



**LUNDS**  
UNIVERSITET

Lund University Master of Science in  
International Development and Management  
August 2019

**Backpacker Tourism and Local Community Development**  
An Analysis of Hostels as Drivers of Poverty Reduction in Sri Lanka

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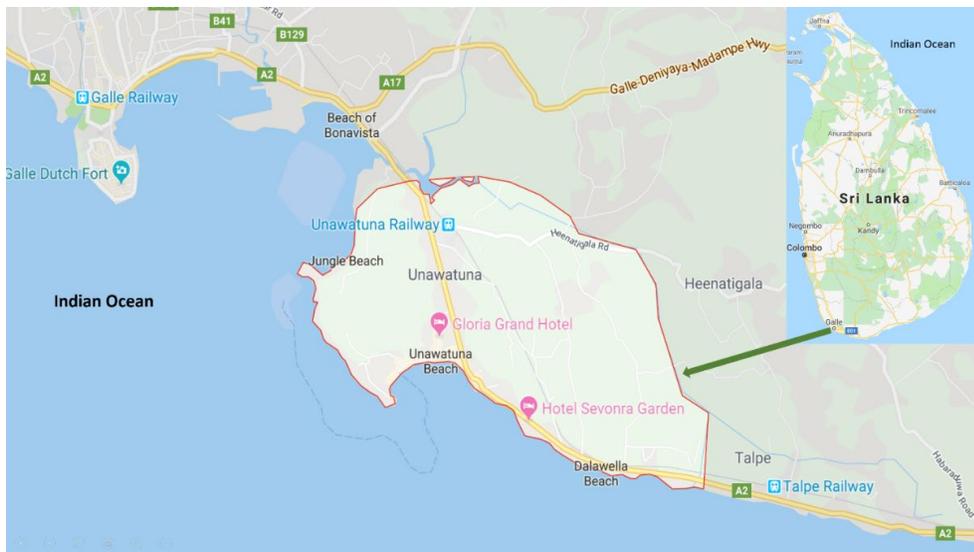
## Abstract

This thesis is an attempt to understand if hostels, being an essential component of the infrastructural support for backpacker tourism have been instrumental in lifting up local communities in light of socio-economic development. The analysis strives to explore not only the contours of change in the community level but also the changes in the institutions and structures within which the tourism industry operates to understand how the hostel communities create their own structures through exercising power, which is a manifestation of how capitals are accumulated and transformed. Primary fieldwork for this study was carried out in Unawatuna in the Southern Province of Sri Lanka. Pierre Bourdieu's Theory of Practice was used to conceptualize how people start hostels and make a meaningful living out of backpacker tourism. The study is situated on two fundamental arguments that, (1) the non-mainstream tourism in most developing-country context calls for academic research as policy interventions seem to be minimal due to lack of hard data, and (2) with appropriate support from the government, the backpacker subsector of the tourism industry will flourish, which goes without saying that the livelihoods of those who support the subsector could potentially thrive.

**Key Words:** Backpacker tourism, Bourdieu's Theory of Practice, Hostels, Livelihoods, Local communities, Networks, Poverty reduction, Sri Lanka, Tourism industry policy framework

**Word Count:** 15,000

### Map showing the location of Unawatuna in Sri Lanka



(Google Maps, 2019)

## **Acknowledgements**

Writing this thesis has been one of the most challenging but eye-opening experiences of my life, and the entire process has helped me build up confidence in my readiness to go out to the world of development with an open mind. I would like to acknowledge with much appreciation the support and encouragement of many in completing this thesis.

All the hostel owners in Unawatuna, who welcomed me into their homes and shared their thoughts, insights, and stories; without you, this thesis would not have been possible.

My dearest friends, Aldyn, Fouzi, Namrata, Reem, Shahina, and Qais for their time, thoughtful feedback and encouragement. All my LUMID friends for their continuous support, inspiration, and being a sounding board when I had no idea where I was going with this.

My thesis supervisor, Tobias Axelsson for his continuous guidance, thoughtful advice, and patience from the beginning until completion of this research.

My father, for always being there and being my pillar of strength and support. My sister, for believing in me and listening to my never-ending complaints.

My mother, for gently pushing me to follow this journey and not chase money.

## **Acronyms**

|              |   |
|--------------|---|
| <b>CBT</b>   | Community-Based Tourism                         |
| <b>ESO</b>   | Environmentally friendly Sustainable Operations |
| <b>GoSL</b>  | Government of Sri Lanka                         |
| <b>MSM</b>   | Micro, small, and medium                        |
| <b>PPT</b>   | Pro-Poor Tourism                                |
| <b>SLTDA</b> | Sri Lanka Tourism Development Authority         |
| <b>WTO</b>   | World Tourism Organization                      |
| <b>US\$</b>  | United States Dollars                           |

## **Abbreviations**

|                      |  |
|----------------------|--|
| <b>ibid.</b>         | In the same place  |
| <b>i.e.</b>          | In other words   |
| <b><i>et al.</i></b> | et alii (and others)                                     |
| <b>etc.</b>          | Et cetera (and the rest of the things/ and other things) |

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## **1. Introduction**

Tourism industry is placed on a pedestal in the development agendas adopted by most developing countries as they view the potential of the industry as a source of employment, foreign exchange, and poverty alleviation (Ashley and Mitchell, 2009; Scheyvens, 2002). High-value tourism is generally promoted and supported by developing-country governments as this subsector continues to fall within the radar of the policymakers through statistical data encompassing revenue and foreign-exchange earning indicators and employment generation; budget tourism continues to be largely ignored due to the lack of statistical data and academic research to substantiate the economic development impact, which contributes to the persistence of prejudices, especially in the backpacker subsector (Hampton, 1998:640; Scheyvens, 2002).

Poverty is omnipresent in our world, where a majority of the population remains poor despite the economic growth and advancements in technology leading to better communication and knowledge-sharing platforms. Inequality remains a central problem, and therefore, access to and control of resources continue to be highly unequal (Milanovic, 2016). In this context, poverty-alleviation has become the central development agenda from the start of the twenty first century, and 'pro-poor' discourse has become highly visible (Scheyvens, 2007:231). Tourism and poverty alleviation have increasingly been closely linked, and tourism has been discussed as the world's largest voluntary transfer of resources from the rich to the poor due to the extent of tourist spending in developing countries compared to official development assistance (ibid.; Ashley and Mitchell, 2009:1). There appears to be significant potential to bring about more benefits from tourism to the poor as tourism is an important or expanding economic sector in most countries with high levels of poverty (Scheyvens, 2007). Tourism is the first/second source of export earnings in approximately 42 percent of the world's least developed countries (World Tourism Organization WTO, n.d), and in over 50 of the poorest countries in the world, tourism is one of the top three contributors to economic development (WTO cited in Scheyvens, 2007: 231).

