

Study on Inclusive Tourism Value Chain Development in Sri Lanka

The Livelihood and Enterprise Development Technical Programme

Research carried out by
PSD Facilitators (Pvt) Ltd.

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“Tourism activities should respect the equality of men and women; they should promote human rights and, more particularly, the individual rights of the most vulnerable groups, notably children, the elderly, persons with disabilities, ethnic minorities and indigenous peoples.”

- World Tourism Organization

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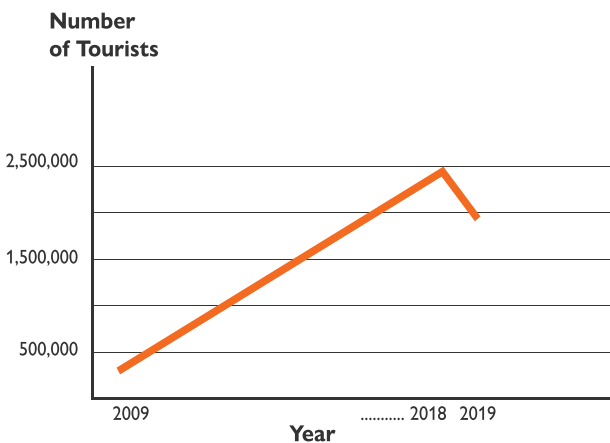
Abbreviations

A/L	Advanced Level
BDS	Business Development Services
FGD	Focused Group Discussion
FIT	Free and Independent Travelers
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IDB	Industrial Development Board
ILO	International Labour Organization
KII	Key Informant Interviews
LFP	Labour Force Participation
LSTPB	Sri Lanka Tourism Promotion Bureau
M4P	Making Market works for Poor
MOH	Medical Officer of Health
MSME	Micro, Small and Medium Enterprises
NAITA	National Apprentice and Industrial Training Authority
NGO	Non Governmental Organizations
O/L	Ordinary Level
PDB	Palmyrah Development Board
PMT	Provincial Ministries of Tourism
S4IG	Skills for Inclusive Growth
SEDD	Small Enterprise Development Division
SLITHM	Sri Lanka Institute of Tourism and Hospitality Management`
SLTDA	Sri Lanka Tourism Development Authority
SME	Small and Medium Enterprise
TISC	Tourism Industry Skill Council
TOR	Terms of Reference
TSC	Tourism Skills Committee
TVC	Tourism Value Chain
TVET	Technical and Vocational Education and Training
UNWTO	United Nation World Tourism Organization
VC	Value Chain
VCA	Value Chain Analysis
VCD	Value Chain Development
VTA	Vocational Training Authority
WTTC	World Travel & Tourism Council
WVL	World Vision Lanka

Executive Summary

This report documents the findings of the inclusive tourism value chain development study conducted from November 2020 to February 2021. The objectives of the assessment were to identify specific constraints that need to be addressed and identify opportunities in the tourism value chain that enhance pro-poor and gender-inclusive tourism development in Sri Lanka.

There is immense potential to build back a stronger and more inclusive tourism industry in Sri Lanka. Tourism represents 4.3% direct contribution to GDP of Sri Lanka, and post-pandemic growth is prioritized and encouraged by the Government. This research finds that there is potential for job growth, and a notable gap in skilled labor in tourism. There are also significant opportunities for local communities to participate in the value chain. For this to be successful, investment in skills development, capacity building and training is required.



Sri Lanka's hospitality sector has shown rapid and substantial growth since the end of the armed conflict in 2009. Foreign tourist arrivals recorded an average annual increase of 21% between 2010 and 2018, making Tourism the third-largest foreign exchange earner of the country. The industry has been heavily impacted by Covid-19, with women more impacted than men. The Covid-19 pandemic saw arrivals declined by 73.5% in 2020, and 53% of women employed in tourism establishments have lost their jobs while 40% among male employees.

The sector has planned post-pandemic growth, and has a documented shortage of skilled labour. In 2020, Tourism employed 402,607 people, and it is estimated that 30,000 additional employees are required annually to cater to the projected increase in visitor arrivals, however, there is a significant skills shortage, with only 10,000 annual graduates from hotel training. The dependence on unskilled staff and lack of staff training for accommodation services results in poor service quality in most establishments.



Women are highly underrepresented in the tourism sector in Sri Lanka, with females accounting for less than 10% of the workforce, compared to 54% globally. Female student enrolment in hotel schools also remains very low for example, it's approximately around 12% in Bandarawela and 20% in Colombo. This research shows that there are many opportunities for vulnerable women and youth engage in the industry, however, a lack of business orientation, technical skills, creative thinking, have created barriers to their entry.

68%

of tourist establishments wish to recruit more employees once the sector resumes.

The industry wants to employ skilled labour. The research reveals that 68% of tourist establishments wish to recruit more employees once the sector resumes. However, there is a disconnect between the skills required by tourism employers, and those offered to women, youth and vulnerable groups. The tourism industry requires staff with English language skills, technical skills, and soft skills. However, less than 5% of unemployed women and youth in the studied tourist destinations have vocational/technical training in these areas. 45% have ICT qualifications, and report a lack of skills building opportunities in industry required areas.



There is opportunity for local communities to engage and benefit from economic opportunities from Tourism. Most tourist establishments prefer to source required inputs from the local community, such as fruits, vegetables, seafood. Tourist establishments have a high demand for repair and maintenance services, laundry services, music, cultural shows, and massage & spa services. Hoteliers face a shortage of these services and lack of a reliable supply, whilst unemployed women and youth express a desire to participate, but lack business knowledge, technical skills, and capital.

Support for marketing will help increase domestic and international tourism. Sri Lanka's rank on effectiveness of marketing and branding to attract tourists has declined to 66th position from 45 in 2017. Inadequate promotion, and shortage of diversified tourist products are among the main drawbacks in attracting more tourists. Furthermore, poor quality of customer service due to lack of knowledge and expertise in hospitality sector operations, weak coordination and cooperation among stakeholders are key challenges faced in developing the tourism sector.

Infrastructure improvements are required to support future growth. The supporting functions of the tourism market system are in a dormant state at present. The availability of business services, such as business management training, business information, marketing support and skills training, etc., and financial services, is currently insufficient to improve the sectors competitiveness. Further, weak infrastructure in the required basic facilities at tourist attractions is a fundamental problem in most destinations.



Recommendations for Inclusive tourism value chain development:

The research resulted in six main recommendations to capitalize on the market opportunities, and provide opportunities for women, youth, and local communities to benefit from the tourism value chain. Stakeholders endorsed the proposed interventions during the stakeholder consultation workshops. The key recommendations relate more specifically to integrating local small and medium enterprise and communities into the tourism value chain and upgrading the current situation to develop an inclusive tourism sector.



Localize tourism and entrepreneurship skills:

Train and provide technical and financial assistance to local communities to establish and operate tourism businesses

Skills development and training:

Implement a Skills Development Program to develop skills of youth and women in local communities to meet the staff requirements of the tourism sector, and implement a re-skilling program for the staff/employees in tourist establishments



Support local inclusive value chain production

Develop producer and supplier groups that engage youth and women in local communities, and develop their capacity to produce and supply required products and services to tourist establishments, at the required quality and ensuring reliable supply.

Marketing for Domestic Tourism:

Provide technical assistance to hoteliers to design and implement marketing strategies for attracting more domestic tourists



Develop the capacity of tourism associations:

Develop the capacity of Tourism Associations to encourage coordination and collaboration among actors to work with the Government and facilitate dialogue to develop required tourism infrastructure.

Coordination:

Set up steering groups to coordinate tourism development activities in the relevant destinations



**Study on Inclusive Tourism Value Chain
Development in Sri Lanka**

1. Introduction

1.1. Background of the Study

World Vision Lanka (WVL) is a Christian relief, development, and advocacy organization dedicated to working with children, families, and communities to overcome poverty and injustice. WVL works in five key sectors of Livelihood and Enterprise Development, Education, Water, Health and Sanitation, Health and Nutrition, Child Protection, and the cross-cutting themes of Environment, Gender Equality, Peace Building, and Reconciliation, Disability Inclusion and Disaster Response and Resilience.

The tourism sector has been placed as a priority industry capable of impacting positively by making an above-average contribution towards the economy in the overall national plan of the Government of Sri Lanka. An estimated 1.6 million people are employed in tourism and related sectors. It is also estimated that there are around 5,000 establishments that provide tourism services, including training institutions both public and private, giving tourism-related study programs, of which approximately 1,000 will belong to the informal sector.

Based on the above backdrop, WVL planned to carry out a comprehensive study on inclusive value chain development (VCD) in the tourism sector to identify specific constraints to be addressed and identify opportunities that enhance pro-poor and gender-inclusive tourism development in Sri Lanka. Accordingly, WVL contracted PSD Facilitators (Pvt) Ltd to conduct a comprehensive study on inclusive tourism value chain development.

The PSD Facilitators submit this Research Report as per the Terms of Reference (TOR). The report provides research findings, conclusions, and recommendations of the study on inclusive tourism value chain development in the tourism sector of Sri Lanka.

Research Issues

Sri Lanka is a developing country that holds more than 73% percent of the rural population, which majority of the natural and cultural resources. Although the country could enter into lower-upper income status, increasing unemployment, declining livelihood, aggravating poverty, absence of inclusive growth, etc., devastate the dwelling of the people who live in urban and rural areas.

Significantly, the livelihood of youth, women, and other vulnerable communities undergo various challenges and dilemmas. Deprivation and declining of traditional livelihood led them to have hope on non-traditional livelihood. After the war ended, the rapid development of tourism enabled the youth, women, and other vulnerable groups to rebuild their hope over the tourism industry as a non-traditional livelihood. Although they could find livelihood support through direct and indirect participation in tourism with their existing capacity, the COVID19 affected their livelihood numerous ways. It made them lose hope in tourism. Yet, in-depth and comprehensive investigation and analysis have not been carried out to evaluate the impact of COVID19 on youth, women, and other vulnerable groups' participation in the tourism value chain. This study would support them to retain, reinsert or find remedies to ensure sustainable livelihood through responsible tourism development.

1.2. Objective/s of the study

The study's main objective is to identify specific constraints that need to be addressed and identify opportunities in the tourism value chain that enhance pro-poor and gender-inclusive tourism development in Sri Lanka. The study aimed;



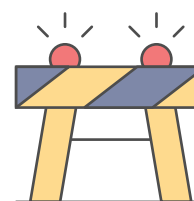
To identify the economic outlook of tourism for the next 2 – 3 years and the impact of COVID-19 on the livelihood of youth and vulnerable women.



To determine whether the prevailing tourism industry holds potential for vulnerable women and youth to establish their sustainable livelihood.



To investigate the impact of COVID-19 and the recovery phase of sustainable utilization of the potential and the opportunities concerning youth and vulnerable women.



To find structural barriers for the vulnerable women and youth in the recovery phase to benefit through the tourism sector and risks posed by the economic context of COVID-19.



To find out what kind of programmatic supports and interventions are most effective and efficient in supporting women and vulnerable youth to actualize these opportunities to ensure their sustainable livelihood through tourism in the recovery phase of COVID-19.

1.3. Scope of the Research

World Vision Lanka operates in five provinces; East, North West, Uva, North, and Central. Thus, priority was given to tourist destinations within these provinces. However, the study has been covered the tourism industry at the national level based on the main objective of the research and higher propensity of benefiting the target group, i.e., vulnerable women and youth, and to cover the diversity of the tourism sector in different tourist destinations in the country, the following geographical locations were selected for the in-depth study.

- Jaffna district (Delft Island) from the Northern Province
- Nuwara Eliya district from the Central Province
- Puttalam district (Kalpitiya) from the North-Western Province
- Badulla district (Ella) from the Uva Province



2. Contextual Review

2.1. Value Chain Development Approach

A value chain is defined as a sequence of target-oriented production factors that create a marketable product or service from conception to final consumption. The value chain includes design, production, marketing, distribution, and support services to the final consumer. Value Chain (VC) refers to the fact that value is added to preliminary products combined with other resources (tools, human resources, knowledge, skills, other raw materials, or primary products). As the product passes through several stages of the value chain, the value of the product increases.

Value chain development is all about making the consumer at the end of the chain happy. If enterprises cannot satisfy their buyers' needs (or requirements, preferences, desires), they will turn to another supplier sooner or later. Value chain development is, therefore, a market-oriented approach. All activities of a particular chain are directed towards the market. Consequently, it is essential to understand that all stakeholders along a specific value chain must cooperate and coordinate their activities to satisfy the end consumer's needs. If there is one weak link in the chain, the competitiveness of the overall value chain is compromised. It is not only the internal factors relating to the enterprise that matter to make a sector more competitive, but also factors related to the business environment, such as the time it takes to get licenses/permits, taxes, administrative procedures, etc., and availability and accessibility to various business development services required for the smooth functioning of the value chain. Figure 1 below shows the relationship among these functions.

