infra-structural development up to this period was estimated at a further Rs. 200 million, thus giving a total of Rs. 600 million. It has been estimated that this investment works out at roughly Rs. 5,000/- per tourist and thus, for the target of nearly 500,000 tourists by 1985 will require a total investment of Rs. 2½ billion for the industry as a whole. This investment is seen in better perspective when one realises that this amount was roughly one-fourth of the investment of the accelerated Mahaweli project.

Foreign Exchange Receipts from the Tourist Industry

The Tourist Board estimates that the net foreign exchange surplus for the period 1967 to 1977 was Rs. 830 million out of total foreign exchange receipts for the industry of about Rs. 1,063 million. For 1977 alone, the Board estimated that foreign exchange earnings would amount to Rs. 304 million. These figures have been regarded as excessive by some commentators in that they have not taken sufficiently into account reverse flows of foreign exchange due

to imported inputs, smuggling of gems etc. Further, the Tourist Board figures of the cumulative total for the industry as a whole have not taken into consideration fluctuations of the Sri Lanka rupee that have occurred in this period. However, foreign exchange inputs alone are not a good measure of the industry as a whole. One has to look at the domestic inputs and also whether these inputs could have been put to better use elsewhere.

Although the growth of tourism has been rapid, its contribution to the Gross National Product is regarded very small at only .07 percent. However, it should be noted that it has been growing from 0.23 percent in 1972 to 0.71 percent in 1977, according to the figures of the Tourist Board.

It has been estimated that value added in this industry is very small in comparison with other industries. Thus an economist, G.M.P. de Silva, has indicated that in 1976 for the tea industry the total value of production was Rs. 1,755 million and the value added was Rs. 1,513 million, the proportion of value added to value of production being 85 percent. In the case of the rubber industry the average figure for 1976 and 1977 was approximately 82 percent. He has gone on to estimate the value added for the tourist industry as a proportion of the total value of production at about 7 percent.

A reason why value added is low is due to the fact that the industry required a high degree of material inputs; and also because the income of the industry retained in the country as a whole is small, a factor we return to later when we analyse the global structure of the industry.

Another measure of the industry is the number of jobs created. According to Tourist Board figures, those employed in tourism was about 32,000 persons in 1977, of which 13.7 percent were in direct employment and 18.5 percent in indirect employment in the supplying sectors. The Tourist Board works out that the cost of creating one job in the direct employment sphere works out to about Rs. 43,000. This however, varies with the type of job. Thus the Tourist Plan envisaged that one or two persons would be employed for each room by 1973. When the cost of a room is as high as Rs. 300,000 in the case of the Oberoi Hotel (a rupee bearing its 1975 value), the cost of a job here would work out to between Rs. 100,000 and Rs. 150,000. However, this figure falls in the case of less expensive units. Although the tourist industry has been considered a labour intensive one, it is relatively capital intensive as the following figures would indicate: In Sri Lanka about Rs. 50,000 was necessary to give employment to one person in large scale industry while the parallel figures for the really small scale industry was Rs. 250 to Rs. 2,500.

There have been varying views expressed on the effects of tourism on employment. Two such views are given in the box on page 8.

These are the broad figures on investment, increasing room strength and jobs created. However, to get a more complete picture of the industry, we have to place tourism in its global perspective and see Sri Lanka's tourist economy within the global context and the larger economic structures.

FOREIGN EXCHANGE RECEIPTS

The average receipts from a tourist per day in Sri Lanka has been estimated to be the highest in the sub-continent. Also the growth of official tourist receipts has been growing much faster than the growth rate of tourist traffic. According to Tourist Board's Director of Research and Planning, Mr. H. M. S. Samaranayake the growth of official tourist receipts in the period 1968-77 has been extremely high—45 percent annually, as compared to a 21 percent average yearly growth rate of tourist traffic. The average receipts per tourist

per day have steadily increased over the years from US \$4.5 in 1967 to US \$24.3 in 1977. The following are the

comparative figures for some selected countries in the East and West for the year 1976.

Average Receipts per Tourist per day in US dollars

| Indian Sub-Continent | | Pacific Countries | | Developed Countries | |
|----------------------|------|-------------------|------|---------------------|------|
| Bangladesh | 12.1 | Thailand | 35.4 | Spain | 20.4 |
| India | 17.2 | Philippines | 45.2 | Canada | 21.4 |
| Pakistan | 22.9 | Singapore | 58.6 | U.K. | 22.6 |
| Sri Lanka | 23.7 | | | Italy | 33.5 |
| | | | | U.S.A. | 39.4 |
| | | | | Switzerland | 70.5 |

Source: H. M. S. Samaranayake in a paper on "Economic Effects of Tourism"

EFFECT ON EMPLOYMENT

"Tourism, being a service industry, has a greater capacity to generate employment than many of the modern manufacturing industries. Tourism generates employment both directly in the Servicing Sectors (i.e. accommodation establishments and restaurants; travel and transport agencies; recreational establishments; tourist shops airline offices etc.) and also indirectly; in the Supplying Sectors. The employment position in Sri Lanka's tourist industry at the end of 1977 was as follows:

| | | |
|---|----|---------------|
| 1. Direct employment in the Servicing Sectors | .. | 13,716 |
| 2. Indirect employment in the Supplying Sectors | .. | 18,517 |
| 3. Total employment in tourism | | <u>32,233</u> |

A comparison of this total with tourist arrivals gives a ratio of 1:4.8. This means that approximately every five tourist arrivals create one job opportunity in the country.

It is also interesting to compare the capital-employment ratio in the tourism sector with those of the other modern sectors in order to get an idea of the employment-generation capacity of the tourist industry. The investment per unit of direct employment in the tourism industry works out to Rs. 43,000. Comparative figures in respect of some selected manufacturing and processing industries in Sri Lanka are given below:

| Investment per unit of direct employment: | Rs. |
|---|------------------|
| 1. Cement Corp. | .. 135,000 |
| 2. Mineral Sands Corp. | .. 188,000 |
| 3. Ceylon Ceramics Corp. | .. 42,000 |
| 4. Ceylon Steel Corp. | .. 132,000 |
| 5. Salt Corp. | .. 47,000 |
| 6. Sugar Corp. | .. 74,000 |
| 7. Flour Milling Corp. | .. 59,000 |
| 8. Plywood Corp. | .. 34,000 |
| 9. Ceylon Leather Products Corp. | .. 25,000 |
| 10. Ceylon Tyre Corp. | .. 46,000 |
| All Industrial Corps. | .. <u>65,000</u> |

As an employment generator the tourist industry compares well with most of the modern manufacturing industries"—

H. M. S. Samaranyake,
Director, Research and Planning, Ceylon Tourist Board, on "Economic Effects of Tourism," at a seminar on Tourism held at the B.M.I.C.H. Colombo, on 2nd Nov. 1978.