### **1.1. Purpose and Research Question**

Having discussed the significant role that tourism industry plays in the context of socio-economic development, the role that hostels play in poverty reduction should be probed into in order to understand backpacker tourism's overall impact on local communities. The Sri Lankan government (GoSL) has identified the crucial role tourism plays not merely as means of creating growth but also as means of reducing poverty and thus, has continued to increase policy efforts, targeting sustainable growth of the

industry. Therefore, this study is focused on understanding how the backpacker/budget tourism<sup>1</sup> subsector is influencing poverty alleviation in local communities, where such hostel communities change and develop not only themselves but also the overall tourism industry.

Thus, this study is rooted in the following research questions:

- How can hostels, as primary infrastructural support for backpacker tourism, affect poverty reduction in local communities?
  - (a) In the micro-level, looking at the individual owners from a bottom-up perspective, in which ways are they predisposed to enter the industry and
  - (b) From a top-down point of view, in which ways are the policymakers and institutions supporting the backpacker/low-budget segment of the tourism industry from the macro-level?

Unawatuna, a rural/semi-urban town in the Southern Province of Sri Lanka has been chosen as the geographic area of focus for this thesis. This thesis argues that the backpacker/budget traveler segment of tourism has positive impact on livelihoods, both of the owners themselves and the area in discussion. It further argues that these effects could be enhanced with increased government involvement and support.

## **1.2. Thesis Outline**

This research has been conducted from a constructivist standpoint using methods of data collection and analysis that are thoroughly informed by the tradition of inductive qualitative research.

Consisting of seven sections, the first section is an introduction of the thesis. The second section outlines the context where the study is carried out with an overview of the tourism industry in Sri Lanka. The third section summarizes the breadth of academic literature on tourism industry in Asia, focusing primarily on the participatory development-related forms of tourism targeting community development. This section is designed to discuss the originality and relevance of the study. The fourth section is an elaboration of the methodology of data collection and analysis. The fifth section discusses the theoretical framework, Pierre Bourdieu's Theory of Practice. The sixth section presents the analysis of the primary data, and this analysis is rooted in the analytical model discussed in the fifth section. The last section is not a conclusion but rather

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<sup>1</sup> This thesis identifies the primary consumers of hostels as backpackers and budget travelers. The decision to use these terms in combination was made as a question in the semi-structured interviews was how the guests identified themselves. All the owners responded that the guests generally identify themselves as backpacker and/or budget travelers, and the owners' interpretation of their guests is also that their guests are backpacker and/or budget travelers: "backpackers" as the travelers are always with backpacks, traveling without set itineraries and "budget travelers" as they generally survive on very low budgets although they may have decently-paid jobs to return to in their home countries (also see Sörensson, 2008:46).

a discussion on the socio-economic impact of backpacker tourism and reflections on direction for future research.

## 2. Context Analysis: Tourism as a Tool for Development in Sri Lanka

Having introduced the research question along with the significance of understanding how backpacker tourism can affect local community development, this section is designed to provide an overview of the tourism industry in Sri Lanka from the perspective of social and economic development of local communities.

Tourism industry started booming in Sri Lanka about two decades subsequent to the major global tourism industry boom that took place post World War II (Sörensson, 2008; Harrison and Schipani, 2007). Sri Lanka lagged behind due to the GoSL not recognizing tourism as a key sector in the country's economic development policy and not investing in the infrastructure required for tourism development at the time (Fernando *et al.*, 2013). Tourism continued to suffer due to a civil war<sup>2</sup> and a youth insurgency<sup>3</sup> prevented its full development as the northern and eastern parts of the island were unable to be incorporated in the homogenous tourist destination of Sri Lanka (Kravanja, 2012:108). The island was also severely affected by the Indian Ocean Tsunami, which hit in December 2004. During different times of the year, different parts of Sri Lanka are affected by floods, droughts, and landslides due to variances in monsoon winds and high rates of deforestation. Despite being continuously faced with political crisis and climate-related disasters that adversely affected the industry, tourism continued to grow with fluctuations during certain periods as the country has strong resilience to all man-made and natural disasters and conflicts (Fernando *et al.*, 2013:703).

The tourism industry boom is not an isolated realm but very much connected with Sri Lanka's development agenda due to the GoSL's appreciation of the potential of the industry in the country's socio-economic development. Multiple strategic plans, specifically targeting tourism development have been adopted by the GoSL since 1967, and each plan has clear direction on targeting the country's development (Samaranayake *et al.*, 2013). However, when reviewing these plans, it is quite evident that the focus is heavily on luxury, high-value segment of tourism, and not on the budget segment. Therefore, the need for Sri Lanka to focus on budget tourism is immediate as local communities benefit more from budget tourism than luxury tourism due to the higher involvement of micro, small, and medium (MSM) enterprises in the budget segment and the related trickle downs to the local communities.

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<sup>2</sup> Sri Lanka went through an intense armed conflict with the militant group, Liberation Tigers of Tamil Eelam (LTTE) from July 1983 to May 2009.

<sup>3</sup> The deadly youth insurgency was led by Janatha Vimukthi Peramuna (JVP - People's Liberation Front), a communist, Marxist-Leninist political movement, which primarily affected the southern part of Sri Lanka. (WWW Virtual Library - Sri Lanka, n.d). The island was affected by two JVP insurrections in the early 1970s and late 1980s.

### **3. Literature Review: Backpacker Tourism as a Tool for Development?**

Generally supporting the global backpacker phenomenon, hostels have long formed a fundamental part of the backpacking culture as a critical link in its infrastructural network (Brenner and Fricke, 2016:3). Hostels provide a non-threatening, communal space for the travelers to network and share information, which is consequential for the common backpacker.

In tackling the focus of this thesis on the socio-economic development that backpacker tourism has brought about because of people starting hostels, an understanding of how and why the focus of different segments of tourism has evolved to encompass broader visions on development would be beneficial. With the increasing involvement of governments, development agencies, and non-governmental organizations in initiatives aiming to reduce poverty through tourism development, the focus of the industry has become more complex over the years to include the roles of ecotourism, pro-poor tourism (PPT), community-based tourism (CBT), and other alternative forms of tourism (Leung, 2002; Sörensson, 2008; Harrison and Schipani, 2007). The socio-economic development rhetoric of the tourism industry aligns with the dialogue of this study, through which, this thesis aims to stimulate a discussion on creating, uplifting, and safeguarding local livelihoods and community interest. Therefore, this review of academic scholarship provides an overview of the impact of different sectors of tourism in providing access to local communities to a globalized industry.

Due to the breadth of literature and in consideration of the scope of this study, the review focuses on tourism industry and related development agendas in Asia, and the geographical focus narrows down to Sri Lanka with specific attention to backpacker/budget tourism.

#### **3.1. Asia: Narratives on Pro-Poor Tourism with a focus on Accommodations**

Rodenburg's (1980) comparative study on accommodations in three different scales of tourism enterprises in Bali, namely, large industrial, small industrial, and craft, discusses the effect of such enterprises from the perspective of tourism as a tool for development. The literature calls for the governments of developing countries to actively promote smaller-scale tourism enterprises because of the sector attracting individual entrepreneurs due to lower entry costs, relying on local suppliers, and having trickledown to the local communities (ibid). Citing the Nusa-Dua tourism estate in Bali as an example of a large-scale tourism project, Rodenburg (1980) discusses how such projects are designed to attract corporate investors for hotel construction and caters neither to the needs of the tourists nor the infrastructure needs of the local people and how such scale of tourism is more disruptive of local cultures.