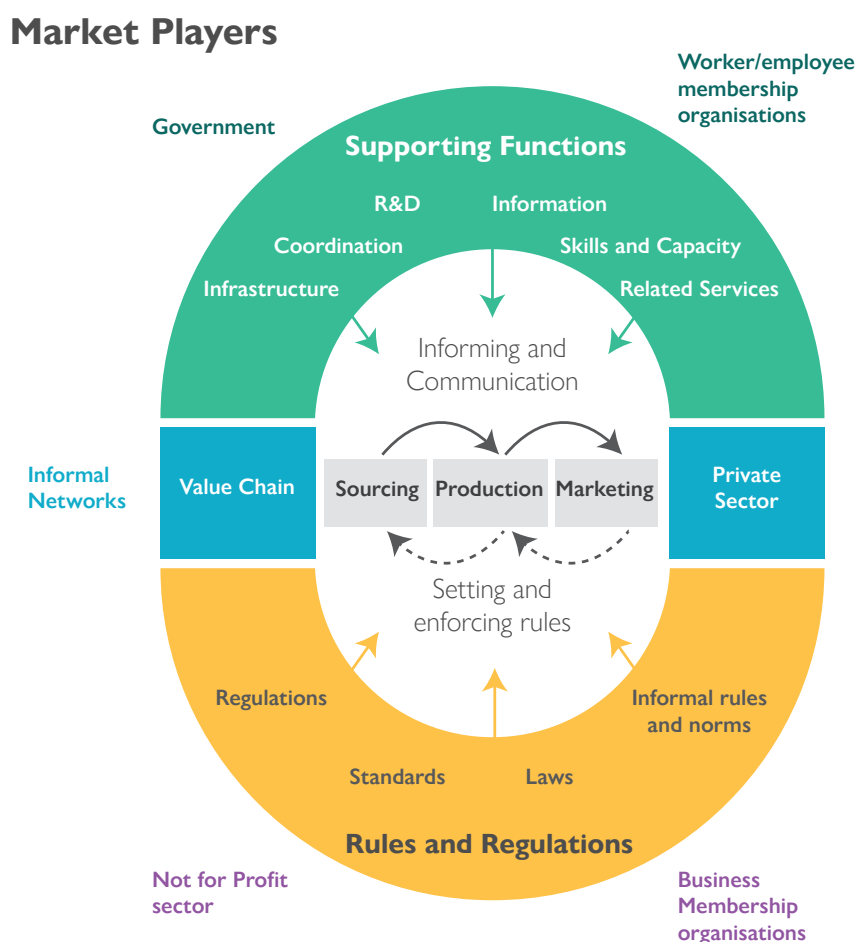


Figure 1: Market System | Source: Springfield Centre

A value chain approach to inclusive economic development and poverty reduction involves addressing the significant constraints and opportunities faced by input suppliers and producers, processors, traders, and other businesses at multiple levels and points along a given value chain.

This will inevitably include a wide range of activities such as ensuring access to the full range of necessary inputs, facilitating access to cheaper or better inputs, developing the capacity and skills of human resources, improving working conditions & productivity, strengthening the delivery (Springfield Centre, 2014) of business and financial services, enabling the flow of information, facilitating improved market access, or increasing access to higher-value markets for value-added products. Value Chain Analysis identifies opportunities and constraints of a particular local / regional sector and its market integration and an action plan that proposes various solutions to address these opportunities and limitations.

2.2. Tourism Value Chain in Sri Lanka

2.2.1. Main Tourist Destinations/Sites in Sri Lanka

Sri Lanka being an island country, all its nine provinces have numerous land and water-based tourist attractions. From a tourism perspective, Sri Lanka has been divided into seven tourist resort regions. The map below highlights the demarcated areas by the authorities.

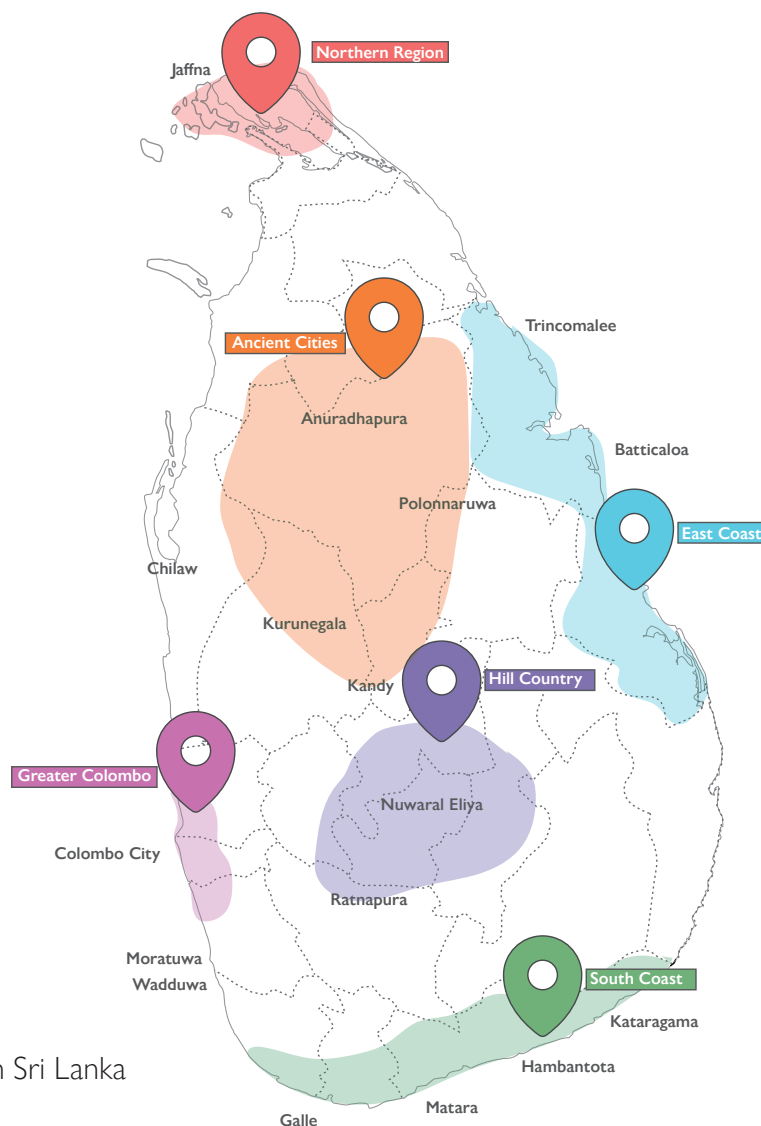


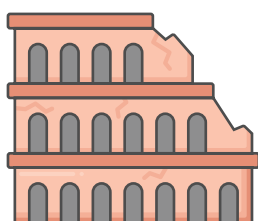
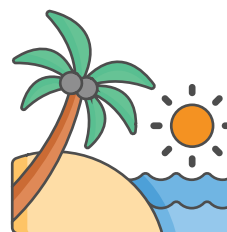
Figure 2:
Tourist resort regions in Sri Lanka

2.2.2. Main Tourist Attractions in the Destinations/Sites

Sri Lanka has many diverse tourism destinations varying across nine provinces of the country, from beaches to mountains, from adventure to heritage sites. Sri Lanka even has many UNESCO-recognized world heritage sites present all over the country. As per the Sri Lanka Tourism Development Authority (SLTDA), the various tourism experiences possible in Sri Lanka have been classified into nine categories as follows;

Sun and Beach:

The lure of sandy beaches and blue seas is apparent tourist draws to any tropical locale, including Sri Lanka. One of the essential Sri Lankan experiences is to spend some time just lazing on a beautiful, tranquil beach. Sun and Sand have been the primary identity of the country.

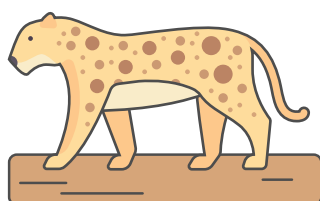
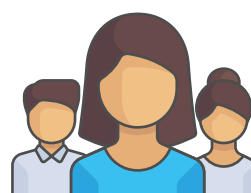


Religious and Heritage:

Many tourists want to experience places, artifacts, and activities that authentically represent the stories and people of the past. Home to many world heritage UNESCO sites, Sri Lanka, is a dream destination for tourists interested in heritage tourism. Sri Lanka is also known for its rich Buddhist culture and history and offers many religious and historic significance places.

People and Culture:

It refers to a traveler's engagement with a country or region's culture, specifically the lifestyle of the people in those geographical areas, the history of those people, their art, architecture, religion, and other elements that helped shape their way of life. The assets or activities propounding authentic traditional practices of local communities, the local craftsmanship, and distinctive intellectual or cultural values are accounted into the segment.



Wild (Nature & Wildlife):

This segment focuses on observing and interacting with local animals and plant life in their natural habitats. It comprises natural assets like forests and vegetation unique to the location and provides intangible environmental services. It focuses on landmarks having unique flora and fauna.

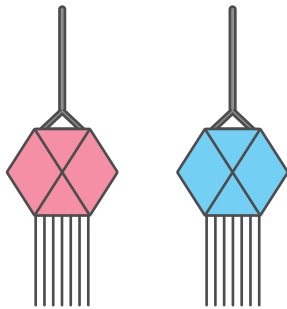


Mind and Body Wellness:

Related to wellness tourism, there are many segments and sub-categories, including traditional and alternative medicine, spas, spirituality, nutrition, and fitness. Sri Lanka's historical connection with Ayurveda and meditation is the main reason for the global demand for mind and body wellness.

Sports and Adventure:

Surrounded by the Indian Ocean, the 1,140 miles shoreline and towering heights of the Sri Lankan highlands offer tourists ample opportunities to engage in a wide range of land, air, and water-based sports. The land-based expeditions include trekking, hiking, mountain climbing, safaris, and camping, etc. Water-based activities include inland water excursions like rafting, canoeing, kayaking; and sea sports like surfing, snorkelling, scuba-diving, etc. The air-based adventure rides include hot air ballooning, paragliding, and parachuting.

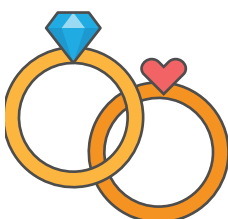
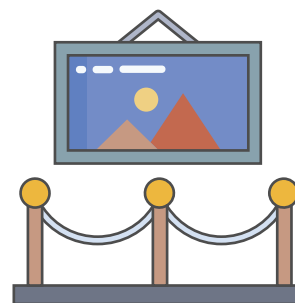


Festivals:

Sri Lanka is home to several sports, literary, and music festivals. The calendar is full of such colourful and vibrant national and regional celebrations providing opportunities for tourists to witness the local culture at its best.

MICE

It consists of the facilities supporting opportunities to host Meetings, Incentives, Conventions, and Exhibitions (MICE), which attract high-end business travellers and mass congresses.



Weddings and Honeymoon:

Presently, Sri Lanka has been demonstrating popularity among newly-married couples for honeymoon tours and destination weddings.

2.2.3. Accommodation / Room Capacity

In SLTDA registered and approved accommodation units, the total room capacity available island-wide at the end of 2019 was 40,365. Indicated below is the distribution of rooms by type of accommodation outlet.

	No. of Units	No. of Rooms	No. of Beds	Foreign Guest Nights	Local Guest Nights	Total Guest Nights
Tourist Hotels	474	24,831	50,296	9,772,128	1,487,402	11,259,530
Supplementary accommodation	2,145	15,534	29,144	5,364,773	792,456	6,157,229
Other	2,619	40,365	79,440	4,765,600	2,279,858	4,765,600
Total	5,238	80,730	158,880	19,902,501	4,559,716	22,182,359

Table 1: Accommodation Capacity 2019
Source: SLTDA Annual Statistical Report 2019

The above listed accommodation units with approval of the SLTDA fall within the formal sector. As of 2019, there were another estimated 18,000 rooms with local authority approval, referred to as the informal sector. The informal sector capacity accounts for almost 45% of the formal sector capacity. All accommodation units within the informal sector will be Small and Medium Enterprises (SMEs).

2.2.4. Domestic Tourism

Apart from SLTDA registered hotel statistics and visitation to significant tourist attractions in Sri Lanka, statistics on domestic tourist movements are not available. In 2019, it was estimated that around 6.8 to 8.0 million domestic tourist movements took place. At a low 1.5 nights spent with a density of 1.9, the local guest room nights would amount to 4.75 to 6.3 million room nights. (9.0 to 12.0 million guest nights) From a tourism value chain perspective, the numbers are significant and need to be factored into consideration.

All four destinations subjected to study (Kalpitiya, Nuwara Eliya, Ella, and Delft Islands) have immense potential and are popular destinations from domestic tourism. Post covid-19, building up tourism at the four destinations and island-wide, domestic tourists/ tourism will contribute significantly. The value of domestic tourism in the year 2019 could be estimated to be around US\$180.0 to 220.0 million. This figure could be very much greater, and only through a proper study could it be established.

2.3. Significance of Tourism Value Chain in Sri Lanka and major challenges

Since the end of the armed conflict in 2009, Sri Lanka’s hospitality sector has shown rapid and substantial growth. Foreign tourist arrivals increased from 654,476 in 2010 to 2,333,796 in 2018, recording an average annual increase of 20.6%. Accolade received from Lonely Planet as the Number One destination in the world to visit in 2019.

Moreover, the Trip Expert, a leading travel agent globally, had named Sri Lanka the “Best Emerging Destination for 2019” owing to its pristine beaches, mountain, and UNESCO World Heritage sites (Hudson, 2019). Sri Lanka remained the best performing nation in terms of safety & security, and health & hygiene in South Asia. The earnings from tourism also increased, and the tourism sector continues the position as the third-largest foreign exchange earner to the country since 2013. The earning of the tourism sector was recorded as \$ 4.38 billion in 2018, while overseas remittances were \$ 7.01 billion, and textile and apparel exports were \$ 5.33 billion (CBSL, 2019).

The growth of tourist arrivals over the last 20 years is shown in Figure 3 below.

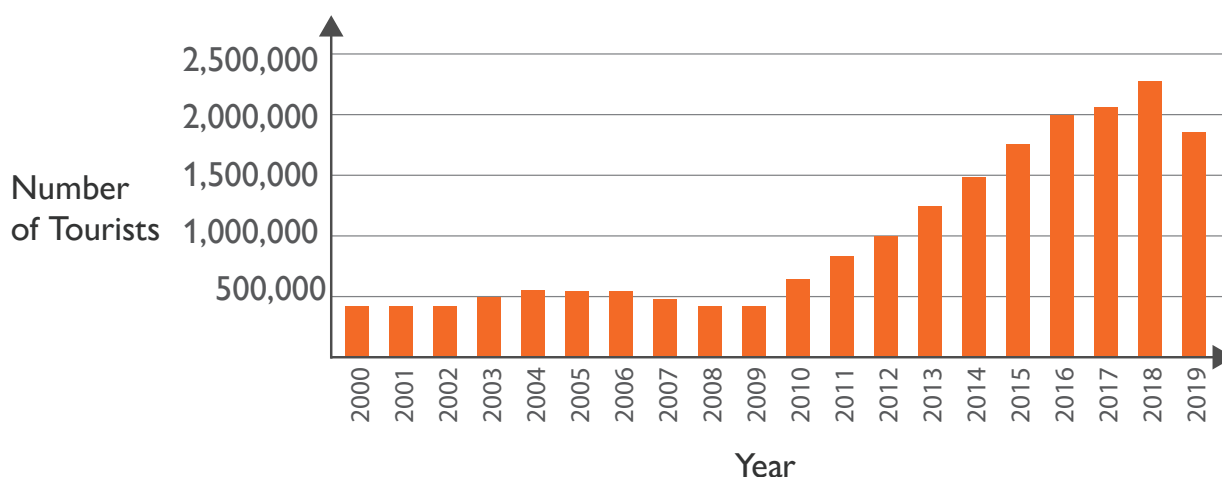


Figure 3: Growth of tourist arrivals
Source: Tourism Statistical Report, SLTDA 2019

In 2019, 402,607 persons were employed as 173,592 direct employees and 229,015 indirect employees in the tourism sector. According to the market share distribution in 2019, the bulk of the tourist arrivals are from Europe (46%) and Asia & Pacific (44%). In addition, America (7%), Middle East (2%), and the African region (1%) share the rest. India, United Kingdom, China, Germany, and France recorded as the top five tourist source markets to Sri Lanka (SLTDA, 2019).