"According to my estimate Rs. 600 million capital investment up to 1975 has created 3,600 rooms. Taking the ratio of direct employment as 1.5 units

of labour per room and indirect employment as another 1.5 units of labour i.e. 3 units of labour per room, the total employment created is about 12,000 jobs. This works out to an investment of Rs. 50,000 per job. If employment creation is to be considered as national priority No. 1 then I must say that the expansion of this industry is not what should be recommended"—

Mr. G. M. P. de Silva of the Central Bank, on "Investment in the Tourist Industry in Sri Lanka", at a Seminar on Tourism, held at the ARTI on 12th August, 1978.

There is a chain of interlocking economic activities in tourism which connects Sri Lanka with the tourist generating countries. In the latter countries, there is first of all the potential tourist; then the tour firm that arranges for his visit (in the case of packaged tours); then the aircraft carrier which brings him to Sri Lanka; then the tour agencies that look after him in Sri Lanka and the hotels which put him up. It has been indicated how, at the tourists' country-of-origin, the image of the country of destination is manipulated in order to evoke an image of the exotic and thereby attract customers. The leading tour firms which bring tourists to Sri Lanka are Neckermann, Touropa Scharnew, Kuoni, Hotel Plan; Vingressor etc. They are carried by charter and scheduled aircraft as indicated in Table 2, on page 4.

The foreign based tour firms mentioned here are linked by contracts with local tour agencies and hotels for the handling of the oncoming tourist traffic. The tour firms referred to here are all multinational, centred in Western Europe and operating on a Third Worldwide basis as are most multinationals. A large degree of potential control of the industry in Sri Lanka therefore rests with these firms which draw the tourists in their home country. Sri Lanka is only the receiving end. Research based on experience in other countries indicates that because of this control "travel organisers and/or agencies can convince the hotels to accept excessively low prices" (Ref. Virginiol 1973, page 199). Therefore in the case of package tours many Third World countries, under this set-up have little

control, and are vulnerable to the type of market manipulation similar to that conducted by many multinational operations, including that of our own experience with the tea industry. An example of this manipulation is the case of the Neckermann Company in Tunisia in 1973 (Bugnicourt 1975, p. 31). Here Neckermann, deciding to increase its profit margin, wanted to raise certain rates but, because the Tunisian authorities objected to this proposal, the number of tourists sent by Neckermann to Tunisia dropped from 60,000 in 1972 to 12,000 in 1973.

A study conducted by a West German researcher on tourism in Sri Lanka finds that of the Rs. 173 million spent by charter tourists in 1972 Rs. 80 million (46%) came to Sri Lanka and Rs. 93 million (54%) went to the countries of tourists origin. When deductions for goods and services imported directly or indirectly for tourism were included, he estimated that Sri Lanka's share in the total tourist expenditure was reduced from 46 percent to 23 percent. The researcher, D. Radke candidly admits that "the actual beneficiaries of the present development of tourism in Sri Lanka are the countries of tourist origin, i.e. the capitalist states". He further adds "Sri Lanka has no prospects in the near future of altering this distribution in its favour". Specifically, he mentions that the takeover of tour sales and transport which are almost exclusively (see figures given earlier) operated by the countries of tourist origin and generate about two-thirds of the total turnover, must be excluded for what he terms "obvious reasons". Radke concludes on this: "It must be assumed that the highest possible profit that Sri Lanka can attain at all under the given conditions has already been achieved with the present policy".

In contrast to Radke's conclusion one finds that for example, even in a country like Tunisia where bargaining strength vis-a-vis multinational tour operators was not very high, 24 percent of the charter flights in 1973 were carried by "Air Tunisie" (Bugnicourt, p. 34).

The Sri Lankan air carrier does not carry a single charter flight from Europe. The structure of the tourist

industry therefore to a large extent takes the form of vertical integration from the Sri Lanka end to the country of origin much like the earlier operation of the tea industry.

Because the tourist firms in the "mother countries" (transporting here a colonial metaphor) can switch their clients from country to country at will, maintaining the "proper" tourist conditions in a host country like Sri Lanka is of paramount importance. Maintenance of the structure of distortions and image manipulation, earlier mentioned, are therefore essential. Tourists are sensitive to any change of this image, especially to the build-up of the locals' sense of assertion and their refusal to adopt a service mentality, a phenomenon that has been evident, from recent studies in tourism of the Caribbean countries.

The need to maintain a good image for tourists is also the reason why in Sri Lanka the enclave mentality is strongly nurtured with security and police personnel guarding the tourists and with guards sometimes travelling in tourist buses.

The vertical integration of the industry allows the shifting of tourists from one centre to another and in this way is reminiscent of the vertical integration in the tea industry. Up till very recently, the production of tea and its transport to and sales in the countries to which it was exported were handled by a vertically integrated chain. This allowed for a large degree of manipulation of prices, and our bargaining position was consequently very low. Although from the point of view of the industry tourism in its present form and the tea economy are vertically integrated, there is however a difference which favours the tea industry from Sri Lanka's point of view of economic stability. Tea is a commodity for which a taste and hence a market have been built-up over centuries; consequently, it is very difficult for customers to switch overnight from one beverage to another, say, for example, from tea to coffee. Product loyalty is high. But in the case of tourism, tastes are not nurtured over such a long period; in fact, tourism in its search for the new and exciting is built up on relatively ephemeral loyalties. Therefore, tourists can be convinced by tour

companies to switch from one country to another without much difficulty.

Social and Cultural Effects

The tourists come with certain expectations built up by the publicity and the strongly structured socio-psychological situation in their countries; and they respond to the Sri Lanka situation on this basis. It is not, however, the prepackaged image that governs tourists behaviour. Also, tourists come mostly from affluent countries which were collectively colonisers or were intimately associated with the colonizing mission, and they come to a low income country with a colonial background.