When a destination is being promoted as a major tourist destination, it cannot be separated from the complexities of the potential strife between the local communities affected by the unplanned development and the stakeholders with substantial benefits from such initiatives (Mudana *et al.*, 2018). Warren (2005:32) highlights the influence of traditional society (adat) when protests by the adat in Kesiman, Bali, brought to a sudden stop to a hotel development at Padanggalak, located on coastal land, which is considered a sacred site by the community. Contrary to this success story, Mudana *et al.* (2018) discusses the effects of the unbalanced relationship related to tourism development among the state (political power), tourism-industry investors (economic power), and local communities (cultural power), which left the local communities in Bali in a disadvantaged position. Constructions of the Selasih golf course, Bali Nirwana Resort, and Kuta Golf Links Resort, etc. are being cited as some of the major projects that have progressed despite people's resistance, which reflect the state's favorable stance towards major investments in tourism that have minimal benefit to local communities (*ibid.*).

Homestays have been a subject of research by many scholars due to their potential to promote local culture, preserve natural environment, alleviate poverty through employment generation and small enterprise opportunities (Bhuiyan *et al.*, 2011; Pawson *et al.*, 2017). Bhuiyan *et al.* (2011) discusses the homestay project in East-Coast Economic Region in Malaysia as a form of developing ecotourism. Pawson *et al.*'s (2017) study on the CBT project in the Banteay Chhmar in north-west Cambodia also highlights the challenges faced due to the homestays being unable to provide accommodations in par with western standards and the homestay operators' lack of awareness due to poor living conditions on what such standards even are. Despite these challenges, Pawson *et al.* (2017) highlights how this particular CBT project has been adding value to the lives of poverty-stricken, rural community. Cambodia has also been studied in the context of how hotels and guesthouses are driven out of business by international hotel chains. Based on Leung (2002), this is catalyzed by the states in least-developed countries leaving local businesses to face the global competition due to effects of globalization and this calls for the need for a PPT policy in Cambodia.

Tourist accommodations, which are small-scale, locally owned enterprises have been integral components of studies in the context of tourism being promoted through developing-country policy frameworks as a tool for development and poverty alleviation (Harrison and Schipani, 2007). In Lao People's Democratic Republic, the local communities primarily cater to international visitors by operating guesthouses and hotels (*ibid.*). Discussed in the context of donor-assisted CBT as a form of strategic development, the literature highlights how guesthouse owners act as agents to promote tourism, while respecting indigenous knowledge and nature and preventing over-exploitation of natural resources.

### 3.2. Backpacker Accommodations in Asia: Where are the Hostels?

In reviewing academic literature on backpacker tourism in Asia, it is challenging to find references to hostels as most literature refer to backpacker accommodations as guesthouses, private houses with rooms to rent, rooms in hotels, dormitories, etc. (Hottola, 2005). In South East Asia, either negligible or no interest has been paid to backpacker tourism by certain governments (Scheyvens, 2002). According to Hampton (1998:640), the backpacker subsector is implicitly ignored or discouraged in official tourism planning. Hostels being an essential element of the identity of the backpacker and the infrastructure supporting the backpacker, in countries that actively discourage backpacker tourism, it may be less complicated from a structural standpoint to identify backpacker lodging spaces without making a clear connection to backpacker tourism.

Academic scholarship focusing on Asia relating to the backpacker/budget segment as a catalyzer of poverty reduction was challenging to be located, so one could assume that this is due to the common rhetoric in developing-country context that high-value tourism is what could bring about prosperity.

Hostels have been referred to as guesthouses and/or both terms have been used interchangeably in certain studies. This is evident in Teo and Leong's (2006) post-colonial analysis on backpacker tourism done on Khao San<sup>4</sup>, Thailand. Although the authors have not elaborated as to why the interchangeable reference to hostels and guesthouses, it could be inferred from the literature that both hostels and guesthouses are commonplace for backpackers traveling to Khao San, and such accommodation provided similar pricing and facilities. Hostels/guesthouses are discussed in light of how the Asian backpacker is deliberately ignored in their own neighborhoods while white, western backpackers are made to feel welcome and supported through structural and hotels/guesthouse policy measures such as, infrastructure that is built to make the western backpacker feel at home, hanging western flags (US, Canadian, and UK) representing the clientele they serve near their entrances by the signboards (ibid).

Hottola (2005) discusses backpacker accommodations from the perspectives of privacy, personal space, and highlights how the backpacker market has evolved to cater to the modern-day backpackers, primarily originating from western societies. The literature highlights the conversion of the 1970's dormitories in Bharatpur, India, into more private double and single rooms and guesthouses in many other locations across Asia with collective spaces being renovated to private rooms with locked doors due to the higher demand for privacy and personal space. Hottola's (2005:17) research draws attention to the inclination of the backpackers of western nationalities to stick together as they develop a sense of belonging during

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<sup>4</sup> Khao San, Thailand, is known as the backpacker Mecca of South-east Asia (Teo and Leong, 2006).

travels away from their comfort zones, and how this impedes their opportunity to develop an understanding of the indigenous hosts. Thus, the value backpacker/budget tourism brings to local communities through knowledge sharing and connecting local people to other parts of the world through personal interactions is debatable with the changing backpacker attitudes and behaviors.

### **3.3. Sri Lanka: The Overarching Narrative**

This section focuses on Sri Lanka to grasp the breadth of academic literature available on the tourism industry and how the development agenda is connected to it.

The post-conflict tourism development strategy, where GoSL is strenuously trying to make Sri Lanka the “Wonder of Asia,” is visible in Passikudah, a luxury resort on the eastern shores of the island (Gunasekara *et al.*, 2016:1). The development strategy based on post-conflict development policy that emphasizes integration, revival of local communities through increasing incomes and creating employment, empowerment and building resilience, the study points out how such superfluous, luxury resorts failed in supporting local economies. Apart from certain resorts sourcing a portion of their fresh seafood locally, almost all food and even hardware for the resorts are either imported or sourced from large-scale vendors in Colombo or towns outside of the war-affected provinces<sup>5</sup>. The study emphasizes further on how the resort economy contributes minimally to the local economy compared to the public financial capital and natural capital leveraged to attract the private investments (*ibid*).

Sri Lanka Tourism Development Authority (SLTDA) has identified homestay accommodations as an opportunity to “[S]howcase traditional Sri Lankan village life in rural settings, linked to agro- and coastal-community tourism” (Ministry of Tourism Development and Christian Religious Affairs, n.d.:28). Limited literature found on homestays in Sri Lanka emphasizes the support of local economic development, sustainable tourism, and the benefit of such accommodation to travelers/foreign students as a means of local culture and heritage (Ranasinghe, 2015). Homestay concept was heavily promoted and recognized by the GoSL as a quick fix to the influx of tourists that started traveling to post-civil war Sri Lanka, and investors of cultural tourism were financially supported to construct their homes to meet the standards conducive for the tourists to stay (*ibid*).