Whilst there was a rapid growth of the Sri Lanka tourism sector, it also faced several challenges. Tourist arrivals declined by 18% following the Easter Sunday terrorist attacks in April 2019, which caused a US\$1.5bn loss

in tourism income of the country (Silva, 2019). Further, the ranking on some critical aspects in the travel and tourism competitiveness index has decreased compared with the corresponding ranking in 2017. Sri Lanka has slumped 13 places to be ranked 77th out of 140 countries in the latest Travel & Tourism Competitiveness Index (2017 to 2019). Sri Lanka is the only country to decrease in competitiveness in South Asia (Business environment 50th to 79th, International openness 67th to 100th, Natural resources 31st to 43rd). Sri Lanka was also ranked poorly in terms of the effectiveness of marketing and branding to attract tourists. The country’s ranking in these criteria declined to 66th position from 45 in 2017 (World Economic Forum, 2019). Furthermore, Sri Lanka’s rank

on ICT Readiness; 103/140 and Environment Sustainability; 102/140 (World Economic Forum, 2019) remained very low.

A severe shortage of qualified labour seemed to pose another significant challenge. For instance, it has been estimated that 25,000-30,000 additional employees will be required each year to cater to the projected increase in visitor arrivals to the country (Oxford Business Group, 2020). Still, only 10,000 graduates with hotel training are produced annually (Wijayasiri, 2020). According to the Sri Lanka Tourism and Hospitality Workforce Competitiveness Roadmap 2018-23 published by the private sector Tourism Skills Committee (TSC) in 2018, the tourism sector is struggling to find qualified employees when youth unemployment (aged 20-24) is over 20%. Only 36% of women participate in the workforce (Oxford Business Group, 2020).

Tourism is a large wealth-sharing industry among diverse stakeholders linked through

2.4. Impact of COVID-19

Tourism is one of the most impacted socio-economic sectors of the country during the COVID-19 outbreak. According to Hettiarachchi (2020), Secretary to the Tourism and Aviation Ministry in Sri Lanka, the new pandemic will have a much longer effect on tourism than historical crises. Restoration and revitalization of the sector will involve the collective efforts of all stakeholders of the industry. As per the World Travel and Tourism Council (WTTC, 2020), the tourism industry is more likely to recover more slowly than other sectors of the economy, as past pandemics have taken more than 19 months to recover.

Still, after one year since the pandemic hit the country, the vast majority of the 400,000 plus total workers are temporarily unemployed because of the closure of hotels and restaurants, airlines, travel agencies, tourist shops, and so on. The most affected category of the people in the tourism industry is women, as they were engaged in the informal and formal livelihood

inputs purchases-related (i.e., backward) or outputs sales-related (i.e., forward) linkages. The expansion of the tourism value chain will generate opportunities in the rural and urban areas for youth, women, any category of people, even those who might be able or differently-abled. In the context of Sri Lanka, approximately 73% of people live in rural areas and hold the majority of human and natural geographic resources capable of providing a wide variety of fascinating tourism experiences. This would ensure the quality of tourism while empowering the local economy and community through inclusive growth, regeneration of business, preservation, and conservation of environment and socio-culture, rediscovering heritage and history. Synergizing and expanding responsible tourism (Goodwin, 2016) value chain enables Sri Lanka to provide a wide range of opportunities for people who live in rural areas that pristine environment with rich history and heritage, traditions and customs, traditional livelihood, and unmatched community values.

opportunities in the tourism industry. Female workers account for 67% of those who lost jobs due to the Covid-19 pandemic. This has made a massive impact on families who were dependent on tourism. On the other hand, tourism investors face a financial crisis without being able to sustain an adequate cash flow to repay debts, pay wages, and do other necessary maintenance work on assets (Samarathunga, 2020).

The tourist arrivals in Sri Lanka have declined by 73.5% compared to the previous year (SLTDA, 2020). According to World Bank Group's "Covid-19 and Tourism in South Asia" report, the tourism sector has contributed 10.3% to the GDP and 11% to the employment of Sri Lanka in 2019, and the countries' dependency on tourism has been categorized as High. The Covid-19 impact on the tourism sector was estimated as a \$ 1.99 billion potential loss to GDP, and 200,000 jobs are at risk. Accommodation occupancy rates declined to near zero for hotels outside Colombo by the

end of March 2020, with Colombo hotels at 15% – 20 % occupancy (World Bank, 2020). The Tourism Barometer Vol-18 (Aug./Sep. 2020) predicts that it would take 2.5 to 4 years to return the international arrivals to the level of 2019 (UNWTC, 2020).

2.5. The situation of women’s inclusion in the Tourism Value Chain

Women are highly underrepresented in the tourism sector in Sri Lanka, with females accounting for less than 10% of the workforce, compared to 54% globally.

Women’s inclusion remains low in terms of both quantity and quality. They are more involved in the informal sector as small-home-stay operators, food suppliers, handicraft makers, and sales girls in tourist shops in the tourism zones. In the formal sector, they work in hotels and guest houses, mainly in the bottom level jobs (housekeepers, garden helpers, kitchen helpers, waitresses, etc.), and some in the middle levels (guest relations officers, front office managers, housekeeping supervisors, sue-chefs, etc.). Finding women as hotel owners and as high-level decision-makers in the industry is rare.

Similarly, female enrollment in hotel schools in Sri Lanka is significantly low. According to key informants interviewed in the Sri Lanka Institute of Tourism and Hotel Management (SLITH) hotel school in Badulla and Colombo, female student enrollment is only around 12% and 20% per year in the two locations. Getting bound to her domestic role in care work, lack of family support, wrong social attitudes towards women working in jobs, etc., are common challenges women face in economic participation.

In addition, several specific factors, for instance, perception as hotel-based jobs is “unsuitable” for women, and weak understanding of tourism sector careers discourage women from participating in the tourism sector. To overcome hindering factors in women’s participation in TVC opportunities, the following are proposed by available literature:



1. Ease of entry into the formal career opportunities owing to less emphasis on formal education and training, greater emphasis on personality and hospitality skills



2. Availability of part-time work and flexible work arrangements



3. Ensuring job security, and retirement benefits



4. Enhancing physical and psychological well-being at work instead of sub-standard working environments and facilities



5. Improving the spread of vocational training centers and the quality of the curriculum. Establishing Distance-learning and digital learning facilities (Especially Languages, Tourism venture management knowledge and skills, online reservation and guest managing abilities, etc.).



6. Establishing a gender-sensitive culture in tourism establishments mainly with gender sensitization and education programs, policy establishments, and practices against gender-based discrimination and harassment, promoting equal-parenting attitudes among staff in the organizations, etc.



7. Rewarding best gender-equality practices among staff would trickle down to society when bigger organizations/corporations become role models to the industry and society.

2.6. The informal sector in the TVC and women's participation

In the focus of inclusive and pro-poor economic development, the informal sector of tourism is essential. Unlike in advanced countries, the Tourism Industry in Sri Lanka is driven by the informal sector. However, this sector of tourism is notably neglected by the major government policy framework on Tourism industry development by paying limited attention to how to improve the livelihood of people engaging in informal economic activities in the sector. As identified by previous studies conducted in different regions of the country, women are involved substantially in the informal sector directly and indirectly because of the reasons of (1) as the opportunities in the sector are more time-flexible and hence match with her time management in multiple roles, (b) can enjoy the freedom as there is no formal and strict framework for work, (3) do not demand high levels of formal educational qualifications and professional skills, and (4) it's done in their familiar environment and with known society and hence comfortable in the operations, and (5) no need for high levels of capital and strict

production/service schedules and plans.

Though there is a higher potential to improve this sector, it is hampered by factors such as (1) limited linkages between local people and Tourism Industry, (2) insufficient skill levels among the informal operators in the industry, (3) domination of value chains by more prominent players and lack of mutually beneficial collective actions between them, (4) limited capacity of small & medium in the businesses, (5) unfavorable state policies, (5) poor quality of their products and services which do not match with profitable tourist markets, (6) lack of market information and also lack of needed levels of capacity to get access to such information as well as utilize the information for decision-making, (7) limited product market, (8) giving irrational priority for cultural concerns in decision-making, and (8) poor attitudes towards improving the business and instead prefer merely to survive.

A significant improvement in women's participation in the informal sector was seen with the concept of Home-stay, which became highly popular among village and semi-urban areas during the last decade. It gave women opportunities to break away from specific fears and alienated feelings they had towards tourists. Instead, they learned to treat them as reputed guests, and also service networks were developed in the communities around the homestays and small guesthouses. According to a study conducted in 2020 by the Skills for Inclusive Growth (S4IG) project, there was a higher tendency to grow among youth

with that exposure and changed perceptions towards tourism and tourists. The study shows a significant level of potential for tourism development in the informal sector with greater inclusion of women while reducing the prevailing rural poverty in general and economic poverty among women in particular. Women can capitalize on a range of "feminine" skills and capacities such as local food and beverage preparation, selling traditional knowledge through community tourism, native medicine for wellness tourism, handcrafts, housekeeping, and home-gardening for tourism, etc.

3. Research Approach and Methodology

The study was conducted using a mixed approach consisting of a participatory value chain analysis component to ensure the involvement of all relevant stakeholders and a sample survey using a structured questionnaire. The process enabled the study to assess qualitative and quantitative aspects of the constraints and available opportunities through semi-structured in-depth interviews and a close-ended questionnaire survey for empirical investigation. The assessment was carried out using value chain development tools and M4P guidelines. The methodology included; i) a desk research, ii) field research consisting of in-depth interviews and focused group discussions with relevant stakeholders, value chain actors, and the target groups, iii) a sample survey, iv) and market validation/stakeholder consultation workshops.

The study was carried out within four months period from November 2020 to February 2021. The field research covered over 130 interviews with key informants and value chain actors of the four selected destinations and at the national level. A sample survey of 160 (tourist establishments, youth & women employed in the tourism sector & unemployed youth and women). Three case studies were developed. The draft findings were presented in four regional validations workshops with key stakeholders and at a validation workshop at the national level with national level stakeholders, including high-level participation from the Ministry of Tourism and Sri Lanka Tourism Development Authority.

The value chain actors interviewed included respondents from the following categories;

Value chain actors:



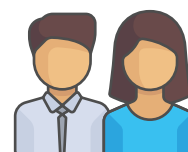
Accommodation providers
(Hotels, guest houses, homestays, etc.)



Food and Beverage providers
(restaurants, bars, takeaways, street food, and roadside food & beverage providers)



Operators of various tourism activities
(Safari, adventure, eco-tourism, camping, water sports, ayurvedic / health & wellness tourism, whale/dolphin watching, etc.)



Travel / Transport providers, tour guides, tourist information providers, etc.

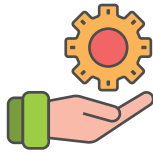


Input suppliers to the tourist establishments



Handicrafts and souvenir items producers and trader

Supporting function and Business Enabling Environment:

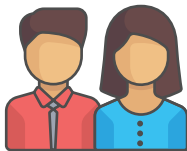


Supporting service providers (Business Development Services (BDS) including Technical and Vocational Education and Training (TVET), Financial service providers, development projects, etc.)



Regulatory bodies (National level and Local Government Authorities)

Business Associations and local community:



Sector Associations (Tourist Hoteliers Associations, Chambers, etc.)



Local community (vulnerable women & youth, producer groups established and supported by WVVL, female-headed families, caregivers of registered children, the general public in the periphery of tourist destinations, etc.)

4. Results and Discussion of Findings

This section reports on the field research findings and the assessment of the tourism value chain, focusing on opportunities and barriers vulnerable women and youth face to benefiting more from the tourism sector and the outcome of the stakeholder consultation workshops.