The fact that tourists come from rich, largely white, countries have strong positive and negative effects on the social conditions. In fact, strong parallels exist between the tourist industry and the plantation economy that transformed the Sri Lankan economy in the nineteenth century. The tourist economy is tied to a single market bloc, namely that of the rich industrialised countries; as the figures quoted earlier make apparent. Further, as in the original plantation economy, the tourists are housed in enclaves reminiscent of the enclaves that grew up with the plantation industry. Unlike the plantation bungalows and the Planters' Club, which were walled off by largely invisible barriers of status and class in the local managerial hierarchy (the top jobs being reserved for the whites), the new tourist structures are almost invariably walled enclosures. Many of the tourist structures outside the immediate Colombo area give the appearance of fortified forts physically cut off from the surrounding country side. Tall walls surround most tourist resort hotels and uniformed security personnel guard their entrances. In addition, Government Tourist Police help in the security function. The Hawaiian based firm which drew up the tourist plan recognised the need for this type of security and says of its proposed Colombo resort centre that "it would lend itself to night lighting, policing and security".

This enclave tourism therefore, constitutes islands of affluence within the country, walled in and sepa-

rated from the rest of the population. The interaction between tourist and local inhabitant is largely determined by the economic, social and psychological framework set up by this enclave situation. Research results show how this interaction takes place and how it governs tourist as well as local behaviour. Commentators have gone on to show that not only does tourism in some respects constitute a new form of economic domination, but also a new means of bringing about cultural inferiority of 'exotic peoples'. The problem of begging is often used to illustrate this aspect of the negative effects of tourism. The box on page 10 gives two viewpoints on this.

We described some of the negative aspects of tourism and also suggested that in some cases the impact of the tourist industry parallels the introduction of the plantation economy to the country. This latter socio-economic incursion in the 19th century, although it veered the economy away from the country's requirements and towards the centres of consumption in Europe, also provided some benefits: it broke down the feudal social structures and helped change social relations within the country.

The tourist industry is similarly bringing about a positive transformation in the social structure of Sri Lanka. Sri Lanka is an ex-colonial country having a class structure of strong status differences, at least partially correlated with income. The distorted class interactions between tourists and local inhabitants (working class tourists for example having more income than upper bracket locals) tend to bring doubt into the status of the locals. Particularly, the encounter of Sri Lankan workers and peasants with workers from rich countries who have a higher standard of living than the middle and upper classes in Sri Lanka, tends to erode status positions of these latter two and therefore encourages a trend towards equality. Furthermore, some lower status Sri Lankans, earn higher incomes than professionals. Some waiters, drivers etc. earn more than University lecturers, doctors and engineers. This tends to undermine the class hierarchy of the country. But these same conditions leave unsolved the problem of rewards for

CHILDREN AND TOURISM

The young man—a foreigner—alighted from the car somewhere near Beruwela in order to photograph a gorgeous sunset. He took only a few steps off the road when he was surrounded by a horde of children with outstretched hands. "Give Give!" they clamoured, "Five rupees, ten rupees!"

He retreated hastily, disgust written on his face, the mob of youngsters practically chasing him to the car. Such scenes, alas, are repeated *ad nauseam* in our land, one of the hideous by-products of tourism.

I once accompanied some American friends up-country. We had only to stop the car and step out on to the grass verge when the children materialised from nowhere, shouting, "Money, money, money" and waving their palms in the visitor's faces.

While Government and voluntary organisations are concerned with the problem of child beggars and a seminar has been held on this by the Sri Lanka Women Lawyers' Association, few people have expressed their dismay over this fairly recent development of all children, by and large, behaving like beggars at the sight of tourists and foreign visitors.

I asked an Englishman who has been touring the island for the past four months what his impressions were "Good or bad?" he asked. I said "Especially the bad".

His immediate response was that the children—the ordinary school-children he met everywhere saddened him. They demand ballpoint pens, books, money, all sorts of things, "And they're rude, too", he added. "I don't understand the language, of course, but the tone and manner and the sniggers all indicate offensiveness.

"It got so that I found I couldn't linger anywhere—on the Galle ramparts, by the Kandy lake, near the Donara lighthouse—without being pestered by school-children".

When I mentioned this sad story to some friends the other day, a teacher in a leading boy's school in Colombo related his experience when a foreigner dropped in at the school and handed him a bundle of ballpoint pens, requesting him to distribute them to the boys who had asked for them.

"I felt so ashamed", said the teacher, and I asked my boys, "Why did you do this?" To which one boy immediately replied, "Sir, that's foreign aid for us".

An Englishwoman who is a long-time resident here and married to a Ceylonese then chipped in with her recent experiences while taking some English visitors around. "We soon learned to roll up the shutters the moment we stopped the car anywhere", she said.

"At Sigiriya, there was a coachload of tourists and they were surrounded by children and youths demanding things

like towels from them. At one place we stopped, the usual crowd of youngsters came round.

"They couldn't have guessed that I know Sinhala, for I overheard one of them say, "This one is wearing a dress made of co-op material costing Rs. 7.50 per yard, so we can't expect much from this lot!"

In this Year of the Child we must act strongly to retrieve the situation before we produce a nation of beggars. It is, of course, from the adults that the children have caught this wholly reprehensible practice.

An hotel proprietor in Beruwela told us that in the tourist season local villagers encourage their children to "cut" school and spend their days on the beach, where it was remunerative to beg from the tourists.

We must militate against this obnoxious custom from temple, mosque and church, day school, and through movements like Sarvodaya and the Scouts and Guides.

One of the declared aims of the new Children's Charter that will soon be put before Parliament is "to create wholesome attitudes in children"...

Thanks to tourism, a very unwholesome attitude—one totally absent twenty years ago—has developed. We must combat this with all the forces at our command so that our children regain their self-respect, dignity and pride. Otherwise, talk of our ancient culture and our great heritage—and indeed our righteous society—will be an empty boast.

Anne, in 'FOCUS' of March 25, 1979.

PROBLEM OF BEGGARS

To deal with the subject of Social Impact, may I first deal with the subject of Beggary.

It is true that Beggary is one of the increasing problems in Sri Lanka. Child Beggary has become a new and distressing phenomenon. Organised beggary is on the rampage in almost every tourist destination within the country and every urban bazaar from Pettah to Nuwara-Eliya and back. We therefore, admit that beggary is on the increase. But is it fair to lay the blame squarely on Tourism and patronage of tourists...? Is it fair to point the accusing finger at the Tourist Board alone for not rehabilitating these unfortunate victims of our society...?