Homestays have also been discussed by Teare *et al.* (2013) as an innovative tourism development model in which, rural entrepreneurs in localities with natural and/or cultural interest are encouraged to extend a

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<sup>5</sup> Colombo is the financial capital of Sri Lanka. The civil war was prevalent in the Northern and the Eastern provinces of Sri Lanka, which was identified as a separate territory by the LLE as the “Tamil Eelam.”

room in their homes to tourists. This highlights homestays as tourist accommodation that promotes CBT, which empowers local communities through generating livelihoods, where people in rural areas get access to interact with people from other parts of the world that may otherwise have not been possible without these types of alternative tourism options (ibid). A key focus of this literature is sustainable tourism development although the discussion lacks substance as to how exactly the sustainability could be achieved.

Drawing further attention to accommodations supporting sustainable operations in response to global trends and post-conflict development, Miththapala *et al.* (2013) discusses how hoteliers should adapt environmentally friendly, sustainable operation (ESO). The literature emphasizes how large hotel chains in Sri Lanka have set standards in sustainable development, and the focus is exclusively on environmental sustainability, which in the long run is expected to more tourists despite the relatively higher costs of such accommodations (ibid). While ESO is portrayed as no longer a luxury, based on the sustainable solutions being discussed in the literature and the feasibility to adapt such solutions due to high capital and infrastructure requirements, it is evident that the focus is on high-value hotel accommodations.

Switching focus to hostel accommodations, the literature is limited, and research revolves around the backpackers. Kravanja's (2016) study on backpacker enclaves in Sri Lanka, based on fieldwork conducted between 2003-2006, has no reference to hostels. The forms accommodation available to backpackers traveling in the southern coast and Kandy<sup>6</sup> were local guesthouses and family-run budget hotels (ibid). Backpackers being the primary consumers of hostel accommodations, and BEs being significant arenas for socio-cultural exchange for backpackers, this could be indicative of the novelty of hostels as tourist accommodations in Sri Lanka. Samaranayake *et al.* (2013) has reference to hostels as "supplementary units" along with guesthouses, rest-houses, holiday bungalows, and homestays that were able to absorb the sudden influx of post-civil war travelers as the hostel room capacity was insufficient.

### **3.4. Research Gap: Relevance of the Study**

As seen throughout this section, the impact of tourism as a whole on socio-economic development has been a well-researched concept. Although tourist hostels have received attention indirectly through backpacker tourism being a central theme of research, the impact of hostels and related bottom-up development approaches still remain unexplored.

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<sup>6</sup> Kandy is the hill capital of Sri Lanka and is located in the central highlands of the country. It is a popular tourist destination and a backpacker enclave (Kravanja, 2016).

The reasons for the above could be twofold: The primary focus of academic scholarship has generally been on high-value tourism due to prevalence of funding for such research, and in the case of low-budget tourism, the focus has remained on the tourist rather than those facilitating the industry by being in direct or indirect employment in the industry (Sörensson, 2008). Therefore, a scholarly vacuum exists on hostels in general, and the overall socio-economic development aspect of hostels definitely needs the attention of academic researchers.

When reviewing academic scholarship on Sri Lanka, there seem to be a dearth in literature on tourist accommodations that do not conform to the government's tourism development agenda that includes high-value hotel and resort accommodations. The frames of reference of most academic scholarship is on post-conflict tourism and sustainable tourism with undeniable emphasis on high-value accommodations. Hostels and their contributions to local communities and the tourism industry as a whole have not been received appropriate academic attention, and such gaps could reinforce the disregard policymakers and investors already have on the backpacker/low-budget segment.

This study, which is an attempt to understand how people from local communities start hostels and make a meaningful living out of such enterprises in Sri Lanka will contribute to a wider debate globally on how community-led tourism enterprises supporting backpacker/budget tourism could impact socio-economic development in local communities.

## **4. Theoretical Framework: Advancing an Argument**

After presenting a review of academic literature on the development impact of tourism and the relevance of this research, this section turns to Bourdieu's Theory of Practice, the theoretical framework that is employed to advance the argument of this study. This theory is driven by a combination of three concepts: namely, *habitus*, the tendency of individuals from similar backgrounds to develop livelihood styles typical to a specific geographic area, *capitals*, livelihood resources that give different actors the capability to be and to act, *field*, the social world they are embedded in, where these actors operate facing conflicts, struggles, competition, etc., to achieve livelihood outcomes derived out of livelihood strategies (Bebbington, 1999; Ober and Sakdapolrak, 2017:361).

### **4.1. *Habitus*: Concept of Livelihood Patterns**

In Bourdieu's Theory of Practice, *habitus* is a structure/system that consist of a particular environment, predominantly characteristic of a social class acquired through socialization. These internalized systems of dispositions function to evaluate and then create new structures based on past experiences. These structures are evolving and are not static in a manner that it determines livelihoods based on a fixed set of rules. However, such systems continue to generate, develop, and change with time due to the logic of practice (Bourdieu, 1977; De Haan and Zoomers, 2005).

*Habitus* is vital in understanding livelihood styles in any context as individuals of the same background (class, gender, caste, race, etc.) have comparable dispositions and generally face similar life opportunities, expectations of others etc., resulting in a livelihood distinctive to their group (De Haan and Zoomers 2005:40). In this process, they develop a distinct *habitus* that distinguishes them from others (ibid). Transformations of *habitus* may lead to life trajectories, where individuals shift social positions, and therefore, individuals with dissimilar dispositions at the beginning may eventually develop similar, gainful livelihoods (ibid). *Habitus* possessing generative capacities in traditional or specific sectors of modern societies, generates inventions and improvisations within limits (Bourdieu, 2005:46).

### **4.2. *Capitals*: Access and Ability to Exercise Power**

With the potential to be accumulated over time, *capital* could generate profits (Bourdieu, 1986). The distribution of different types of *capital* at a given time represents the innate structure of the social world (ibid). Therefore, access and ability to exercise power over different forms of *capital* could potentially place an individual in a dominant position in the field he/she operates at a certain time. Understanding the multidimensional relationships concerning accessing various forms of *capital* is crucial as it is an integral component in the process of composing a livelihood.

Bourdieu challenges the reductionist approach that perceives *capital* as conventional assets, which translates only to *economic capital*. Contemporary scholarship in livelihoods research views this approach as defective and resistant to change (Chambers and Conway, 1992). The Theory of Practice seeks to understand *capital* in all its forms, namely, *economic, social, cultural, and symbolic*, and how different forms of *capital* change into one another.

*Cultural capital* could exist in an individual through learnings and associations over a lifetime, which are characteristics specific to that individual, and in the form of material objects and media (i.e. books, paintings, etc.), which are theories and such manifested into physical form, and in the form of academic/formal qualifications (Bourdieu, 1986).