4.1. Key facts of the target areas

As indicated in the previous section, the four tourist destinations selected (Ella, Nuwara Eliya, Kalpitiya, and Delft Island) for the in-depth study have a greater diversity in development perspective, a map of selected destinations given in Figure-4;

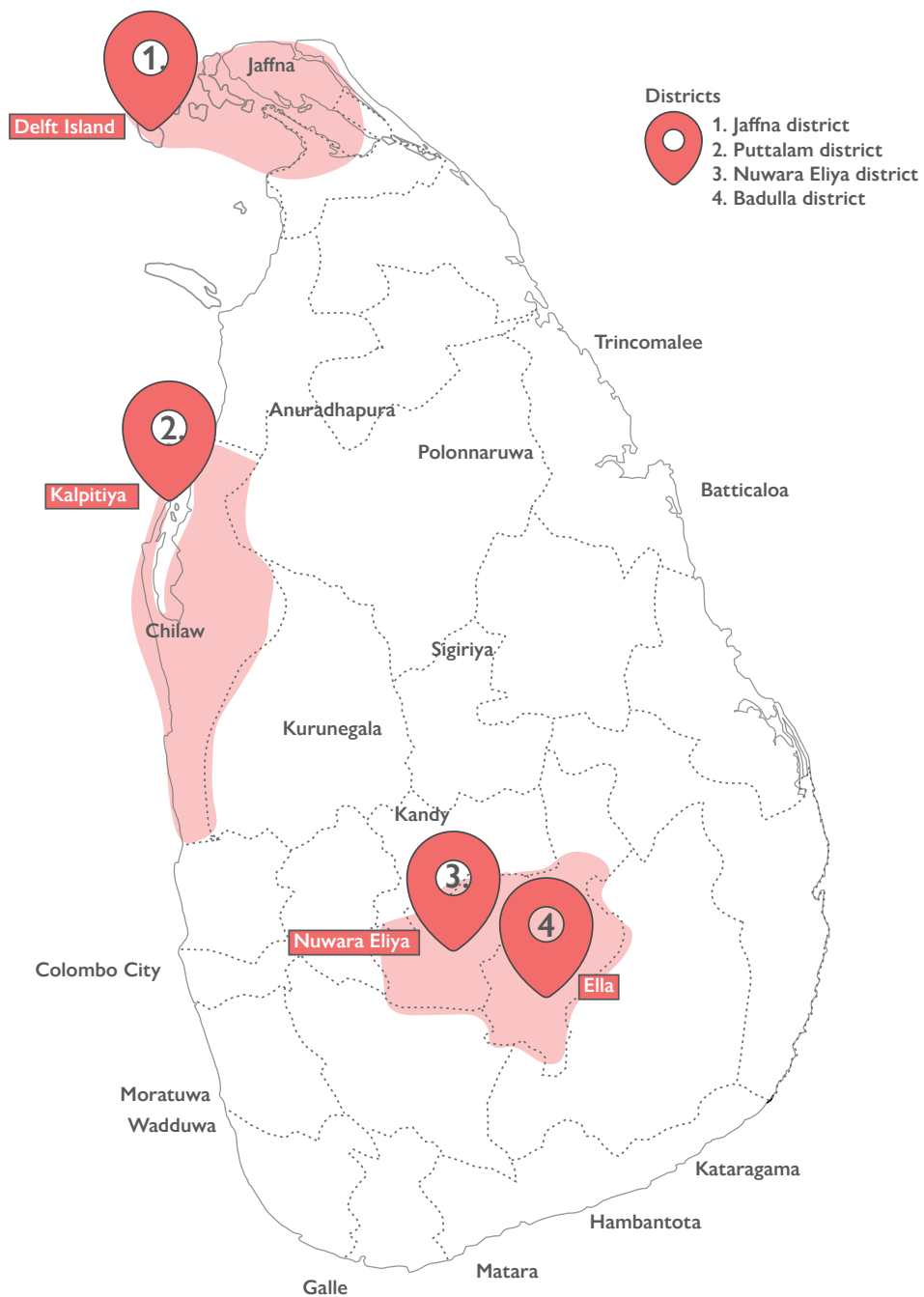


Figure 4:
Destinations covered in the in-depth study



As of current, it is a destination that has developed in an unplanned and ad-hoc manner. A high percentage of the accommodation establishments are in the informal sector. Local communities currently enjoy benefits. There are many unexploited tourist attractions in the Ella area. Not many studies have been carried out, and there seems to be an opportunity to add greater value and ensure target group stakeholders benefit further through interventions.



It is a destination popular among international and domestic tourists, where the accommodation sector, both within the formal and informal sector, enjoys a high operational level. Objectively, there will be an opportunity to ensure benefits trickle down to the target stakeholders of the study through proper planning and structuring.



A popular destination for Kitesurfing, Dolphin & Whale watching.

Its islands are ideally suited for upmarket, high yield tourism as envisioned by the authorities. Through proper development and value chain planning, the need to ensure that immediate communities become beneficiaries is established. The destination will require a high investment in respect of infrastructure, considered the Government's responsibility.



As of current, it is a destination that has developed in an unplanned and ad-hoc manner. A high percentage of the accommodation establishments are in the informal sector. Local communities currently enjoy benefits. There are many unexploited tourist attractions in the Ella area. Not many studies have been carried out, and there seems to be an opportunity to add greater value and ensure target group stakeholders benefit further through interventions.

4.2. Present situation of actors and supporting services in the tourism value chain

The value chain map of Kalpitiya is given in Annex-4 as an example. This section summarizes the current situation of key functions and the supporting services relevant to the tourism value chain in the four locations studied.

4.2.1. Tourism information / Tourism promotion



From the government side, Sri Lanka Tourism Promotion Bureau (SLTPB) and the Sri Lanka Tourism Development Authority (SLTDA) implement various promotional programs and campaigns to promote tourism at the national and international level and engage in the provision of tourism information, including information on tourist attractions in the country. Further, SLTDA & provincial/local government authorities operate tourism information centers in most popular tourist destinations, including Nuwara Eliya and Ella, among the destinations studied, which the tour guides / chauffeur-guides associations operate in respective destinations voluntarily. The tourist information centers were not functioning during the field research period due to lack of tourists due to Covid-19. The Provincial Ministries of Tourism (PMT) in the four provinces promote tourism at the provincial level together with other stakeholders. The Northern Province Tourism Ministry has established Northern Province Tourism Bureau. The PMT in North Western Province

promotes tourism activities through Wayamba Development Authority under the Provincial Council.

The private sector plays a crucial role in promoting Sri Lanka tourism, with many international and local tour operators and travel agents mainly based in Colombo and having a network and running operations at a global level promoting upmarket tourism. However, these promotions mostly on group tour packages focused on the top five attractions such as Sigiriya, Polonnaruwa, Pinnawala, etc. There is no particular focus on the four destinations concerned in this assessment. In addition to these upper-level actors, many private sector players, particularly the established hotels in the studied destinations, promote tourist attractions in their destinations. Most of these promotions occur through the Internet/websites and social media; most hospitality establishments have their website and Facebook page. Furthermore, a few development agencies, including the SANASA-SEFECS project in Northern Province (<https://realnorth.lk/>) and other local NGOs, promote tourism attractions in selected destinations. Media such as local radio and television channels, newspapers, and magazines are also involved in providing information about tourist attractions from time to time, mainly targeting domestic tourists.

Constraints in Tourism Information and Promotion

The value chain analysis revealed that lack of a clear strategy and a plan to promote the destinations and lack of links to the international market are significant constraints on tourism promotion. It was also noted that information

is heavily focused on nature and heritage sites but mentions little about the people and their cultural diversity.

In addition, the dissemination of promotional

materials is also not taking place appropriately and adequately. Weak cooperation among actors also constraint the proper promotion of the destination. Unawareness of future trends and demands of the tourism industry, the attitude of waiting until customers come to their doorstep and lack of joint efforts are further reasons behind the inability to exploit the opportunities in tourism. The current

promotions are insufficient to attract more domestic tourists as well. Most of the business establishments in the tourism sector in targeted locations have been heavily dependent on web and Internet-based promotion. However, the fact is that actual bookings purely come through web/search engines are lesser compared to walk-in customers and who get through word of mouth.

4.2.2. Transportation (Access to tourist destinations)



National and International Airlines and tour operators mainly handle inbound and outbound transportation services for international tourist arrivals and departures. A few domestic airlines (e.g., Helitours, Cinnamon Air) operated to Nuwara Eliya and Jaffna earlier. There is an international airport in Jaffna, which will be important in developing tourism in Delft Island. You can reach Kalpitiya in about 2.5 hours drive from the main international airport (Katunayaka) in the country and to Ella in less than two hours drive from Mattala airport. A luxury bus service operates from Colombo to Jaffna that travels during the night and reaches Jaffna early morning. A considerable number of local and foreign tourists use the train service as well. The intercity train to Jaffna and travel by train to Nuwara Eliya and Ella are much famous. According to the Station Master of Ella railway station, the Ella Railway station's daily income was approximately Rs.3,000/- per day in 2012. By March 2019, the daily income of the Ella Railway Station had increased to Rs.300,000/- per day. Daily, inward travel through the Ella Railway station gateway is around 600 to 700 persons (March 2019), and outward travel is about 300 to 400.

Most local and foreign tourists use local transportation companies and other private service providers to travel to tourist destinations. Many vans, cars, and hundreds of three-wheelers mainly operate by local communities in each tourist destination provide services to visitors to their destinations. For example, there are 30 vans and around 230 Three-wheelers run by local communities in Ella. Significantly, the Free and Independent Travelers (FIT), a growing market segment, mainly uses such services. Thousands of families have lost their livelihood due to the collapse of tourism due to the Covid-19 issue. Some have sold their vehicles, and few have managed to rent their cars to other companies. The drivers who worked in other's vehicles have gone to temporary work in the agriculture and fisheries sector, etc.

It takes about two hours to reach Delft Island from Jaffna city, one hour drive to the Kurikadduwan Jetty by road, and a one-hour boat trip from the jetty to the island. Two small boats operated by the Road Development Authority (Kumuduni and Vardarami) provide free service as scheduled to provide transport to the island's inhabitants and the staff traveling to their offices. The Delft Pradesiya Saba operates one bigger boat on weekends which charges Rs. 100 per passenger. There are five other private boats (open boats, no seats) that charge Rs. 12,000 for small groups. There are 10 Three-wheelers, one small car, and four small trucks (with benches on the back) for hire to visit attractions on the island.

Constraints in Transportation

it takes about 8 to 10 hours from Colombo to Jaffna journey by road. Lack of regular and frequent domestic flight service and high cost limit the use of air travel. There is a lack of coordinated/combined travel packages for tourists. Though local taxi and three-wheeler services are available at the destinations, foreign tourists face difficulties due to taxi and three-wheeler drivers' poor English language skills. Further, lack of professionalism in the service, weak customer care, and exploitation by charging high prices are common issues in many tourism sites.

Lack of proper access roads, inadequate infrastructure facilities at passenger terminals, and safety and comfortability of travel services are constrained providing better service to tourists and attracting more tourists to some destinations and some tourist attractions. For instance, the access road to Kurikadduwan Jetty, the infrastructure at the jetty, and the condition of access roads to tourist attractions in Delft Island are terrible. The boats are not proper passenger boats, those are fishing boats fixed with a roof and wooden benches, lack concern about the safety of passengers.

4.2.3. Accommodation and Food & Beverage



The food and accommodation services are the most significant section in the tourism value chain, including many hotels and guest houses of various categories, homestay services, few circuit bungalows, restaurants of different types, street foods, etc. Further, many accommodation units provide facilities for larger pilgrim groups, mainly managed by religious temples, churches, and social welfare organizations.

According to the stakeholders' information during the study, within the locations studied in this assessment, 147 hotels/guesthouses (37 registered) and 27 homestays in the Kalpitiya tourist zone with around 2,000 rooms. The number of hotels/guest houses in Ella is 1,000 plus, including about 100 hotels/guest houses registered under SLTDA (920 registered on booking.com site), and 129 restaurants (around ten restaurants owned by women, and about 5% of restaurants managed by women). The total number of accommodation providers in

Nuwara Eliya is above 5,000, including hotels, guest houses, and homestay. The biggest hotel group, Araliya has three hotels in Nuwara Eliya with 600 rooms. The list of hotels/guest houses registered under the Divisional Secretariate has 301 units with 2,124 rooms. There are 300 plus hotels/guest houses in Jaffna. However, only one hotel (Delft Samudra – 18 rooms) and one guest house (Pradesiya Saba – 5 rooms + Hall) on Delft Island. The Jet Wing Group has planned to build a big hotel/resort in Delft Island. Hoteliers are organized as location-based Associations. However, most of the associations are not that active, and there is a homestay providers association in Ella.

Annually, around one million local tourists and about 150,000 foreign tourists visit Nuwara Eliya. Kalpitiya gets visitors throughout the year, highest in December-January and July-September, approximately 2,500 per month, while lowest in October-November around 1,000 visitors per month. The average duration of stay of tourists in Nuwara Eliya and Jaffna is only about two nights. In comparison, the average duration of stay in Kalpitiya and Ella is about five to seven nights. Ella is famous as a budget destination and hosts foreign tourists who stay for more extended periods and experience a shortfall in accommodation, and was unable to cater to the demand during the peak seasons. Almost all the hotels, resorts,

and guesthouses in studied locations have their restaurants (only a very few have bars, usually the star class hotels) to provide alcoholic beverages. Also, many restaurants, bars, cafes,

and takeaway/bakery shops are available in studied locations except in Delft Island.

Employment opportunities for the local community in tourist establishments

According to the findings of the sample survey conducted covering 55 hotels/guest houses, tourist establishments employed 13 people on average per establishment before the Covid-19 pandemic. The results are shown in Table-2 below.

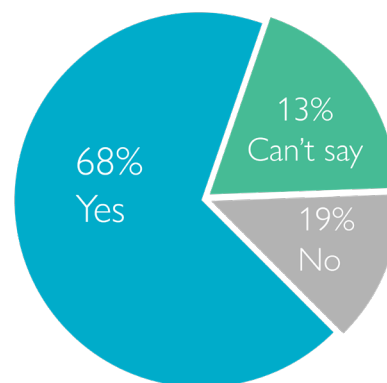
	No. of employees demand by 55 establishments	%	Average
Male	603	84.1	11.0
Female	114	15.9	2.1
Total	717	100	13.0

Table 2: Employment opportunities in tourist establishments

In the four locations studied, 70 - 80% of employees in tourist establishments are from the local communities, except in Kalpitiya. More than half of the employees in Kalpitiya are from outside the location. Hoteliers face difficulties due to the shortage of qualified and interested women and youth in the local area. Further, 20 - 30% of employees outside the district deployed at higher levels in most cases with their technical qualifications.

Among the tourist establishments surveyed, 36 out of 53 wish to recruit 154 employees (93 male & 61 female) once the situation becomes better again, about four employees per establishment. Further, 38% of establishments are willing to recruit interns. Figure-5 shows the type of skills demanded by employers. Skills development programs should be focused on developing those skills among unemployed youth and women.