Hon. Minister Sir, you were one of the godfathers of Tourism on May 3rd 1966, almost 12 years ago. Surely, Sir, beggary existed even then and long before that...? Truly, it existed with the Mahawansa, with Ibn-batuta and Knox, and with us now... I am afraid to go on in this trend for fear of sounding like a Hotel Radio advertisement: Be that as it may, by the very nature of things,

beggary will be with us, even long after the grand-children of the anti-tourism lobby are dead and gone.....

The root causes of beggary are economic and social. We can't gainsay this fact, which is, probably, the eradication of poverty through a greater share of the economic wealth, at all levels.

However, when it becomes a harassment to the visitor and a danger to our image abroad, and when the tourist is made to extend his pity and charity in helping the destitute of a developing country, then it becomes an aggravated problem. Then the situation becomes dangerous for all concerned, including the unfortunate beggar, who will begin to depend on and thrive on this foreign patronage. It may be legitimately asked, what action has the Tourist Board taken in this context. I wish to enumerate the following facts to show our active concern and actions regarding this unfortunate social problem.

- * we collaborate with the Department of Social Services and the Department of Probation and Child Welfare, towards working out solutions for the intensified rounding-up and rehabilitation programmes of all categories. In the process, we are assisting in the founding of a bigger and better rehabilitation camps and centres in various parts of the island. Particularly where tourist visitation is high.
- * we assist these same departments and the Social Studies Departments and two of the major universities in Sri Lanka in the preparation of a comprehensive survey of beggar population, its origins and its extents.
- * we are augmenting Tourist Police units and tourist visitation points within the island with the help of the Police Department, with a view to control this problem.
- * we are commending educational camps, geared towards school children, teachers and parents to help create a better understanding of the evils of begging from tourists, with a view especially to prevent the school children from missing school in order to get a quick buck on the beach.
- * we are organising a new training scheme for the Tourist Police to educate them on this problem and to teach them more refined techniques of controlling it.

Nimalasiri Silva

Deputy Director General,
Ceylon Tourist Board, on

"Tourism: Its Social, Cultural and
Environmental Effects".

at a Seminar on Tourism held at the
B.M.I.C.H., Colombo, on 2nd Nov.
1978.

work and the system of incentives within the country. A society that pays more for a servant pandering to the whims and fancies of foreigners than to its skilled professionals has perhaps got its priorities wrong.

The Sri Lankan upper classes, at the time of decolonisation, had a very low regard for local cultural artefacts because their tastes had been conditioned by the colonial link. The tourist now coming to Sri Lanka, on the other hand, has as one of his objectives the consumption of local culture (arising from the conditioned exotic image).

Cultural activities have grown up in the country to pander to this need. This consumption of local culture by tourists has a demonstration effect on the local upper classes. The absorption of indigenous cultural expressions by the local upper classes that one witnesses today is at least partly due to this. But here, as we have already described, the local culture gets distorted to fit into the tourists pre-conceived image of Sri Lanka.

We have already implied that one reason for these distortions is the mapping locally of islands of affluence in a sea of relative poverty. If tourists with consumption styles similar to the local population were to come then these distortion effects would be minimised. The only category of tourists who have this similar consumption style, are those described as "hippies". Their membership varies from middle class temporary drop outs to students as well as a more or less permanent core of professional hippies. They tend to live in cheap guest houses in Colombo, and in resorts like Hikkaduva where they often stay in converted lower middle class type houses each having two or three rooms with a single bed, for which they are charged about Rs. 20/- per day for accommodation. In Passikudah, where there is another hippie colony they live in the thatched huts with cadjan walls. In all these areas, they consume local food, interact with the local population (largely the working class or the lower middle class) on an equal basis, and sometimes dress in local attire such as sarongs, and walk bare foot. Some of them have attracted attention by bathing nude or half nude, a practice which those

tourists in enclave tourist centres also occasionally indulge in, but without being seen by the general public.

The negative impact of tourism has been largely highlighted in Sri Lanka by reference to so called "hippie" misbehaviour. The distortions of the local social, economic and cultural scene brought about by the "hippies" are relatively small, compared to the impact of other macro factors we have already discussed. The exaggerated response to the hippie presence is to be seen within the context of class relations of the country; as perhaps the fact that the hippies interact on an equal basis with lower classes and adopt their food and customs, a pattern of behaviour very unlike that of the colonial white from whom the upper classes used to obtain their cues. The demonstration effect of the hippies, involving somewhat looser inter-personal relationships, has also to be weighed with the call-girl and gigolo rings that exist within the enclave hotels.

The hippie tourist phenomenon, however, has to be viewed with the consideration that they bring very little money to the country and that some of them actually work only a few months in their countries to return to Sri Lanka to live cheaply for the rest of the year.

The economic and social impact of the distortions in the exchange rate have been often emphasised. In August last year an economist drew pointed attention to the harmful effects of this situation, with regard to travel and tourism. (See Box on page 12.)

For their part, Sri Lankans too are affected by the tourism structures which gives rise to the distortion in class relations. From the view point of Sri Lankans interacting with the tourists, one sees these distortions especially in the service personnel/tourist interaction. The output of the Hotel School* of the Tourist Board which trains

personnel for the services sector falls into two general categories namely management (mainly lower rung or direct supervisory management) and craft personnel (cooks, waiters etc.) Evidence indicates that preference for these courses is given to English speaking applicants, that is, indirectly to children of English speaking homes. There is a tendency for the sons of lower middle class English speaking homes to gravitate towards the craft jobs, while the sons of upper middle class English speaking homes tend to gravitate towards the managerial jobs.

The proper forms of encounter with tourists, that is, basically one of service, is taught in these courses. In a country like Sri Lanka with strong extended family ties, the class of origin (i.e. parent's social status) is very important. Being a waiter or a barman is in the normal social hierarchy in Sri Lanka a low prestige job associated also with low income. But many waiters in the tourists hotels come both from relatively "good" middle class backgrounds and from "good" schools. Although serving Sri Lankans in these hotels would be looked down upon, hundreds of younger persons have chosen to serve foreigners. Interesting class situations have again arisen here. For instance, in a certain hotel at a sea side resort waiters of a lower middle class background were asked to wear as part of their uniform a sarong without shoes (again to project an exotic image to tourists).

There was initial reluctance on the part of the waiters, some of whom were from the big Colombo schools. Their main objection being not unwillingness to serve in such attire, but rather unwillingness to be seen in that attire by locals.