*Social capital* is the social networks that currently exist or potentially may exist and the resources that are affiliated with such networks. Networks could be possible due to family, class, political affiliations, etc. (ibid). Rules exist to the entry, limits, exchanges, etc. within the groups formed through social networks. Those in possession of high volumes of *capital*, generally *social capital*, are in dominant positions (ibid:23). *Social capital* is vital for the actors to collaborate personally and with their networks in the realms of civil society, markets, gain access to resources, to influence legitimate practices of access in a society, or to transform their capitals. (Bebbington, 1999:2023).

*Capital* in whatever form, functions as *symbolic capital* (Bourdieu, 1986). *Social capital* being governed by the logic of knowledge and acknowledgment and *cultural capital* being unique to its bearer and being recognized as legitimate competence and unrecognized as capital, such *capitals* are predisposed to function as *symbolic capital* (ibid:18, 28). Therefore, *symbolic capital* is *capital* in any form identified with its bearer, and thus, the intervention of the *habitus* is necessary for its recognition.

#### **4.3. Field: Conflicts, Struggles, Competition, Innovations, and Livelihood Outcomes**

A *field*, according to Bourdieu, is a social construct, where actors engage in business transaction (Rooksby and Hillier, 2005). As in the literal meaning of the term *field*, it is a space of conflict, competition, struggles, where actors strive to achieve their goals, and playing according to the rules, is part and parcel of the rule of the game (ibid:21). *Field* and *capital* especially, are hierarchically structured, and only specific persons yield the exclusive 'right to entry' with a certain 'status' in an aggressively competitive *field* (ibid:9), and such persons are the ones generally dominating the *field*.

Following their *habitus*, individuals often obey the collective beliefs in the rules of the game and act based on their position in the field, which in the context of this study is Unawatuna, where the hostel community

operates. This develops into a stereotypical pattern of behavior of those persons operating in the *field* (Bourdieu, 1977:163).

#### **4.4. Modeling the Analysis: Unraveling Livelihoods at Macro, Meso, and Micro Levels**

Having laid out how the livelihoods will be viewed and discussed, this section outlines how the conceptualization of livelihoods is analyzed in this study.

This study focuses on understanding continuing livelihood patterns and related socio-economic dimensions and critical study of structures, linkages, processes, and institutions at and between the micro, meso, and macro levels (de Haan, 1999).

Figure 1 is an interpretation of the model of this study, which reflects the levels in relation to the hostel owners and the context/setting in which they make a living. The context illustrates the “place” (macro and meso levels) constituting institutions, structures, and key stakeholders, where the owners operate. The meso and macro levels are analyzed from a “top-down” perspective, and the micro-level analyzes the owners from a “bottom-up” perspective.

#### **4.5. Operationalizing the Model**

In this model, the micro-level includes the *habitus* of agents and Bourdieu’s *capitals*. In this level, *habitus* is analyzed in relation to the individual agents’ acquired characteristics based on certain social and economic conditions (i.e. class, race, ethnicity, etc.) their lives have been shaped by. These conditions, in the context in discussion, are determined primarily on social class. According to Malhotra and Mather (1997), when important decisions are made in households, certain structural elements are organic in certain contexts. In Asian settings, such as Sri Lanka, class and the structure and composition of the household are some of the most significant of such elements (ibid). In discussing *habitus* as the micro-level, these two key elements are considered in understanding dispositions, personal motivations, and position-taking of the individuals as the *habitus* formed based on such elements are fundamental in how the individuals are predisposed to explore their entrepreneurial skills in a specific trade. To iterate, as *habitus* cannot be considered in isolation and rather must be used in relation to the notion of *field* (Bourdieu, 2005:47), in this context, the *field* is different to the *field* in discussion at macro-level, and the notion of *field* will not be discussed at micro-level; why this is being iterated is because each individual actor’s *habitus* is related to different *fields*, and the *habitus* in discussion as micro-level has been formed based on the individual experiences throughout their lives, and that will be referred to as “*habitus-microlevel*” in the analysis. This should not be confused with the *habitus* in meso-level.

*Capitals* are also constituents of the micro-level as this model of analysis understands *capital* as the premise of the agents' power to act and reproduce, challenge or alter the rules that govern, and use, and transform resources (Giddens, 1979). At micro-level, the analysis focuses on understanding how the individual owners getting into the hostel trade with *habitus* formed based on certain social and economic conditions, establish livelihoods at a fundamental level, utilizing the *capitals* that they have access to.

Bourdieu's principle of *habitus* is discussed again at the meso-level. At this level, *habitus* is the visible adapted behavior based on unified ways of thinking and acting, either consciously or subconsciously. The agents' collective *habitus*, or meso-level, is a product of being molded into a certain frame due to collective experiences in a specific trade in a specific geographic area. In this context, *habitus* is recognized as something that "...may be changed by history, that is by new experiences, education or training..." intention, consciousness (Bourdieu, 2005:45), and even through less formal relationships with peers (Naudin, 2015:63). In this thesis, the *habitus* at meso-level is characterized by multiple hostels operating within the *field*, where different individuals consciously strive to make create and sustain a livelihood, following behaviors that are acceptable or considered the "norm," which for this thesis is specifically the context that hostels in Unawatuna functions (ibid).

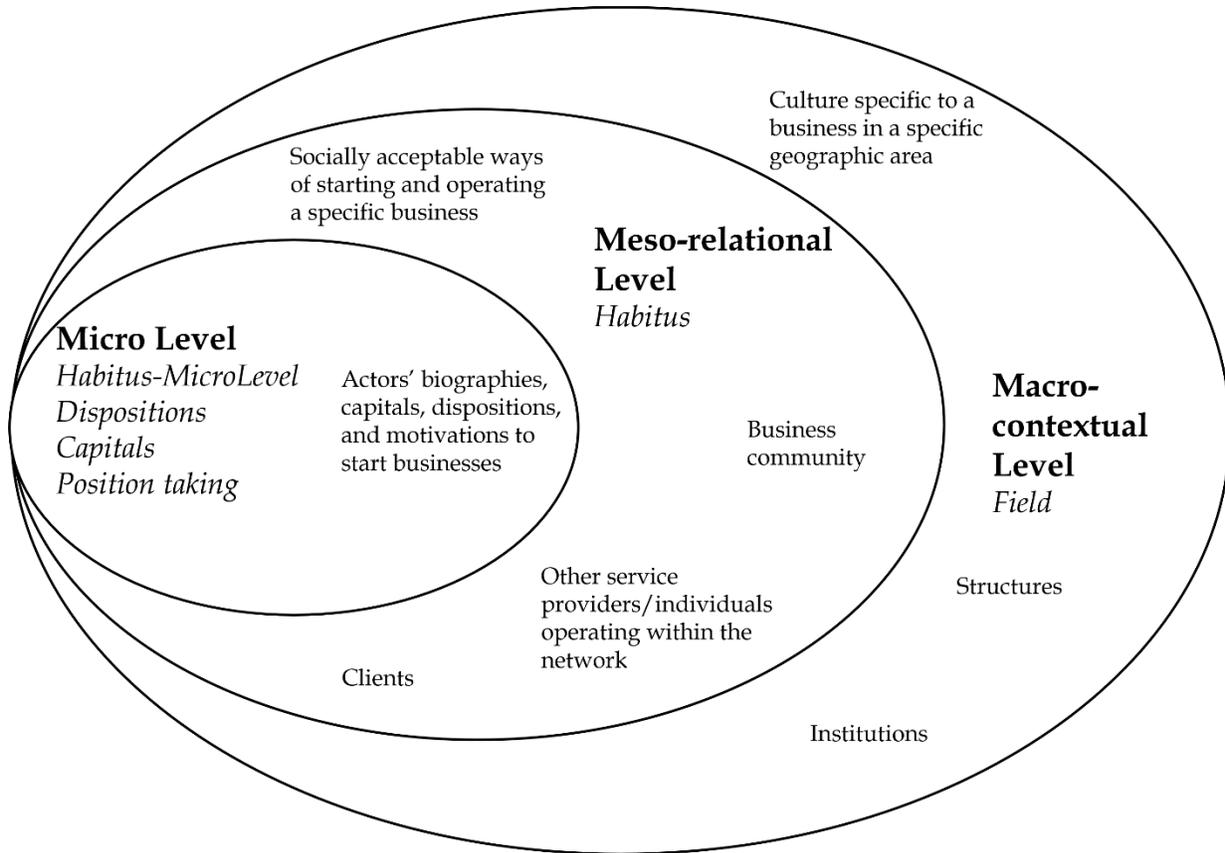
The macro-level is an embodiment of institutions and the wider *field* of practice. The *field* is inhabited by tensions and struggles, and each agent acts according to his/her position in the *field*, which is determined by the *capital* possessed individually and individual *habitus* connected to his/her personal history (Bourdieu, 2005:45). Innovations could happen within boundaries by those challenging the norms. In this study, Unawatuna along with the policy frameworks and rules of law steering the system of hostels is observed as the *field*, where operating a hostel has a common framework that is understood by the entire (or most of the) hostel community and others supporting the community.