Wish to recruit more employees once the situation becomes better again



Skills demanded for employment in Tourism sector

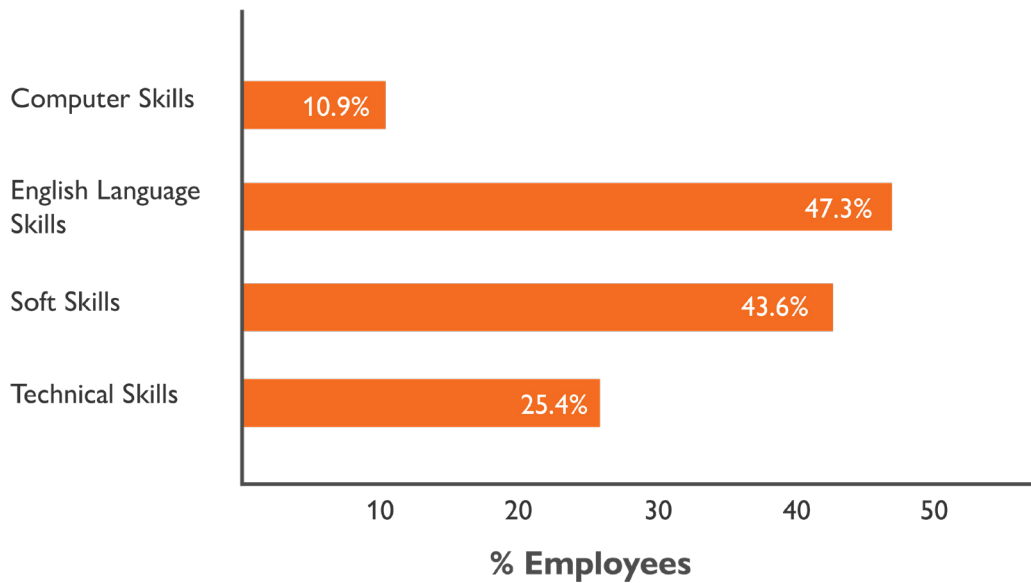


Figure 5: Employer willingness to more recruitments and skills demanded

The tourism industry offers vulnerable women and youth the potential to gain better and more sustainable living wages/income. The following case studies reveal the benefits for women’s participation in the hotel and tourism trade and the challenges/barriers they face when proceeding with their careers.

Case Study 1:

“Hotel career is one of the best for young women.”

Niwanthika is a 24 old young woman from Meepilimana, a nearby town to Nuwara Eliya. She joined Araliya Green-City Hotel as a trainee hostess. She was able to pick up the art of work in the restaurant and became passionate about the job. As a result, she was able to perform well in her duties. After a few months, she was promoted as a junior hostess and then as a restaurant captain this year. She is happy for her progress during the last three years of her carrier and said, “feeling proud.” I get a good salary (basic salary, service charge, and tips from guests) and in addition meals and uniforms.

Further, get accommodation and transport in heavy-duty days free of charge, she said. She has the hope to be the F and B coordinator as the next promotion. She said she needs to learn more about F and B and get ready for the next level.

Pl. see the complete Case Study on Annex-1

Case Study 2:

“I could save some money earned from the hotel job, that help me to buy a land plot to build a house.”

Sardha is a single-parent mother with 15 years old daughter. She is working in a resort at Kalpitiya as the in charge of its laundry now. First, she joined as a housekeeper in 2017 and was later promoted to the laundry in-charge position. She was thrilled at the hotel job, as the environment was decent, enjoyable, friendly, and sensitive to her issues as a single-parent mother. What she earned from the hotel job was sufficient for her and her daughter's expenses and could save every month. With that money and a bank loan taken from a state bank, she could buy a 15 perch land to build up a house as currently they live with her parents and share the place with three other families of her siblings.

Pl. see the complete Case Study on Annex-2

Opportunities for providing Homestay services

There is a growing market segment of tourists interested in having experience of local culture and lifestyle while finding affordable accommodation. Women operate most homestay services as homestay allows them to earn an income while staying at home performing their other gendered roles. Homestays are popular among women due to (1) micro and small nature of the business, matches with her investment capacity, (2) she can stay at home while operating it, (3) she operates the business in the familiar environment to her, and (5) she can keep a good balance between the guest operations and domestic work as the work is familiar domestic work to her. Therefore, it is essential to assist women to develop their homestays to increase their involvement in Tourism and hospitality.

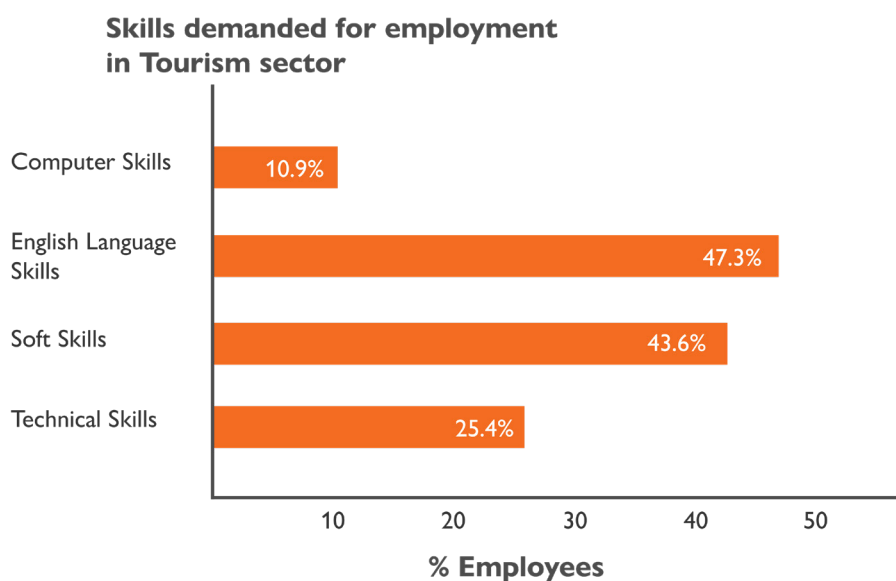
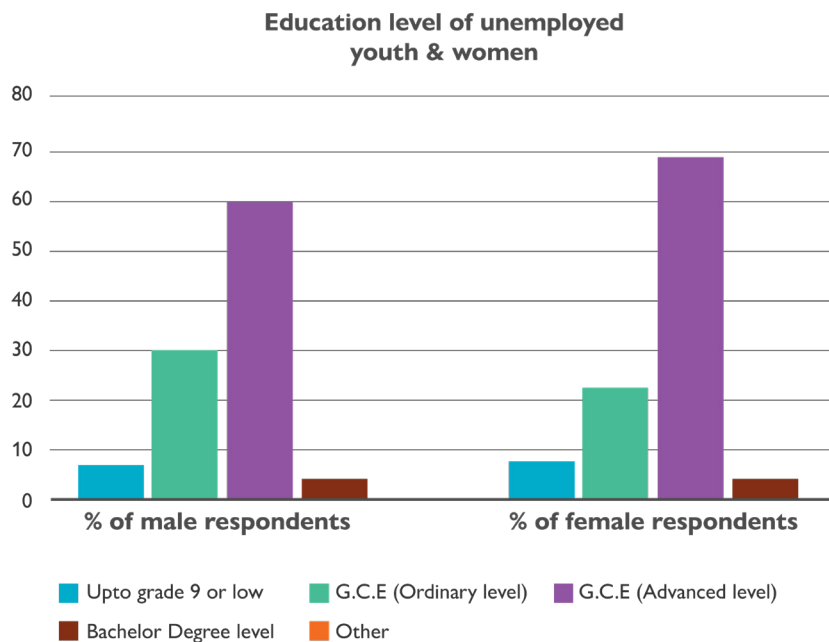
“When neighbors found our development in the income status, they too started the same business.”

“We were initially reluctant to welcome guests to our homes for stays because of many social issues. Mainly the fear of whether neighbors will take it wrong when we keep tourists or unknown people in the house, whether tourists will misbehave at home, and the neighbors might think we involve in unethical income-earning activities such as prostitution. So, we were feeling guilty at the initial times of providing guest accommodations at home. But with time, we understood there's nothing to feel guilty about as nothing wrong happened to us from the tourists. When neighbors found our development in the income status, they too started the same business. A project assisted us through the training given on arranging the homestay properly, which helped us a lot to keep the homestay in the quality, expected by the tourists”.

- Women homestay operator from Ella

Constraints that limit the realization of growth potential and opportunities in the accommodation and Food & Beverage sector

Most entrepreneurs (except a few more established and medium-scale tourist establishments) lack knowledge and expertise in hospitality sector operations. Thus, owners/managers of accommodation units have insufficient experience to manage their properties as a good hospitality business operation. This situation has led to poor accommodation services and facilities due to inadequate cleanliness, hygiene, and maintenance. Dependence on unskilled staff, lack of staff training for accommodation services, and poor service quality in most establishments were mainly due to lack of proper recruitment and human resources development programs. On the other hand, the shortage of skilled workers is one of the critical challenges employers face in the food & accommodation sector, resulting from inadequate skills development in the industry. Figure-6 below shows the profile of unemployed women and youth in the studied locations and indicates the gap between the demand and supply of the labor market compared with the demand conditions highlighted in Figure-5 in the above section.



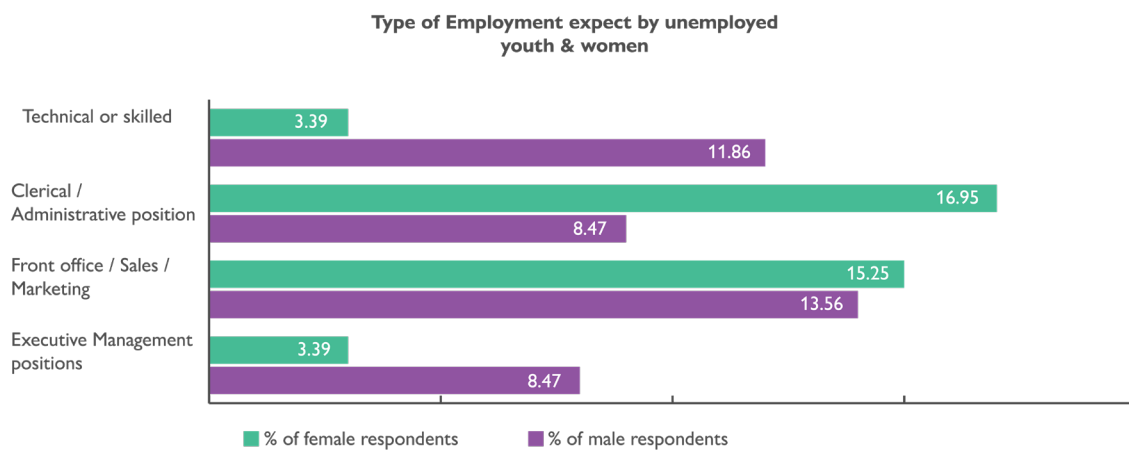
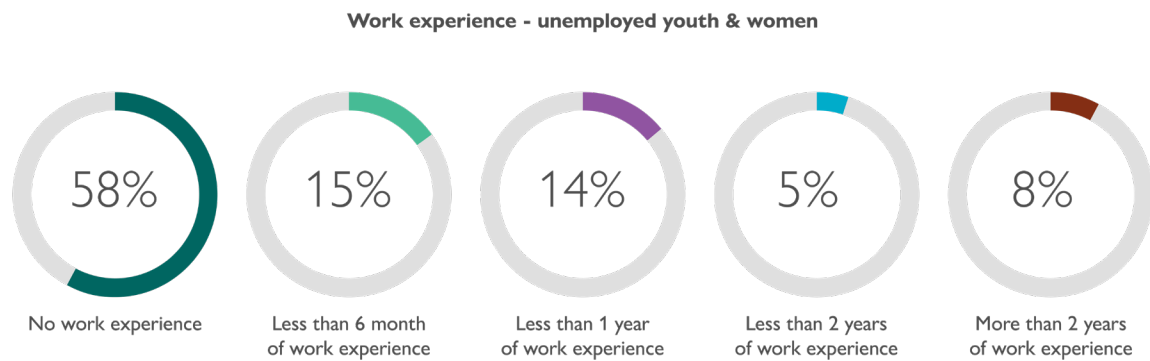


Figure 6: Profile of supply side of labour (unemployed youth & women)

According to the employers in the food & accommodation sector, lack of technical skills, difficulty adapting to the working environment, lacking interest in learning and improvement of skills, and weak Language skills are the main drawbacks among unemployed youth and women to meet the requirements of the tourism sector. The findings highlight that is just having only Ordinary Level (O/L) or Advanced Level (A/L) educational qualifications doesn't help them realize the opportunities in the labor market and the need to make them aware of the requirements and skilling them to qualify for the demand in the sector. The quality of food and beverage does not meet guests' expectations except for a few hotels, mainly due to poor service, limited choices, lack of knowledge and skills on the staff on providing a good service. In addition, the lack of liquor licenses in most hotels and guesthouses due to restrictive regulations proved to be another

obstacle in attracting more guests.

Another issue finds out during the study was, several accommodation units are operated and marketed by foreigners. They rent out the facilities and market through online channels. Therefore, the central part of the income doesn't get to the country.

The findings revealed that the local communities lack sufficient knowledge regarding the concept of homestay and skills in managing a homestay as a business. Most homestay providers are women, as homestay allows them to earn an income while staying at home performing their other gendered roles. However, despite their interest and enthusiasm to engage in and further develop their business, they are facing difficulties due to the lack of knowledge and training on customer care and hospitality services. Additionally, fear of engaging in the industry

due to lack of confidence and lack of marketing skills for their accommodation services hinder opportunity realization.

Impact of Covid-19 on the Food & Accommodation sector:

Within the tourism value chain, the Food and Accommodation sector of the tourism industry is the worst-hit section by the Covid-19. The tourist arrival to the country in 2020 was 507,704 visitors, which is a 73.5% decline compared to the previous year. It has been calculated as a \$ 1.99 billion potential loss to the Gross Domestic Product (GDP) and has put over 200,000 jobs at risk. The occupancy rate of the hotels/guest houses outside Colombo has dropped to near zero by the end of March 2020, and the occupancy rate in Colombo hotels declined to 15-20 %. Most of the establishments closed due to lack of guests, the properties and valuable equipment get damage due to lack of regular maintenance. Some entrepreneurs sell properties due to the inability to repay the loans taken to develop the businesses.

The job loss of female employees in the food and accommodation sections of the tourism value chain is considerably higher than that of male employees. According to the survey findings, the total job loss in the four locations studied was 45.8%, it was 39.3% in the case of male employees, while it was 52.6% in female employees.

4.2.4. Tourism Activities and Entertainment

A range of tourism-related activities for local and foreign tourists are available in most tourist destinations. Table-3 provides a summary of the main tourist activities available in the four locations.