The tourist who comes here, as well as the associated service personnel, is not engaged in a relationship of hospitality even though that is the atmosphere which the tourist literature evokes. They are engaged

* As a service industry with peculiarities of its own, tourism has generated new areas of training in the country. The Hotel School established in early 60's is under strong Swiss influence and trains local personnel for these standards. Further, a large amount of mushroom organisations have grown up purporting to train locals in tourism. A new upsurge has grown up in the teaching of foreign languages and German, French, Japanese are being taught in the cultural centres of respective embassies and the University and further in several other small establishments in the country. The countries of origin of tourists, like say West Germany, also provide special scholarships for training of tourist personnel.

in a commercial transaction, where courteous human interaction is reduced to a marketable commodity. This aspect further modifies the attitudes of the local service personnel. The middle class recruits are attracted to those service jobs mainly because of the image that has been propagated in Sri Lanka of tourism as a glamour industry. Although they too perform in the traditional social system what would be considered basically servant-type jobs, they earn relatively high incomes, largely from tips and other sources. In addition the bell-boys and waiters are often pushed into acting as procurers, and waitresses and other female personnel very soon find themselves subject to advances. As a result the brittle gentility of behaviour arising from their middle class origins is soon eroded and the earlier glamorous expectations of the job are overtaken by feelings of cynicism.

The physical location of the tourist industry is centred in the most scenic areas. This is to be contrasted with the situation, before the coming of colonialism to the country, when the sites were invariably used for temples, as the archaeological evidence has shown. These temples apart from their religious functions, also provided centres of social interaction for the villagers. The manner in which the present hotel complexes have been built not only expropriate the most scenic land for foreigners but they are also sometimes reminiscent of the Waste Lands Act of the last century: They sometimes deny local residents access to traditional economic pursuits like agriculture and fisheries because of the physical space which they occupy. This is specially acute in the beach areas where although this is illegal fishermen are denied access. Generally fishermen are discouraged from using these beaches or from walking on them because of both their inhibitions about encountering a different culture on the beach and also the actual coercion from officials—tourist police who are deployed at tourist resorts actively help in this process. "Our people bother tourists and we keep them away, otherwise money to the country will stop" says a tourist policeman at a hotel in Bentota. Sometimes fisherfolk, have protested to their respective authorities at this

FOREIGN EXCHANGE AND TOURISM

"There is no doubt that the main concession which has helped to get more tourists to come to Sri Lanka is the advantageous exchange rate. Progressively from November 1967 the exchange rate moved in favour of tourists and there are a large number of people in this country who advocated the further devaluation of the rupee to attract more tourists. While we are heavily subsidising tourists through our exchange rate, Sri Lankans who travel abroad have to pay premium rates. When I travelled abroad recently, I had to live in third class hotels and pay through my nose. I went to the Hague in the Netherlands and my sponsors had to pay \$50' ie. about 100 guilders for a third class room without attached toilet. For 100 guilders a Dutchman coming to Sri Lanka can spend 3 to 4 days in great comfort in one of our first class hotels. The unemployment dole in the Netherlands is equivalent to 1400 guilders or \$700 or is just below the minimum wage; it is cheaper for a Dutchman not to work and to take the dole and spend a month in Sri Lanka saving half of it. Whereas in the Netherlands with this dole he would be a pauper and cannot even rent a house. Last November when I was in Paris, a taxi driver told me that he had spent two glorious weeks in Sri Lanka with a charter group in a first class hotel. I am not saying that they should

not come to Sri Lanka. But these examples show the extent of subsidies given to tourists and how cheap our country is to love in. In fact, I have written an article recently showing that Sri Lanka is the cheapest country in the world to live in. The tourists find it even cheaper because of the advantageous foreign exchange rate and every fall in the value of the rupee makes it still cheaper. In fact, very soon we will find the whole unemployed population of Northern Europe at our doorstep because they can live well here and still save half their dole. Again I believe that charter groups are given special discounts in the big hotels, some times as much as 30 percent involving a loss of foreign exchange. Furthermore, this makes Sri Lanka even cheaper and correspondingly the element of subsidy increases. Also these charter groups are low spending tourists who bring in very little money to the country; In essence poor Europeans can live in luxury in Sri Lanka but rich Ceylonese must live like beggars when they are abroad. This is how we have organised our tourist trade".

Dr. H. N. S. Karunatileke on "Foreign Exchange Earnings from Tourism" at a seminar on the "Role of Tourism in Social and Economic Development of Sri Lanka" held at the ARTI on 12th August, 1978.

denial of access to the sea, but to no avail. Some hotels carry boards suggesting that access to the beach is only reserved to hotel guests although this implication is illegal in that the coastline of the country cannot be privately owned.

Culture and Tourists

Because of the exotic element in the tourist image of Sri Lanka, cultural events are staged for the benefit of the tourists both in tourist hotels and in other places. Traditionally Sri Lanka's so called high arts had feudal or royal patronage while what may be described as the lower arts were of a more participatory type that existed at the village level. In the case of feudal arts like the Kandy perahera, tourists are emerging increasingly as the new patrons. Consequently, a distortion of the normal perahera takes place in order to accommodate the tourist presence, particularly through special viewing stands or even attempts to divert the normal route to go past newly opened tourist hotels. Much more serious than this distortion is that cultural events presented to

tourists are consciously or unconsciously distorted to fit into the structured preconceptions of the audience. The performances of dance troupes in hotels have changed perceptibly to accommodate the aura of exoticism that surrounds the tourist situation.

Traditional village dances have grown organically to be presented at socially meaningful functions. By diverting them away from their social function and presenting them in a contextual vacuum, there is a tendency to pull the dances away from their springs of creation. It may be argued that the social changes that are taking place in the country today also divert the traditional arts from their roots. But as long as these arts are kept in touch with the social processes in which the Sri Lankans engage themselves there will be an organic continuity in their growth. In presenting the arts before largely foreign audiences (which pay more than local audiences) and distorting them to fit these tastes, organic growth of an art form is made impossible and results in stunting of that art. (Continued on page 15)

Tourism in Eastern Europe

Over the 1970s the USSR and many of the East European countries have displayed an increasing enthusiasm to attract Western tourists. Among the East European countries, Yugoslavia has had a head-start and is about the most popular destination for Western tourists, though Rumania and Bulgaria have also established major resorts for the Western tourist on the Black Sea coast. The impression is that though ideologically these governments would not be quite in agreement with this type of foreign exchange earning and dependence on the Western tourist yet many of these countries need the hard currency that these foreigners bring in. A study in the early 70s showed that the profit from one tourist coming into Russia was "equivalent to that from the export of nine tons of coal, fifteen tons of oil or two tons of grains".