The meso and macro levels are jointly analyzed as the "place," literally and contextually is the basis of discussion in these levels in relation to how owners operate within the institutions (or the lack of such) and structures and eventually evolve to establish a collective identity and rules to function within a collective space. The analysis circles back to the micro-level to understand the process of individuals making a meaningful living by opening hostels, where the owners' ability to manipulate and accumulate *capitals* is signified by their continuously evolving *habitus*.

The aim of this analytical framework is to understand how people make a living by opening hostels in terms of (a) the owners' motivations, dispositions, and their access to capital, (b) the ways in which they work with and manipulate the *capitals* to build livelihoods that meet their basic needs, (c) how they adapt

to the norms acceptable by the specific community and the relevant institutions, facing struggles, competition, and being innovative within limits, and (d) eventually how they make living more meaningful and change the “rules of the game” through accumulation and manipulations of such *capitals* within the context they operate in.

**Figure 1: Bourdieu’s Theory of Practice illustrated as a framework to analyze livelihoods generated by hostels in Unawatuna**



(Author, Adapted from Naudin, 2015)

## **5. Methodology**

The aim of this thesis is to understand how hostels, which are fundamental units of infrastructural support for backpacker tourism can affect socio-economic development in local communities in Sri Lanka. The interest in conducting research on this specific area stemmed from the review of available literature or the lack thereof and the post-conflict boom of the tourism industry, which has led to significant policy and investment efforts by the public and private sectors to promote and develop the industry at a global scale. The policy framework and structures that have historically been and are being instituted seem to target luxury tourism and somewhat ignore budget tourism is also a concern that drives this thesis.

A social-constructivist worldview has been adopted as this perspective is aligned with the goal of the study, where broad and general questions to the participants lead to meaningful discussions and the complexity of the views are probed into in order to understand the participants' perception of the situation being studied (Creswell, 2014).

### **5.1. Research Design and Method**

To study the individual social realities of those who have opened hostels, it was decided that qualitative research methods would be the most appropriate. This approach would allow to consider the deep, frequently hidden, meaning structures of the subject under study, with the conscientiousness to be objective as the personal background of the researcher affects the reality that will be uncovered of those being studied (Fink, 2000:1-2). The data analysis is built upon an inductive style, where general themes from the participant interviews were identified to provide a meaning to a complex situation without simplifying individual realities (Creswell, 2014).

One-on-one interviews were identified as the most practical form of data collection as each individual's story could be unique and the personal interaction would be the most conducive method of getting access to information. Furthermore, as the language-barrier could potentially be a roadblock, the personal interaction was expected to make the interviewees most comfortable to share their thoughts (Creswell, 2007:133). Face-to-face interviews proved to be quite practical because the participants started opening up after the first few questions as they started becoming comfortable with being interviewed. It was decided at the planning stage to conduct semi-structured interviews based on a pre-designed questionnaire as the ease in which the interviewer could get deeper into the discussion while making the respondents comfortable was the primary goal.

At the planning stage, there were twenty hostels in Unawatuna, and within a month from the planning stage, four new hostels opened. Concurrently during this period, four hostels ceased operations. Considering the rate at which hostels were opening and closing in Unawatuna, it was decided to limit the sample to the originally selected hostels and the new hostel owners that could be contacted within a reasonable time frame. All the hostels that were in operation during the period of data collection were contacted, and the hostel owners who responded and were willing to participate were chosen for the sample population. Figure 2 summarizes the details of the hostels that were included in the sample and demographics of the owners. The owners and their hostels are identified in pseudonyms to maintain anonymity.

Fieldwork was conducted from November 2018 - January 2019. Subsequent to an interview being conducted, Hostel D ceased operations because of a dispute between the hostel owner and the landlord. Hostel A closed down in October 2018, primarily because the property was located in a land that is affected by frequent flooding and tucked too far away from the beach. This particular scenario, although an outlier, will be helpful to identify research areas that need to be explored in the context of Sri Lanka, where the island continues to face challenges due to climate change as more than 90 percent of the population is vulnerable to the effects of global warming.

*Figure 2: Details of the hostels and demographics of the owners*

| Hostel name - Coded | Hostel started/ Closed     | Hostel owner(s) | Male/ Female | Age range | Owner      |
|---------------------|----------------------------|-----------------|--------------|-----------|------------|
| Hostel A            | July 2018/ October 2018    | Migara          | Male         | 21 - 25   | Sri Lankan |
| Hostel B            | July 2014                  | Ravi            | Male         | 41 - 45   | Sri Lankan |
| Hostel C            | December 2017              | Lahiru          | Male         | 36 - 40   | Sri Lankan |
| Hostel D            | January 2018/ January 2019 | Ann             | Female       | 21 - 25   | Foreign    |
| Hostel E            | December 2018              | Lily            | Female       | Unknown   | Foreign    |
|                     |                            | Ashan           | Female       | 26 - 30   | Sri Lankan |
| Hostel F            | 2016                       | Danushka        | Male         | 26 - 30   | Sri Lankan |
|                     |                            | Brita           | Female       | 21 - 25   | Foreign    |
| Hostel G            | October 2017               | Samantha        | Female       | 21 - 25   | Foreign    |
|                     |                            | Gihan           | Male         | 26 - 30   | Sri Lankan |
| Hostel H            | May 2017                   | Buddhika        | Male         | 36 - 40   | Sri Lankan |
| Hostel I            | December 2016              | Amila           | Male         | 21 - 25   | Sri Lankan |
|                     |                            | Janine          | Female       | 21 - 25   | Foreign    |
| Hostel J            | October 2018               | Hashan          | Male         | 26 - 30   | Sri Lankan |

|          |                |        |        |         |            |
|----------|----------------|--------|--------|---------|------------|
| Hostel K | September 2017 | Yohan  | Male   | 41 - 45 | Sri Lankan |
| Hostel L | November 2017  | Mindy  | Female | 21 - 25 | Foreign    |
|          |                | Nadun  | Male   | 21 - 25 | Sri Lankan |
| Hostel M | June 2018      | Eranga | Male   | 26 - 30 | Sri Lankan |

Each conversation was recorded and later transcribed in its entirety. The interviews were analyzed using a coding system within the NVivo software to derive the most common themes.