Nuwara Eliya	Ella	Kalpitiya	Delft/Jaffna
<ul style="list-style-type: none"> • Water sports • Hiking • Horse riding • Golf • Tea tours • Motor cross • April Festival Nuwara Eli Wasanthaya) 	<ul style="list-style-type: none"> • Camping • Trekking / Hiking • Tea tours • Village tours • Ayurveda Spa • Cooking classes • Flying Ravana 	<ul style="list-style-type: none"> • Kite surfing • Whale watching • Dolphin watching • Lagoon safari • Lagoon fishing • Diving • Snorkeling • Camping in islands 	<ul style="list-style-type: none"> • Beach bathing

Table 3: Tourism activities/experiences

There are around 20 Kitesurfing schools in Kalpitiya and over 50 services providers that provide required surfing gears and other tools needed for kitesurfing. However, almost all kite surfing schools are led by foreign Kitesurfing instructors, as only a few local kitesurfing instructors have the required certifications and licenses.

Case Study 3:

“Niluka Damayanthi - A Female Diver (for the first time in the Kalpitiya area).”

Niluka Damayanthi and Samith Fernando are husband and wife, Samith had informally been involved in diving with tourists from time to time. In 2017, they established three cabanas and a restaurant on the land they bought with their saved money and named it “Kalpitiya Diving Resort.” Within 06 months of opening their diving resort in 2017, they were able to get 95 reviews, and except one, all the other comments were very positive. Samith thought his wife Niluka also learn to dive as he needed to see her joining the business in equal capacity to him. But local females involved in diving are unusual to the areas, and hence, in the beginning, Niluka also was a bit hesitant about Samith’s idea. But he was able to convince her and then started to train her. The Navy guards in the sea saw she was diving and said by warning them that they cannot allow a woman to get training to dive in the sea areas under their control as it is risky. They have to take responsibility if any accident happens to her while she dives. They said it with the belief that local women cannot or are not good at diving. Now she is a Junior Open Water level qualified diver under PADI licensing system.

Pl. see the complete case study in Annex-3

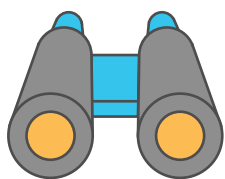
The above case study provides an excellent example of women’s engagement in non-traditional businesses and a role model for a family business of a young couple. The story proves the potential for women and youth to get benefited from offering tourism experiences.

There are many potentials to develop and promote more tourism activities and entertainment activities to attract more tourists, make them stay longer, and increase tourism revenue. However, the involvement of the local community in providing tourism activities and entertainment remains at a minimal level at present.

Constraints that limit the realization of growth potential and opportunities in offering Tourism Activities and Entertainment

The local tourism activity providers do not sufficiently promote available tourism activities in most destinations due to poor marketing knowledge and skills and the lack of coordination and cooperation among actors. In addition, local tourism activity providers lack network linkage with tour operators to promote their tourism activities and services. Also, the value chain study revealed that the quality of existing tourism activities is not up to the required standards due to weak knowledge and skills and a shortage of qualified tour guides. And entertainment activities are also limited in most of the places due to the lack of supply. The local communities are not integrated well into tourism activities, which further inhibited the provision of these activities more attractively. Low investment in developing tourism activities has undermined all attempts to promote the same in the studied locations.

4.2.5. Sightseeing



There are many sightseeing places and attractions in all tourist destinations in the country. Table-4 provides a list of main attractions in the four locations studied.

Nuwara Eliya	Ella	Kalpitiya	Delft/Jaffna
<ul style="list-style-type: none"> • Horton plains • Moon plains • Waterfalls (47) • Tea Factories • Huggala Botanical Garden • Victoria Park • Seetha Amman Temple 	<ul style="list-style-type: none"> • Ravana Fall • Ella Rock • Nine Arch Bridge • Ravana Cave • Nildiya Pokuna • Lipton Seat • Little world's end • Mini Adam's peak 	<ul style="list-style-type: none"> • Wilpattu National Park • Bar Reef / Marine sanctuary • Lagoon • Beaches • Dutch Fort • Thalavila Church 	<ul style="list-style-type: none"> • Delft Dutch Fort • Dutch Hospital • Wild horses • Horse stable • Hanuman's footprint • Jaffna Fort, • Jaffna Museum • Jaffna Library • Point Pedro Light House • Temples & religious places • Bottomless pond

Table 4: Sightseeing/tourist attractions

There are over 12 attractions in Delft Island with a long history dating right from the ancient Chola Dynasty through Portuguese, Dutch, and British Colonial periods. These attractions showed high potential to develop a Dutch trail, link to a Ramayana trail, and attract Dutch, Indian, and domestic tourists. Further, many other tourist attractions in the studied destinations are not famous or haven't developed to the required level to attract tourists.

Constraints on Sightseeing

Weak infrastructure at tourist attractions, especially the poor access road, lack of proper sanitary facilities, lack of adequate safety, and other required basic facilities, are critical issues for the comfortability and safety of the tourists into those attractions.

Lack of sufficient skills among the local tour operators and guides to promote and organize sightseeing tours is a significant constraint and the shortage of qualified tour guides. Hence only a few sights are yet promoted by tour operators and tour guides. Weak cooperation and collaboration among actors are also responsible for the poor promotion of Sightseeing in most destinations. It is further constrained by the absence of proper integration of village communities into the tourism value chain. Thus, the role of village communities in sightseeing activities is largely absent.

4.2.6. Shopping



The shopping sections of the tourism value chain fulfill the shopping requirements of the tourists. It includes supplying Sri Lankan authentic products such as souvenir items, handicraft products, arts & crafts, local clothing items, traditional local food products, etc. This section of the tourism value chain offers more opportunities for vulnerable women and youth as it mainly represents micro-enterprises and self-employment that need little investment.

Among the four locations studied, hundreds of small shops sell Palmyrah handicrafts and food products close to tourist attractions in Jaffna. The Palmyrah Development Board

(PDB) operates four Katpaham sales outlets in Jaffna. They have 15 sales outlets in the country, including two in Colombo. Similarly, hundreds of small shops in Nuwara Eliya sell local fruits, flowers, confectionery products, and toys, mainly targeting domestic tourists. There are very few shops in Ella that sell some souvenir items and fruits. One sales outlet operated by the Provincial Department of Small Industries sells some handicraft products and handloom products. There is an enormous potential to establish several small shops close to the Railway station of Ella. It was unable to find any shops selling souvenir items or handicraft products in Kalpitiya and Delf Island.

The PDB and the Vidatha Center have conducted technology transfer training programs on Palmyrah food and handicraft production. About 750 handicraft producers from 30 registered producer unions in the Northern Province supply Palmyrah food products to Katpaham sales centers.

Constraints on Shopping (Souvenir and handicraft products)

The products made by local producers lack the required quality. They are limited in variety due to lack of product differentiation, poor product design, low productivity, and lack of technology, resulting in low competitiveness of products. Women are mainly engaged in making handicraft products and handloom products. However, these women lack innovative and diversified ideas to cater to tourist tastes and needs (e.g., tourist-friendly clothing using handloom, souvenir items that brand the destination, quality and innovative handicraft items, local sweetmeats, and other foods). Key constraints were a lack of business orientation and creative thinking among the producers and marketing guidance.

4.2.7. Input suppliers:

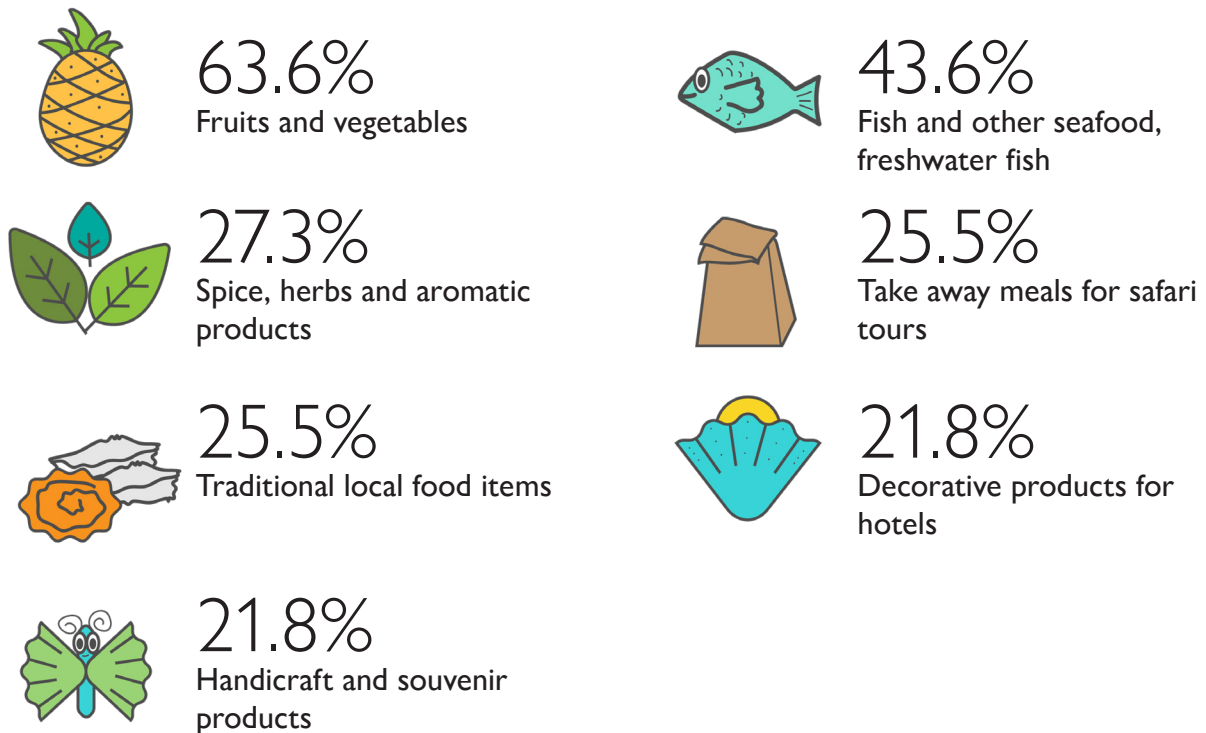


Supplying required inputs (products and services) to the tourism sector is another prominent opportunity for the local communities, women, and youth in tourist

destinations. The tourism establishments need a regular supply of different products such as fruit & vegetable, seafood, meat, etc. Also, required items such as linen, decorative items, and lots of other consumables and some services for the day-to-day operations of the hotels, guest houses, and other tourism establishments and tourism activities.

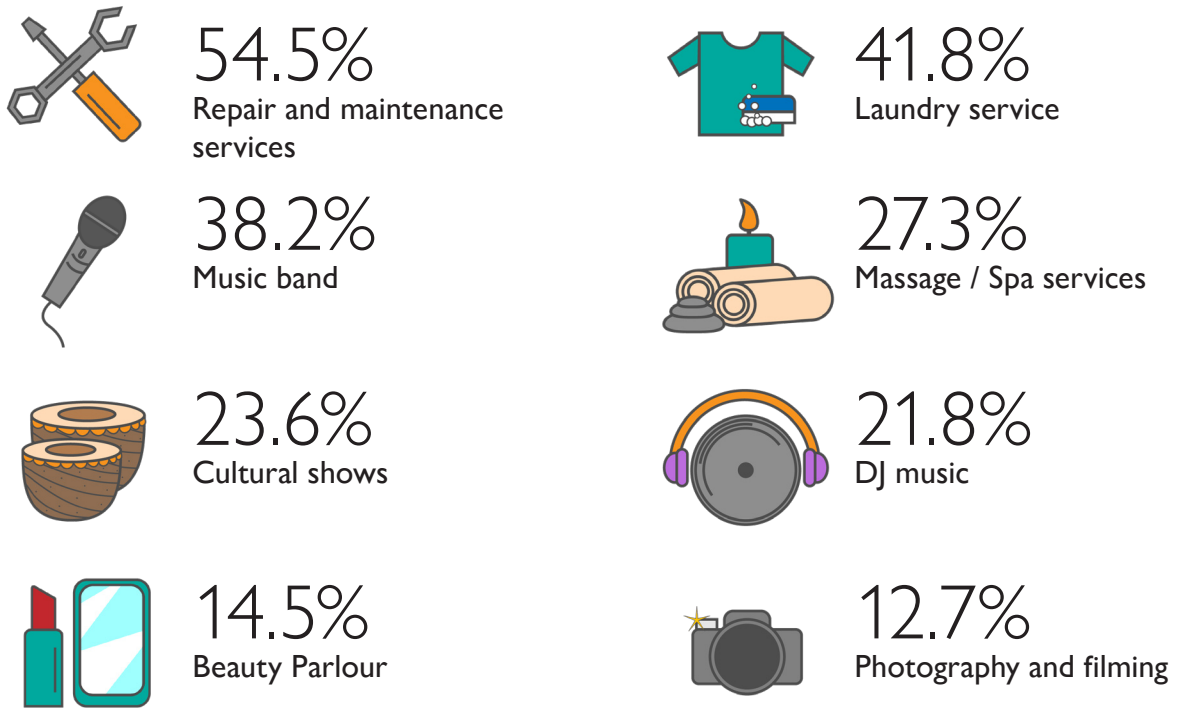
The findings of the sample survey on products and services tourist establishments willing to source from the local communities and the challenges face by both sides are shown in Figure-7.