Among these socialist states the most "fascinating" tourist destination was said to be Russia which in 1973 was receiving over 2.5 million tourists a year. Of them about 75 percent were from Eastern Europe and the others were mainly West Germans, Americans, Japanese and Scandinavians. With the growing numbers of Westerners being brought into Russia on package tours jointly organised by Western tour operators and Intourist (the state owned tourist organisation), Russia was expected to reach the ten million mark on tourist arrivals by 1980.

Typical of the growing importance of tourism in these socialist countries is the case of Bulgaria,

where the industry has become an important source of foreign exchange earnings. Large investments have been made in developing resorts on the Black Sea coast and in the mountains. With Bulgaria firmly established on the package tours companies' circuit the number of foreign tourists are now reported to be in the region of four million a year. A large number of these tourists are in transit, principally to and from Turkey and Yugoslavia. In its 1976-80 Five Year Plan for development of tourism Bulgaria planned several major projects for renovating existing hotels and building new ones; and expanding and modernising infrastructure facilities such as roads, railways, shipping and air transport.



The cover of the April '79 issue of the Bulgarian cultural magazine "Bulgaria Today" is illustrated with this picture of a bathing girl on the Black Sea coast's "Sunny Beach."

In the picturesque horseshoe-shaped bay on the 380-kilometre long Bulgarian Black Sea coast, the Bulgarian authorities have constructed over a hundred hotels, is one of their resort areas to

accommodate the growing stream of tourist traffic. Nadya Strashimirova writing in a recent issue of "Bulgaria Today" describes as follows the sun, sand, scenery and history in the same tones as the Western blurbs.

"I don't know. It might well be the unique scenery of this wonderful place which the architects called Sunny Beach, while the project was still on the drawing board. This was some 20 years ago. First they selected the site. It seems to me, there must have been real poets among those who chose this place and then prepared the plans. For only poets can pick this deep, picturesque bay, looking like a horseshoe, out of the 380-kilometre long Bulgarian Black Sea coast, making sure that the builders and landscape architects would with their work add to its natural beauty and fascinating atmosphere. This is how a new pearl appeared in the string of Bulgarian Black Sea resorts — different from all the rest. For, this bay with its exotic landscape merges into the rocky peninsula of Nessebur, abounding in architectural monuments which Thracians, Hellenes, Byzantines and Proto-Bulgarians have left to us. This setting provided an inspiration for combining the Bulgarian national building traditions with the modern forms and amenities.

"So there are now 108 hotels perching like sea-gulls all along the bay, fitting perfectly into the harmony of the surrounding landscape. . . .

". . . Statistics show that in summer there is an average of 11,000 children daily staying at the resort. It provides entertainment for old and young alike, with special arrangements made for children. There are playgrounds with paddling pools and playing facilities, kindergartens with nurses who look after the children while their parents go to a night club, on a one or several-day tour of the country, or on a trip to Istanbul, Moscow, Athens. Restaurants offer special menus for children. The Children's Holiday confectionary organizes daily games and competitions. There are also weekly puppet shows and many other events.

"Sunny Beach is indeed a paradise for children. In fact this is how it has been advertised in folders published by tourist firms abroad.

"I am sitting on the balcony of my room in the KUBAN hotel. The whole beauty of the bay has unfolded below me: just in front lies the blue expanse of the sea."

The Situation in Asia

China is Asia's newest tourist destination and biggest attraction for the Western tourists just now. Ever since her tourist market was opened on a large-scale in 1977, tourists have come in large numbers to China. The industry here is expected to grow rapidly and bring in the foreign exchange that China would need for its new economic development programmes. Travel industry sources predict that in five years, tourism will be among China's leading sources of foreign exchange.

Last year 100,000 tourists went to China; this is said to be equal to the total number of visitors from abroad in the previous 23 years. Officials of China International Travel Service, a government agency, expect 120,000 visitors from abroad this year. By 1981, the figure could reach 300,000. China's mystique is luring American and Western tourists who come in their hundreds and, according to the *Asian Wall Street Journal*, there seems to be no shortage of people who are willing to pay 1,000 dollars for a trip to China. "Right now, it's a sellers market", says George Holton, a tour director with Lindblad Travel Inc., of New York. "Most of the tourists are making their first trip to China, and the company's latest tour to western China was booked up to six months in advance. And there have been waiting lists for many Lindblad tours coming to this remote area this year. All China tours are popular no matter where they go."

Some 100 Chinese areas are now open to tourists, and about half of these were opened in the past two years. Only in June a resort near Peking, formerly used for important state guests, was opened to foreign tourists. In a show of support for the travel industry, the Chinese government handed over several official guest houses to CITS for tourism use.

China International Travel Service however, appears to be concerned that tour prices for Western visitors are becoming too expensive and may hurt the country's tourism efforts in the long run.

In April this year when the Pacific Area Travel Association held its 28th Annual sessions in Seoul, officials predicted that tourist arrivals in Asia would at least double in the next two years and possibly more than triple. "Of the major world's regions, Asia is expected to show the highest rate of growth", according to one industry source. The need to spend money on tourist industries is evident as tourism appears to be becoming increasingly important to developing Asian countries. In 1977, according to PATA figures visitors spent roughly US \$ 4 billion in Asia. Projections for visitor spending in 1988 range between \$ 17 billion and \$ 30 billion.

The foreign exchange generated by tourism is a growing factor in Asian national economies. For example, South Korea's tourist receipts totalled \$ 370 million in 1977, making tourism the sixth largest contributor to her gross national product that year.

But according to the *Asian Wall Street Journal* there's just one hitch in collecting all this cash. Asian countries would need to find nearly \$ 100 billion to cope with the expected influx of travellers and if the World Bank's current attitude is any sign it would be hard to find. The World Bank once an important source of funding for Asian tourist projects, now favours what it considers more pressing needs in developing countries, such as water supply systems and housing.

Current developments in the world economy have also caused alarm to the tourist industries in many Asian nations. Typical is the case of Singapore where the tourist trade is struggling to maintain even 50 percent of the growth

rate of the previous year. A recent report from Andy McCue in the *Asian Wall Street Journal* on 'the troubles of Singapore's tourist trade, sums up the situation thus:

"The shopkeepers and hotel managers of Orchard Road in Singapore are worried. They thrive on tourism, and this year promises to be something of a letdown after a long period of race-horse growth for their industry.