## 5.2. Limitations and Ethical Considerations

When conducting interviews with the Sri Lankan owners, the participants were made aware at the beginning of the interviews and reiterated throughout the interviews about using any language that they are most comfortable with, which is either English or Sinhalese. Both languages were used interchangeably to subtly remind the participants and continue to make them comfortable about conversing in either language. However, certain interviewees chose to respond in English and some of their messages could have been miscommunicated in the process. Interviews in which the co-owners of hostels participated, respondents would have been more comfortable if interviewed separately, but the time and relationship-dynamic constraints restricted that.

Being a frequent visitor in Unawatuna and acquainted with most of the participants, it initially posed a worry of limiting developing diverse perspectives and hearing or observing certain things uncomfortable; however, as the interviews progressed, I became much more comfortable in acknowledging such dimensions and keeping the interviewees informed about such discomforts (Creswell, 2007:139). The semi-structured interview questions were designed to gradually probe into the specific situations without making the interviewees uncomfortable and get as much insight as possible.

As the interviews were conducted in the hostel facilities, some parts of certain conversations were not quite coherent as there was loud background music or as the hostel guests were heard interacting in close vicinity. However, this situation could not be avoided as most of the owners occupy a room in their hostels, and they had minimal flexibility to leave the hostels because they were not only owners but also full-time workers at their businesses.

Most of the hostels were being run by Sri Lankan and foreign co-owners and they were not receptive to the idea of participating in separate interviews. Therefore, each co-owner's response being affected by the other's possible reactions was somewhat inevitable. However, each question was posed separately to the

co-owners in both English and Sinhalese at different times during the interviews to get an understanding of their diverse views.

The interviewees' anonymity has been carefully managed throughout the research, and during the interviews, the purpose of the research and the process were clearly communicated. The interviewees were given a signed consent of anonymity and informed as to how the interview data will be reported and used. According to Funder (2005:2), the framing of the world through preconceived ontologies often happens through dichotomies. Therefore, being familiar with most of the respondents' socio-economic background, which stemmed from but not limited to their family and relationship situations, class, education, employment, and social networks, I experienced an inherent bias about the respondents. At times, I caught myself making assumptions about the respondents being rich or poor, educated or not educated, etc., prior to the interviews. However, using the semi-structured interview format consistently for all the interviews, helped with such biases not interfering with the interview process.

Given my familiarity with Unawatuna and the community at large, I was constantly conscientious of where the conversations were heading as the participants were aware of my connections within the community. It was challenging to not let the conversations lead to a point of gossiping about others in a small village community while not appearing to deliberately disrupt conversations. However, being alert as to when the discussions were trailing off topic, I was able to stay within the boundaries of not discussing others in the hostel community and Unawatuna at large in a negative light.

## **6. Analysis: Exploring Hostels and their Poverty Alleviation Potential**

The primary question this thesis attempts to answer is how backpacker tourism can affect overall socio-economic development of communities, where people open hostels to make a living. This section argues that the hostel owners eventually find meaning in their choice of a livelihood that they not only provide support to the backpacker/budget segment of the tourism but also are instrumental in creating a network of services supporting the industry that strengthens the local economy. It also argues that as a popular source of self-employment due to low entry barriers, hostels provide hope and a platform in shaping the aspirations of individuals and households.

This analysis is separated based on micro-level and meso-macro levels. In the next subsection, the individual motivations and dispositions of the entrepreneurs in starting hostels and making important life decisions and how they mobilize *capitals* accessible to them to start hostels are discussed in alignment with the micro-level. Subsequently, the context in which the hostels are operating is analyzed to understand the roles of institutions, structures, organizations, linkages, and collective *habitus* of the owners; analysis of the *field* is vital in getting a sense of the likelihood of the survival of hostels in a highly-competitive context, where contradictions and struggles are inevitable. Then, the discussion circles back to the micro-level to analyze the significance of *social capital*: how individuals opening hostels, adapt to the collective hostel culture to play by the rules of the community, continue to expand their resource base, which results in shifts in power dynamics, which sometimes, change the rules of the game, and strategically use *social capital* to achieve livelihood outcomes meaningful to them.

### **6.1. Micro-Level: Opening Hostels – Why and How**

This subsection looks at common trends and paths that different individuals have traveled to arrive at the crossroads in their lives to decide to start a hostel. Their lives have been in various places in Sri Lanka and other countries with diverse lifestyles and upbringings, but what motivations they have had, the assets they have had access to, etc. to end up in a common beginning is a critical point of departure in this study.

#### **6.1.1. A Common Beginning**

It was understood from the interviews that most of the male owners hailing from Unawatuna and surrounding areas have been raised by either a single parent or relatives as the parents had migrated to the middle east for employment. They also identify themselves primarily as poor or coming from lower/lower-middle class families. Having been exposed to tourism from a very young age, for them, it is not simply a source of income but a mode of survival. It could be inferred from the conversations that making a living

off of the tourists<sup>7</sup> was and still is a common pursuit for the young males, sometimes out of habit, and sometime for mere survival (Pruitt and LaFont, 2004).

My mother went abroad to work when I was 5/6. I grew up with my father. When he went away to work, I grew up with my grandmother in Unawatuna. I was with her for a while. I stayed in every house [of close relatives]. I would stay in one house today, the other house another day... stayed everywhere. I was alone.  
(Danushka, 2018)

Tourism industry and tourists are generally off bounds for young women in the villages, who are generally raised in conservative families. All the female owners that were interviewed came from countries in the global north.

I had a normal life in England. After graduating, all of my friends went to 9-5 office jobs. It was depressing and not the happiest place to be. Very stressful and expensive. This is a better lifestyle for sure. But significantly less money than I would be making in working in London right now. People in England are much more about planning for the future. My experience here is that it's really not like that.  
(Mindy, 2018)

All the female co-owners have found not only freedom, stress-free lifestyles, and elevated self-confidence but also romance and their life partners through their travels to Sri Lanka. They identify their lives back in their home countries as “normal,” and “normal is a regular family, with parents, and food to eat, and access to education. The boys here have different realities from that normal,” says Samantha. It could be inferred also from such comments that the early lives of their partners and most of the men in their close circles had been deprived of the basic necessities and security during their younger years. The interviews were always conducted with both co-owners present, and in all instances, it could be observed that women were leading the conversations, in times, clarifying what the men would say. The men, once they respond to a question, would look to the women to make sure their responses were in order.