Opportunities available to supply products

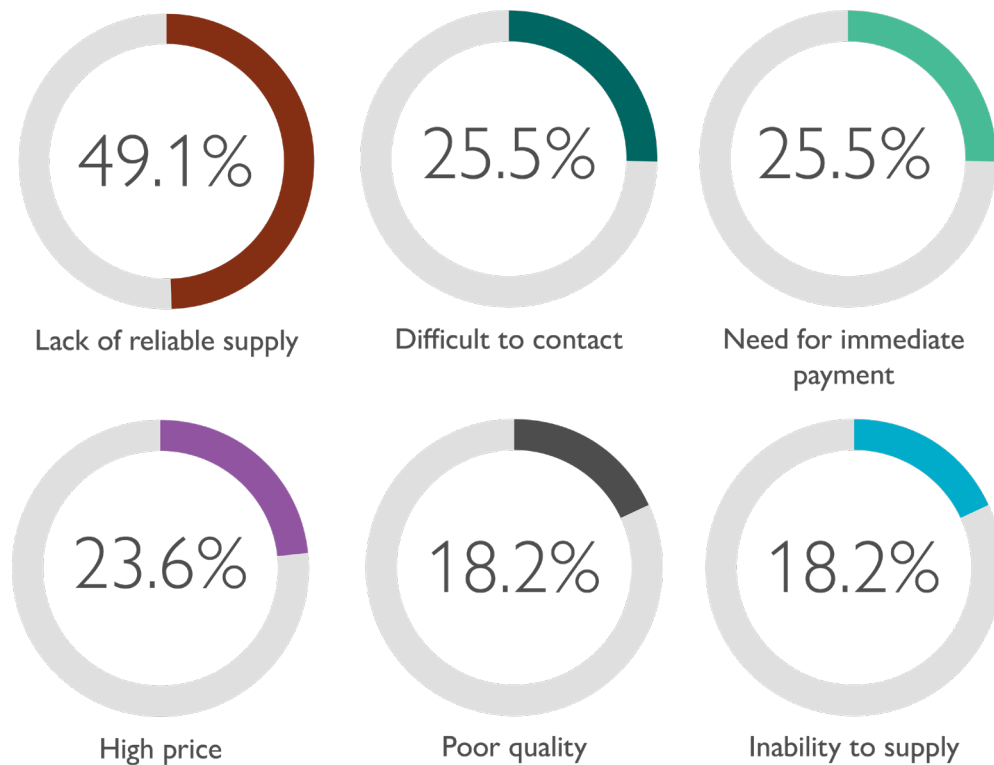


% of Tourist establishment

Opportunities available to supply services



Challenges experienced in purchasing products/services from local communities



% of Tourist establishment

Constraints in realizing the opportunity to supply products/services to tourist establishments

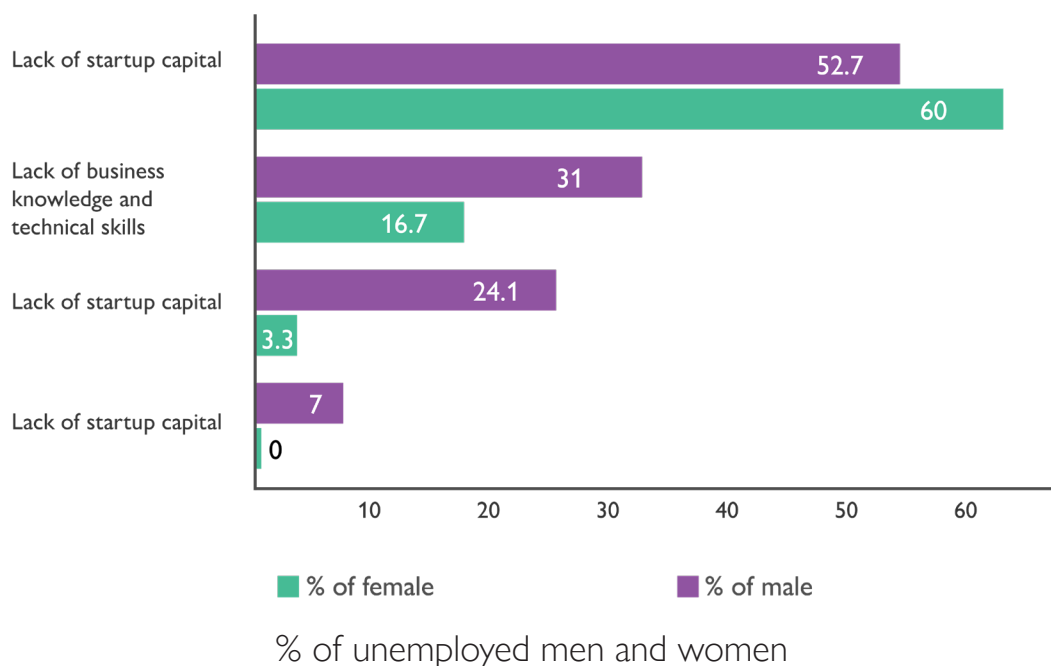


Figure 7: Opportunities for supplying products/ services and challenges

The findings highlight that there are lots of opportunities for supplying required products and services to tourist establishments. Also, the need to develop technical and business skills and the capacity of local communities to provide a reliable supply.

4.2.8. Supporting service providers and regulatory organizations:



The supporting function of the tourism market system is in a semi-dormant state at present. Availability of business services, such as business management training, business information, marketing support and skills training, etc., and financial services are not sufficient to address the gap. Few government authorities, development agencies, NGOs, and private sector organizations provide support services to the tourism value chain actors. The quality of available service deliveries is also relatively

poor due to the organizations' insufficient human resources and weak capacity. Active engagement of supporting service providers needs to increase for realizing the opportunities in the tourism sector. A graphical representation of service providers at different levels of the tourism value chain is given in Annex 5.

The Government recently declared Ella as a Tourist Zone, and a comprehensive tourism development plan has been prepared. However, there is still no tourism development master plan for Jaffna & Delf Island. Few small-scale private sector hotel schools operate in Jaffna and Nuwara Eliya. The Sri Lanka Institute of Tourism & Hotel Management (SLITHM) hotel schools in Jaffna for the Northern Province and the hotel school in Kurunegala for the North Western Province operate at an inadequate scale in temporary buildings.

The Department of Wildlife has reserved a large area in Ella that includes tourist attraction sites such as Nildiya Pokuna and Ravana Cave. Now the access to tourists and developing the access road and required facilities in those sites have become an issue. Similarly, the department has reserved three-fourths of the land area in Delft Island as a wildlife reserve. Therefore, the development of access roads and facilities in

tourist attraction sites would face difficulties. The coordination and corporation among service providers and regulatory bodies seemed zero. It's crucial to have coordinated effort among provincial and national level authorities and the private sector stakeholders to overcome the challenges the sector experience.

5. Conclusion and recommendations

5.1. Conclusion

The inclusive tourism value chain study aimed to identify specific constraints that need to be addressed and identify opportunities that enhance pro-poor and gender-inclusive tourism development in Sri Lanka. The study evidence the tourism industry's huge potential for benefiting many stakeholders, including vulnerable women, youth, and marginalized local communities.

The tourism sector has shown substantial growth since the end of the armed conflict in 2009. However, the industry has been badly impacted by Covid-19. Tourist arrivals declined by 73.5% in 2020, and the occupancy of many hotels declined to zero, including homestays. Thousands of families that depended on the tourism sector have lost their livelihood. The impact is higher on women; for instance, 53% of women employed in tourism establishments have lost their jobs while 40% among male employees.

This research finds potential for job growth and a notable gap in skilled labor in tourism. It has been estimated that 30,000 additional employees are required annually to cater to the projected increase in visitor arrivals. However, there is a significant skills shortage, with only 10,000 annual graduates from hotel schools. The dependence on unskilled staff and lack of staff training for accommodation services results in poor service quality in most establishments. The research reveals that 68% of tourist establishments wish to recruit more employees

once the sector resumes. However, the mismatch between the demand for and supply of skilled workforce for the tourism industry highlights the vital need for demand-oriented skills development programs.

Further, the study reveals the opportunities available for the local communities to supply required products and services to the tourist establishments in the industry. However, a lack of business orientation, technical skills, creative thinking has created barriers to entry.

The availability of business services, such as business management training, business information, marketing support and skills training, etc., and financial services, is currently insufficient to improve the sector's competitiveness. Further, weak infrastructure in the required basic facilities at tourist attractions is a fundamental problem in most destinations. Weak coordination and collaboration among authorities, service providers, and the private sector are vital for positive change. The value chain study helped bring the critical constraints to stakeholders' attention and highlight the need for joint actions that will contribute to the development of the sector and the well-being of stakeholders.

5.2. Recommendations

Based on the value chain analysis and suggestions from stakeholders, several possible interventions are recommended to address the identified constraints and capitalize on the opportunities in the tourism sector in the four tourist destinations. Implementation of these recommendations will facilitate the integration of local communities into the value chain and make the industry more competitive to impact the sector's growth positively. There will also

be a positive impact on the local communities, particularly vulnerable women and youth in the targeted destinations.

In addition, some specific interventions proposed by available literature to address hindering factors in women's participation in TVC opportunities are given in chapter 2.5 of this report.

Interventions common for all four destinations:



1. Train and provide technical/financial assistance to local communities to establish and operate tourism businesses

- Offer food/meals to tourists
- Produce and market handicraft and souvenir items
- Develop a cultural service provider group
- Offer homestay service
- Offer tourist activities
- Provide tour guide services



2. Develop producer/supplier group with the engagement of youth and women of local communities, and develop their capacity to produce and supply required products and services to tourist establishments at the required quality and ensuring reliable supply



3. Implement a Skills Development Program to;

- Develop skills of youth and women in local communities on hospitality sector vocations to meet the staff requirements of the tourism sector locally and internationally
- Train tourism MSMEs on business management and staff of hotels and restaurants on better-serving tourist customers
- Design and implement a re-skilling program for the staff/employees in tourist establishments
- Conduct community awareness programs to create a positive attitude towards the tourism sector and to support the growth of the industry, and specifically to protect the environment and socio-economic well being of the local communities



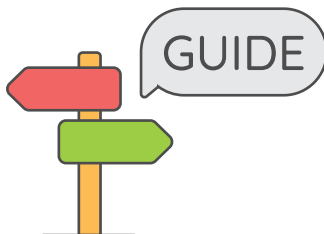
4. Develop the capacity of Tourism Associations to;

- Improve corporation & collaborations among Tourism VC Actors
- Develop and promote new tourism products (Tourism activities, tour packages, etc.)
- Lobby with the Government and facilitate dialogue with relevant government authorities to develop required infrastructure and promoting the destination
- Facilitate a forum between established hotels and MSMEs
- Develop and implement guidelines and quality standards for tourism Micro, Small and Medium Enterprises (MSMEs)



5. Set up steering groups to coordinate tourism development activities in the relevant destinations and facilitate the operation of the SG during the initial period to;

- Steer the implementation of value chain development interventions, and support the implementation
- Coordinate development activities in the tourism sector



6. Assist Hoteliers in attracting domestic tourists:

- Guide them to develop and promote special offers & voucher schemes, etc
- Provide service of marketing experts to revamp their marketing strategy
- Implement health guidelines, ensure hygiene and offer flexible cancellation
- Develop and market experiential travel and value additions
- Coordinate with National Media to promote the destination to domestic tourist segments

Specific interventions for Kalpitiya:

1. Establish a hotel school in the Kalpitiya tourist zone under the Sri Lanka Institute of Tourism and Hotel Management
2. Develop essential infrastructure facilities;
 - Access roads, sanitary facilities, and other required facilities at Kite surfing points and Boat jetties
 - Facilities at camping sites on the island in the Kalpitiya tourist zone
 - Develop 2-3 Beach Parks with facilities

Specific interventions for Ella:

1. Provide financial and technical assistance to improve infrastructure facilities in tourist sites:
 - Facilities at the entrance of Ravana cave & Nildiya pokuna, Mini-world's end, and Madulsima
 - Construct tourist shops at the Ella railway station and other prominent tourist sites
2. Develop Forest Camping facilities at proposed reforest area and the top of the Ella Rock;
 - Develop required facilities and promote
 - Develop the capacity of local community groups to offer camping services

Specific interventions for Delf Island & Jaffna:

1. Develop essential infrastructure facilities;
 - Renovate access roads to Jetty and tourism sites in Delft Island
 - Develop comfort centers, including sanitary facilities at the jetty and tourism sites on the island
 - Renovate the beach park in Delft Island with required facilities for tourists,
 - Water supply: Develop water supply and ensure regular availability of water in tourism sites as well as to other tourism establishments
 - Develop required basic facilities in one or two camping sites in suitable locations in Delft Island and Kachchateevu Island
2. Support private sector investors to;
 - Start proper "passenger boat" service with required facilities, comfortability, and safety
 - Develop and promote tour packages targeting Dutch, Ramayana, and local tourists
 - Organize and facilitate familiarization trips for travel agents and relevant media groups
 - Coordinate with National Media to promote the destinations to domestic tourism segments
3. Establish a hotel school in the Jaffna with the required capacity and facilities under the Sri Lanka Institute of Tourism and Hotel Management

Specific interventions for Nuwara Eliya:

1. Provide technical and financial assistance to develop new tourism activities/experiences, promote more tourism products to attract more tourists, and increase stay duration.

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7. Annexes

Annex-1: Case Study - Niwanthika - Restaurant captain of Araliya Green-City Hotel

The following case study reveals the benefits for women's participation in the hotel and tourism trade and the challenges/barriers they face when proceeding with their careers.

Niwanthika is a 24 old young woman from Meepilimana, a nearby town to Néliya. He has done her A/Ls and needed to join a bank as an officer for her future career. She followed an English diploma as well to get ready for the future just after A/Ls. Though she applied for several banking job vacancies, she could not get selected for them. One day she saw an advertisement for a vacancy in the Green-City Hotel of Araliya Company, and she walked into the interview. She was selected as a trainee hostess. Her parents had doubts regarding her decisions but allowed her to work in the hotel as she did not have any other choice for a career at that moment. It was the year 2017. She was able to pick up the art of work in the restaurant and became passionate about the job. As a result, she was able to perform well in her duties. After a few months, she was promoted as a junior hostess and then as a restaurant captain this year. She is happy for her progress during the last three years of her carrier and said, "feeling proud." She has the hope to be the F and B coordinator as the next promotion. She said she needs to learn more about F and B and get ready for the next level.