More than two million tourists came to this country of 2.3 million people last year. They paid out almost \$ 550 million to local businesses, up 20 percent from 1977. Over the past few years, the number of travellers visiting Singapore has jumped more than 12 percent each year. The money these visitors spent last year equalled more than 7 percent of Singapore's gross domestic product.

But tourism officials are predicting a growth rate of only 3 percent to 4 percent this year. They say Australia's new International Civil Aviation Policy and Indonesia's 33.6 percent devaluation of the rupiah against the U.S. dollar last November will take a drastic toll on two of Singapore's largest sources of visitors. What's more, Singapore residents and visitors are beginning to wonder how long Singapore can continue to attract fresh visitors. Rapid domestic development is fast changing Singapore's profile. The Kampongs, hawkers' cries and aromas that signify Singapore to the American, Japanese and European tourist are fast being replaced by sprawling housing estates and anti-septic streets."

A boom in Asian tourism has been predicted in recent years by the industries. Most recently the Boeing Commercial Aircraft Company prepared a report on Asian Tourism where the outlook for future growth was painted very rosy. The fact remains, however, that several obstacles have been sighted and many Asian nations are busy contending with their existing problems. In Thailand, for instance, the government appears to be taking firm control of the tourist industry, Asia's third largest after Singapore and Hong Kong. The industry in Thailand grew rapidly in the 1970's as a result of the notorious Rest and Recreation Program for US soldiers serving in Vietnam meeting with little official control; but with tourist arrivals now almost 1.5 million the govern-

INTERNATIONAL TOURIST ARRIVALS AND RECEIPTS OF 12 ASIAN COUNTRIES

| Country | Tourist Arrivals ('000) | | | | | Tourist Receipts (\$ Million) | | | | |
|----------------------|-------------------------|--------|--------|--------|-------------------------|-------------------------------|-------|-------|--------|-------------------------|
| | 1975 | 1976 | 1977 | 1978 | % increase '77 over '78 | 1975 | 1976 | 1977 | 1978 | % increase '78 over '77 |
| China, Rep. of | 853.1 | 1008.1 | 110.2 | 1271.0 | 1053.4 | 359.4 | 466.1 | 527.5 | 600.0 | 13.7 |
| Hong Kong | 1300.8 | 1560.0 | 1755.7 | 2055.0 | 17.1 | 602.4 | 792.8 | 869.8 | 1090.0 | 25.3 |
| India | 465.3 | 534.0 | 640.4 | 748.0 | 16.8 | 124.4 | 251.1 | 323.8 | 402.8 | 24.4 |
| Indonesia | 366.5 | 401.2 | 486.8 | 538.9 | 1g.7 | 32.8 | 40.7 | 41.3 | — | — |
| Korea, Rep. of | 632.8 | 834.2 | 949.7 | 1079.3 | 13.7 | 140.6 | 275.0 | 370.0 | 408.3 | 10.4 |
| Malaysia | 1183.0 | 1224.8 | 1289.0 | 1417.9 | 10.0 | 143.2 | 136.9 | 160.9 | — | — |
| Nepal | 92.4 | 105.1 | 129.3 | 156.0 | 20.7 | 9.7 | 15.2 | 19.5 | 27.4 | 40.5 |
| Pakistan | 172.0 | 197.3 | 220.4 | 291.0 | 32.0 | 33.3 | 40.6 | 60.5 | 84.0 | 38.8 |
| Philippines | 502.2 | 615.2 | 730.1 | 859.4 | 17.7 | 155.2 | 235.2 | 300.8 | 355.3 | 18.1 |
| Singapore | 1169.3 | 1320.6 | 1506.7 | 1831.7 | 21.6 | 264.4 | 282.7 | 299.6 | 523.5 | 74.7 |
| Sri Lanka | 103.2 | 119.0 | 153.7 | 192.0 | 24.9 | 22.3 | 28.2 | 40.0 | 47.5 | 18.8 |
| Thailand | 1180.1 | 1098.4 | 1220.7 | 1400.0 | 14.7 | 219.9 | 195.6 | 225.8 | 296.3 | 312 |

Source: Asian Development Bank Annual Report 1978, Asian Wall Street Journal April 30, 1979.

ment is trying to bring the industry under its control, and the inevitable clash with private sector interests was now arising. In May this year the Tourist Organisation of Thailand (TOT) was upgraded to the Tourist Authority of Thailand (TAT) giving it wider powers to assume greater efficiency and pace of development. Some of these wider powers are to be exercised through a Tourism Industry Bill and have become a target of attack from hoteliers and travel agents.

Some observers in Bangkok, however, feel that as a result of these private sector pressures that ultimately the Tourist Bill will be watered down. Comments ASIA WEEK "even if the Bill is not revised, there are doubts about its effectiveness in problem areas. One example: The difficulties of policing may leave the host of touts, vendors and other assorted tourist camp-followers — generally the most irksome for the foreign visitor — beyond the reach of the legislation".

In Hong Kong, however, the picture seemed different. Visitor-arrivals grew to 2.1 million in 1978, 77 percent more than that of 1977. The US \$ 1 billion they spent was 20 percent more than what Hong Kong's tourists spent in 1977. Exactly half the number of all these tourist were from South East Asia and Japan. The trade was fearing

that Hong Kong was becoming "too successful", and facilities may not be available for more tourists. A 10 percent rise in total arrivals has been confidently predicted by tourist industry sources. The growing costs of tourism are causing concern to Hong Kong's tourist trade as they are doing to most of Asia, ASIA WEEK commented recently.

The general trend of the growth of tourism, particularly arrivals and earnings, is better seen in the comparative statistics of the various Asian countries as given in the table above:

One Briton, after taking a tour here recently commented that he could have seen towering blocks of apartments and modern sports stadiums at home.

A slowdown in tourism would have effects far beyond Orchard Road. A significant portion of the economy depends on tourism, from taxi drivers and tour guides to the owners of restaurants, hotels and shopping centres catering to travellers. Singapore's attractiveness as a tourist spot also adds immeasurably to its growing reputation as a convention locale and as a South-east Asian centre for all kinds of services.

"About 40 percent of the money spent by tourists last year went on hotels and food and the rest on shopping. Although the tourist industry in Hong Kong employs about 130,000 directly and indirectly, some people — including Financial Secretary Philip Haddon Cave — have expressed disquiet over the real

benefits of the industry for the majority of the population. Whether the tourist himself will continue to be pleased with Hong Kong's attractions is a question which has been less well researched.