She too accepted that the Hotel career is one of the best for young women to join and grow up in because of the following reasons she has experienced by now:

1. Can learn several languages as the opportunity of communicating with guests using different languages is there in the job
2. Teamwork is a must, and leadership can be naturally developed through it
3. Personality development and fear to face society/shyness diminish when moving with different people meet in the job. She believes that if you work in a hotel, you can work anywhere, as you get to know all kinds of people and meet many challenges of making them happy out of your ego. You learn to treat the other (the guest) by keeping your ego second.
4. Useful for personal life as I learned lifestyle (being neat and clean, stylish, and ending up the given task passionately to ensure its quality). When I come in my uniform, I find my mother feels happy to see my way. Also my
5. The stress during the season with the responsibility of serving many guests helped me develop my capacity to work under pressure and be patient.
6. Work is flexible and enjoyable: Guest/tourists are mostly happy and relaxed. Therefore, she is working in a comfortable environment and happy people. She and the team are also automatically pleased with the guest's atmosphere.
7. This job experience will open avenues to international jobs in the future or start my own in a small way one day. Therefore, the skills I learn here and the recognition in this job can make my future better.
8. You get a good salary (basic salary, service charge, and tips from guests) and in addition meals and uniforms. Further, you get accommodation and transport on heavy-duty days free of charge.

As a young female, she is attracted by the above features in the job. Her only fear with the job is its sensitivity to all elements in the world; pandemic, wars, economic recessions, bad weather, local and international political environments, etc. She feels job security is lessor in hotel jobs than other career opportunities due to its sensitivity to the local and global situations.

She wishes to continue her hotel carrier and grow up with it in the future. But, she faces a stiff challenge to materialize it as her fiancé dislikes her hotel job and insists that she quit her hotel job after marriage. But he is okay if she goes to a baking job even after the wedding. His disliking is merely due to social stigma against women working in hotels. He also thinks similar to society in general. Hotel jobs are unsuitable for girls because their “character” can be spoiled while meeting different guests. Working with men in the teams and entertainments in the hospitality culture makes females vulnerable to socially unaccepted behaviors or affairs and sexual relationships with unknown people.

Therefore, whether she will be able to continue her career with the hotel is not sure, and as she said, she has to sacrifice her dream for her family to be built up. She saw among the female staff as well- they joined and worked well but resigned when married. This is a common situation faced by females in addition to the social stigma attached to the tourism sector jobs because:

There is a lack of social dialogue and gender sensitization for males to understand women’s career aspirations and the importance of sharing time and responsibilities at domestic chores.

The Hotel and tourism sector has a higher potential for women and youth to provide opportunities. But it needs more support for women taking the unique barriers they faced because of their gender. They should be given priority in the tourism development program with particular attention through specially developed interventions. The following is another cases study explaining the importance of the sector for women to develop their livelihood and also their unique requirements to face the challenges they faced:

Annex-2: Case Study - Sardha Maheshwaran – Laundry In-charge

Sardha is a single-parent mother with 15 years old daughter. She is working in a resort at Kalpitiya as the in-charge of its laundry now. First, she joined as a housekeeper in 2017 and was later promoted to the laundry in-charge position. As she stated, it is a great opportunity she received to work in the hotel after coming to Sri Lanka from her previous housemaid job in Saudi Arabia. She did not want to return to the same position as working conditions were terrible, and also, she was cheated by the employer on her salary. In addition, her daughter was growing to young age, and hence she felt it was unsafe to leave her to go abroad. She decided to work locally by considering all the situations she encountered. When she was looking for jobs, she found that the hotel had a housekeeper vacancy and interviewed. She was selected for the job, but she had doubts about the hotel, as generally, females working

in the hotels were demined or labeled by the community. Anyway, she did not have much choice as finding a job was her urgent requirement because almost all that Sardha earned from the housemaid job was spent by her sister (the one who received the money in her account send by Sardha). Therefore, a new job was her immediate need. The hotel job is available within walking distance to her home, and it was also a plus point for her to choose it.

She was pleased with the hotel job, as the environment was decent, enjoyable, friendly, and sensitive to her issues as a single-parent mother. She was able to arrange her work with the support of the management when she had to attend to her daughter’s essential matters such as school meetings and sicknesses. What she earned from the hotel job was sufficient for her and her daughter’s expenses, and she

also was able to save some every month. With that money and a bank loan taken from a state bank, she could buy a 15 perch land to build up a house as currently they live with her parents and share the place with three other families of her siblings. The hotel paid 25,000/- basic salary and 50% service charge when the tourism was active until 2019 ester bomb and then Corona pandemic effect in 2020. The guest's tips, who was happy for her services, were essential to her income. As she mentioned, because of the hotel employment, she was able to feel dignity in her life instead of previous harsh experience as a housemaid. She also learned to be happy and joyous in life, which she saw among guests throughout her work. It influenced her to be comfortable and light in life. She also learned how independent the female guests in the hotel are. She changed her way of outfit with that influence. "Though I loved to wear slacks, I never wore them before as I thought my neighbors would demean me. Wearing slacks by females is not usual in the village and also not much accepted by the tradition. But when I came here to work, I learned from foreigners how much they enjoy freedom and live according to their will. Many of the foreigners I see in the hotel were very open in their opinion, decent and kind. So I also started wearing slacks, and I was strong enough to ignore my neighbor's comments on my changed dress pattern. Now I am very comfortable to enjoy my freedom and making changes in the traditions for my betterments without depending on other's decisions and judgments about me". Sardha has learned to be more robust and autonomous for her life decisions with cultural diversity exposure to the hotel atmosphere. As she further stated, being independent brings much more dignity and power to herself.

Now, because of the adverse impacts of Covid 19 on the hospitality industry, the hotel can provide only 12 days of work and 50% of her basic salary. It is not enough for their regular expenses, and they also have to repay a loan taken to buy the land. Therefore, she has moved into an alternative income-generating activity: selling food packets for the fishermen going to the sea at midnight. As there were no food

suppliers for the fishermen at that time, she made it an opportunity to earn an income. In addition to food packs, she sells sort-eats, cigars, biscuit packets, etc., to them in a small boutique rented on a monthly fee of Rs.2000. Though this activity does not give her many profits, with the limited income opportunities available within the local areas in the current context, she is doing the business reasonably well. Her best hope is to return to the hotel job like before when the Covid comes to an end.

As she has experienced, working in a hotel is a good employment opportunity for women in her area. But it's significantly fewer women participating in the tourism opportunities in Kalpitiya. According to her, the biggest reasons for this are the male-dominant fishing culture strongly prevailing in the community. It is a hard barrier that females cannot overcome easily. Even though women like to work in hotel jobs, the male-dominant culture expects women to be available for their men when they return from the sea after fishing. That situation does not allow women to work on shifts in the hotel system of work allocation. This is a significant drawback in the culture that prevents women from working directly and the better opportunities available in the hospitality sector. Therefore, they remained in some residual or indirect opportunities in tourism such as local food supplies (in small quantities-mostly irregular supplies) and part-time jobs in the season. Unlike before, women do not perceive hotels as the wrong places to work, as Kalpitiya areas boomed in tourism after 2012. As Shardah knows, there are several women in her community already successfully employed in tourism jobs. As community women see how they earn and live a better quality lifestyle than other women, the attraction to hotel jobs grew. But because of the difficulty of breaking the male-dominant culture in the domestic sphere, they cannot enjoy those job opportunities.

Annex-3: Case Study - Niluka Damayanthi - A Female Diver (for the first time in the Kalpitiya area)

Niluka Damayanthi and Samith Fernando are husband and wife, run Kalpitiya Diving Resort. They started their business formally in 2017. Before that, Samith was informally involved in diving with his friends as partners of his business. But he could not be successful in any of those times as partners separated from the business for various reasons. Therefore, he thought the best business partner for him is Niluka, and he re-started the tourism business with her. They established three cabanas and a restaurant on the land they bought with the money they saved and named it “Kalpitiya Diving Resort.” The initial capital to build up cabanas was obtained through a bank loan from a regional bank. Now it is a formal business registered in local authorities –PS and DSO in Kalpitiya.

They provide diving services, food, lodging facilities, and cooking sessions for the guests. Samith has an international license as a Diving Instructor from PADI. They operate through their web and Booking.com to receive guests. In addition, the hotels in Kalpitiya and around also send guests to them for diving activities. Within 06 months of opening their diving resort in 2017, they were able to get 95 reviews, and except one, all the other comments were very positive.

Samith thought his wife Niluka also learn to dive as he needed to see her joining the business in equal capacity to him. But local females involved in diving are unusual to the areas, and hence, in the beginning, Niluka is also hesitant about Samith’s idea. But he was able to convince her and then started to train her. The Navy guards in the sea saw she was diving and said by warning them that they cannot allow a woman to get training to dive in the sea areas under their control as it is risky. They have to take responsibility if any accident happens to her while she dives. They said it with the belief that local women cannot or are not good at diving. Samitha did not want to give up, and they avoided the sea guards and started to train her. She learned it fast. Now she is a Junior

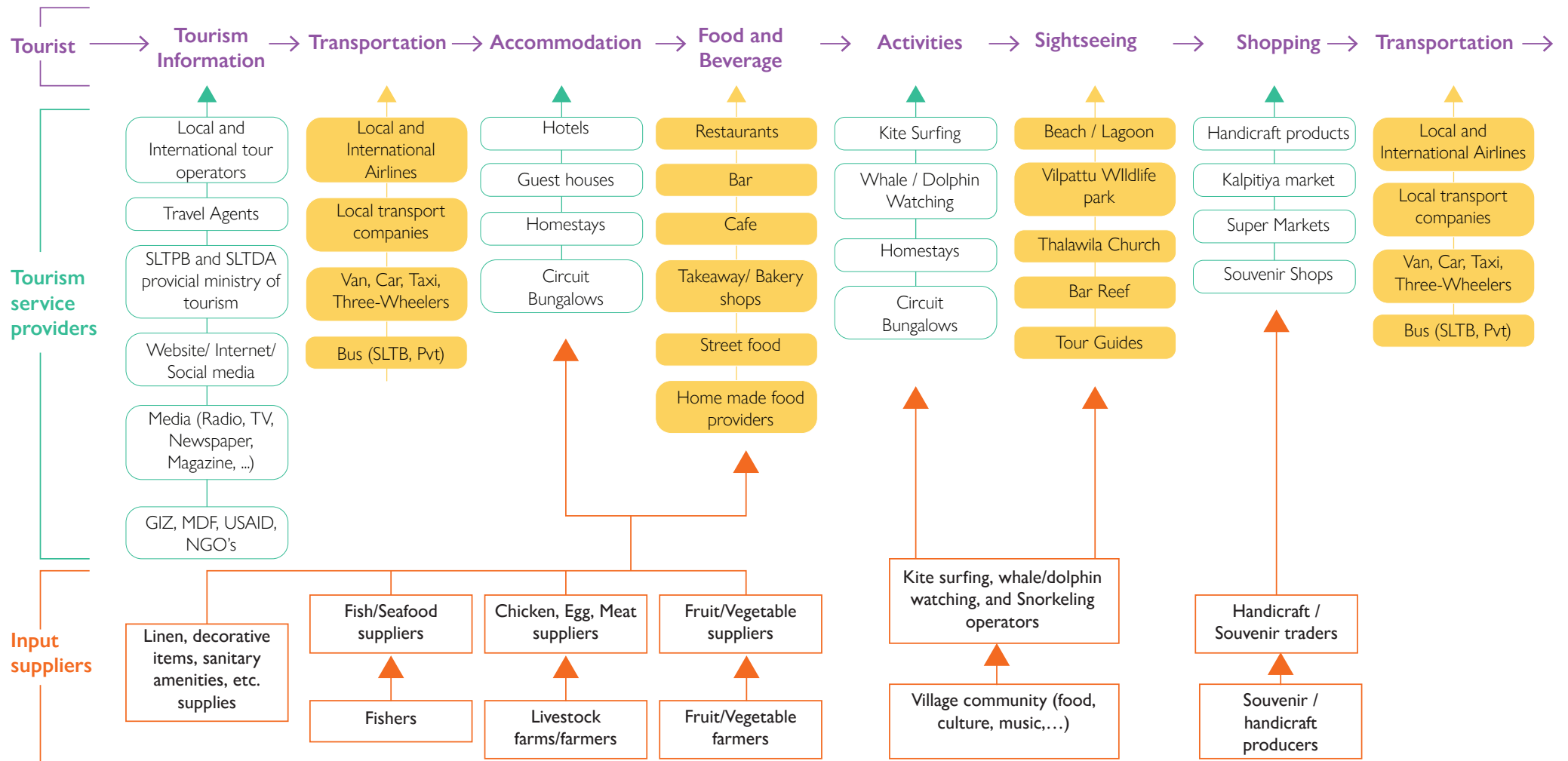
Open Water level qualified diver under PADI licensing system. The Navy guards also accept her as a skillful diver without doubts about her skills diving. Samith trained her and her sister both, and they both are qualified divers. At present, they are the only two female divers available in the Kalpitiya area. This status of Niluka and her sister has been a significant advantage for their business development. They could cater to more guests when the tourism season was on as three divers were available in their establishment. After seeing how they swim and dive, many local women now want to learn it, so they get many inquiries. They have plans to start it for them, but they could not begin it so far because of the Corona pandemic. Samith strongly believes that children, especially girls, should learn to swim as they learn to face challenges in life in better terms with the experience in swimming and hence important for personality development. He already conducts training classes for young ones and encourages girls to join him.

With the adverse impact of Covid -19 on tourism, they have now closed down their diving resort and do colour fish collection as an alternative income to tourism. They are both involved in the colour fish collection. In addition, one of their staff members (out of six who worked in the resort before) also join them for colour fish collection. They get an income sufficient for their day-to-day survival with this activity. Still, it is not adequate to fulfill the repayment of the loan taken for tourism business development. As tourism was booming from 2012- 2019 in the Kalpitiya area, they have invested in 2017 in their business by taking several loans from RDB (Regional Development Bank) and Samurdhi bank. The total worth of loans is around Rs. 2 million. They have upgraded their diving equipment and resort facilities with that funds and are now facing severe difficulty repaying it due to the lack of income from tourism. Of the six staff members who worked with them directly, only the boatman has an opportunity to work with

them for colour fish collection, and the other 05 lost their jobs. They involve in various daily-paid jobs labour work in the area, such as agricultural fields and fishing teams.

Annex-4: Value Chain map of the tourism sector in Kalpitiya

Value chain of Tourism sector in Kalpitiya





World Vision Lanka

619/8, Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka.

Phone : 94-11- 2691233 | Fax: 94-11-2697577

www.worldvision.lk