Certainly, the so-called 'shoppers paradise', to quote the HKTA'S favourite cliché, is losing its reputation as a cheap marketplace. True, cameras and electronic equipment, now rapidly becoming more expensive, are still cheaper than in Southeast Asia, and the range of products is wider. But many tourists who arrive ready to buy suits and fine jewellery at bargain prices find they have come to Hong Kong about ten years too late. Now there are comparatively few real bargains — except for high-quality mainland Chinese products — and there are considerable dangers in shopping for high-priced items"

(continued from page 12)

Cultural consumption by tourists does not relate only to batiks or theatrical performances, but also to the other part of the exotic image of Sri Lanka, namely its past. Thus one often saw at several tourist centres large amounts of antiques for sale, a theme we have constantly emphasised in this journal.

Tourism as we have seen has both its positive and negative aspects. It may be possible to arrive at systems that will emphasise the positive and limit the negative, as our Tourist Board is now attempting to do, judging from the box on page 16. Thus, it would be possible to intervene in the

structure of the industry by bargaining and other processes so that the Sri Lankan share of the tourist dollar would increase. This would imply possible intervention not only at the Sri Lankan hoteling level but also at the carrier, as well as the tourist despatching end in the developed countries. The social and cultural factors are also both positive and negative. It is possible to emphasise the positive social aspects, namely, that of bringing a greater awareness of the foreign cultures to us and in turn spreading an awareness of our cultures to others by suitable processes;

DEVELOPMENT OF TOURISM IN SRI LANKA

What the Tourist Board is Doing

The industry has now come to a position where it can be described as a "Success Story".

The question is often asked as to whether a new tourism plan should not be formulated. Frankly, I see no reason for a new plan. We already have a plan that is good for many more years to come. What is necessary is to study this original plan in terms of past performance, assess what has been done and plan for the future.

Studies on Tourism

With this in view, several studies have already been initiated by the Ceylon Tourist Board with the assistance of specialised committees or persons. Many have been completed and few more are to be completed. These studies cover the following aspects:

- (a) A review of visitor-arrival projections and the programme for expansion of tourist accommodation and other facilities to meet the projected arrivals.
- (b) An examination and assessment of present publicity and promotional methods and their adequacy—or otherwise—to achieve targets.
- (c) Study on the effect of tourism on the social and cultural aspects of the country.
- (d) The adequacy of the programme of the Hotel School to meet the needs of the industry.
- (e) The organisation necessary to be set up if Sri Lanka is to enter the field of Incentive and Convention Business.
- (f) State of Domestic Tourism in the country and the ways and means of expanding it.
- (g) Ways and means of improving the quality of the tourist product with particular reference to Cultural Tourism.
- (h) Criteria for approval of new Hotels and other services.
- (i) Criteria for approval of Guest Houses, Travel Agencies and Tourist Shops.

- (j) A realistic pricing structure for Hotels and other tourist services.

Plans for the Future

Arising out of these Studies, the thinking of the Ceylon Tourist Board for the future is as follows:

1. Tourist Activities (hotels, entertainment centres etc.) will be confined to predemarcated extents of land to be called Zones. This will prevent indiscriminate construction, and construction in protected areas, highly populated areas etc.
2. The construction of more rooms and other facilities will be accelerated, by giving rapid approvals. Approvals that do not conform to target dates will be cancelled and the opportunity given to others who are willing to proceed with the projects.
3. All tourist construction will have to have an indigenous character—architecturally, decoratively etc.
4. The provision of more facilities and services in the form of entertainment centres, sports, shopping centres, especially restaurants etc. will be encouraged. However, forms of entertainment discouraged by the State or alien to our cultural and social background will not be permitted.
5. Introduction of a realistic pricing structure in Hotels and where necessary in other services, to avoid undercutting or overpricing, will be undertaken.
6. A Travel Standards Department in the Tourists Board, will be set up to implement the Hotels Code and Travel Agents Code and to help maintain standards in other services such as Guest Houses, Tourist Shops, Tourist Transport etc.
7. It is intended to expand the scope of the Hotel School to include a School for Tourism Studies to train staff of the Board and the Trade to gear them to effectively meet the future challenges; and as a centre of training for newcomers to the industry.
8. Closer ties will be established with the trade and public departments connected with the industry through advisory committees composed for personnel from these groups.
9. Relaxing, to a great extent, frontier formalities, with the co-operation of the Immigration and Customs authorities.
10. Steps will be taken to develop an efficient internal transport system in the form of more and better cars, coaches, rail services and air services.
11. A new marketing policy will be introduced to meet the highly competitive nature of the industry which will include among other matters, new promotional methods and better promotional material.

12. A community relations programme will be introduced, to create an atmosphere of enthusiasm and responsiveness amongst the people of the country towards tourism.
13. Special attention will be paid to the development of domestic tourism by providing economical and comfortable facilities and services for the people of the country to travel within the country for leisure, on pilgrimage and on vacation.
14. More emphasis will be laid on the concept of regional tourism for travel and exchange between the immediate neighbouring countries.
15. Concept of cultural tourism will be developed by projecting to the world our religious and cultural heritage through Buddhism, the ancient cities, our traditional arts, crafts, music, song and dance, and our way of life.
16. Steps will be taken to make the stay of the tourist pleasant, free from trouble and harassment, and to discourage efforts by tourists to upset our way of life, with the co-operation of the associated public departments.
17. A Code of Guidance for tourists will be introduced to make a tourist's stay in our land happy for themselves and for our own people.
18. The lesser known attractions in the country such as the Maya Oya Hot Springs, Waulpana Caves, Ritigala Temple etc., will be developed as attractions for both overseas and local tourists.
19. At the request of His Excellency the President the target is to be fixed at 500,000 tourist per annum, after which the situation will be reviewed. In other words, we are not very concerned about the mad rush for numbers.
20. Finally, it shall be our endeavour to introduce a National outlook into the industry.

Chandra N. de Zoysa, Chairman, Ceylon Tourist Board at a Seminar on Tourism held at the B.M.I.C.H. Colombo, on 2nd November 1978.

as well as by eliminating the present gross distortions in both these spheres which the present system sometimes encourages. In the cultural sphere, tourism could act as a filip to development of local culture and not necessarily as an indirect exporter of local cultural artefacts, as happens now.

For such maximisation processes to occur careful and critical scrutiny of the entire industry is required, a process which has not occurred as yet to a sufficient degree.