Local men from the area seem to prefer romantic involvements with white women as they are easier to get along with, less “clingy”, and also such alliances bring about better economic outcomes because of their diverse cultural backgrounds and skillsets (Migara, 2019). In Sri Lanka, it is common to see white women with local men in relationships in coastal areas with a high prevalence of tourism.

It's much better to have relationships with white women to handle guests. There are definitely times they help. For instance, with the use of the language. Our culture and their culture are different. No matter how much we try to assimilate, with the surroundings, there are so many cultural and social limitations we're bound by.  
(Eranga, 2019)

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<sup>7</sup> This is commonly referred to as hustling.

There were contradictory sentiments on the relationship aspect. Such opposing views primarily came from people from middle-class backgrounds, who have led more sheltered lives compared to the young owners, who have been raised in lower/lower-middle class families, where survival was the primary concern.

These boys don't know what they're doing. They have foreigners they get married to or they stay with, so the girl can come to Sri Lanka. Then they rent a house, make a few beds, and rent out. They don't marry. They want to have space for a six month or one-year holiday. After that, they leave the boy and go back.

(Lahiru, 2019)

Reflecting on the discussion above, a similar pattern in the path of the lives of the local owners from Unawatuna can be observed, in terms of the influences during their childhood, gender, and social class (Bourdieu, 2005). In this context, reference could be drawn to *habitus-microlevel* as they are almost always men, predisposed to be involved in tourism in any capacity from a young age. Furthermore, believing in a relationship with a white woman would be a better life choice than a relationship with a local woman and actively seeking such alliances is once again relatable to the dispositions acquired through socialization (de Haan and Zoomers, 2005). These youth have been raised and nurtured in an environment, where they consistently saw how their neighbors and relatives escaped their limited circumstances and Unawatuna through such relationships. Thus, they are motivated to start business ventures with white women based on their continuous exposure to similar occurrences.

The minority, who are against relationships with white women are not predisposed to pursue such relationships as those are not socially acceptable for rural people from the conservative, middle classes. Unlike the average male hostel owner, this minority neither has the pressing economic need nor the social skills to present themselves as the “charming” man appealing to the average white women (Bauer, 2014).

While the motivations of the female co-owners could be cited as finding freedom away from the stresses of the western world, finding a sense of “self,” self-confidence, and belonging, such motivations are closely relatable to “romance tourism” as coined by Pruitt and LaFont (2002). As they are more financially able than their local partners, the foreign women enjoy independence and power, yielding a control in their relationships (ibid). This is a key motivator for the white women to move away from the comfortable lives in their home countries to start small businesses in an unfamiliar place although such relationships seem to be based on short-sighted aspirations.

### **6.1.2. Discussing Capitals**

The interviews provided insights on the owners’ financial situations, resources accessible to them, skillsets acquired through education and other trainings, prior work experiences, and their social networks.

### ***6.1.2.1. Hostel Properties***

Most of the hostels are run in rented properties as purchasing real estate is not a viable option for most owners. Real estate prices in Unawatuna are off-limits to a majority in the local community due to wealthy investors from Colombo purchasing properties for tourism ventures and real-estate market being saturated with buyers from western countries. Thus, getting into a rental contract could be challenging when a closely-knit local community is aware of each other's financial situation and status in the community based on class<sup>8</sup>.

It could be inferred through the discussions that networks within the local community is vital in finding a vacant property that is located preferably close to the beach, and if not, other areas with beautiful views and accessible to railway/bus stops. Moreover, if not for the personal connections, most of the young entrepreneurs with limited liquid assets would not have been successful in renting an affordable property with a reasonable rental deposit requirement.

You definitely need somebody who knows the area. my family's here... and then friends, relatives, so we got the rental contract easily.

(Amila, 2018)

Some of the hostels were quite basic with a couple of rooms that the owners have turned into dorms or private rooms. Most of them continue to invest their earnings in the infrastructure (i.e. toilets, showers, etc.) needed to run their businesses. Only two of the hostel properties were not rented; the financial means to purchase the Hostel F property has been gifted by Brita's parents, and Hostel J was being run in a property Hashan's mother has inherited from his grandmother.

The help of family, friends, and neighbors to get the properties ready for the business was mentioned in multiple interviews; owners spoke of support from the community with physical labor to paint, build, etc. and also furniture and other equipment necessary to run the hostels.

A common sentiment was the lack of trust the community has in financial institutions to support small enterprises. According to Eranga and many others, banks do not help "small" people develop but are there to support large enterprises. It was apparent their reference is to the bureaucracy in the banking system as most banks require collateral when lending to small-business owners. Therefore, the entrepreneurs resort

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<sup>8</sup> The prevalence of class divide in the Unawatuna community was evident through the interviews. Having generations live in the same village, people seem to be aware of the class each other hails from, and much emphasis is placed on the business interactions based on the class.

to borrowing from friends and family and sometimes, end up in heavy debt because of borrowing from local loan sharks to establish businesses.

I borrowed money from friends. I borrowed 50,000 from a friend, 60,000 from my mother. Another foreign girl sent me 250,000. I borrowed 200,000 from Manoj [a loan shark]. I have to pay 20,000 monthly, in interest.  
(Hashan, 2018)

The significance of *social capital* is undeniable in this context as the network of family and friends is needed to find the *economic capital* required to start the hostels. Furthermore, from the most basic need to securing an appropriate property to renovating it to be suitable for a hostel and equipping it with necessary items has been fulfilled because of such networks. Without *social capital*, most of these hostel ventures would not have been plausible.

#### **6.1.2.2. Knowledge and Skills**

Knowledge and skills that are *cultural capital* is consequential in starting and operating hostels. Although the importance of the scholastic achievements of the entrepreneurs should not be undermined, the efforts of self-improvement and social skills are the states of *cultural capital* that are most necessary in the context of operating hostels in rural Sri Lanka.

Running a hostel generally does not require any type of formal training or education. *Cultural capital* in skills that most of the owners have developed by living in a touristic beach town, such as surfing, diving, jet skiing, etc., turn out to be useful in their ventures. It was evident that their soft skills prove to be of value in attracting and retaining hostel guests. While the local owners have a broad range of experiences working as bartenders, servers, diving instructors, tour guides, etc., the females are equipped with higher levels of formal education. The local owners' ability to communicate in English although their language skills are not perfect, seems to be appreciated by the travelers. In these instances, the functionality of *cultural capital* in *symbolic* form is evident as the *habitus* of the owners is what brings value to the skills that are acknowledged by the guests to be useful in enhancing their travel experiences.

I did the Tourist Board Guide License to come into the industry. Although we have been in the industry, I learned what we are actually doing through that.

(Lahiru, 2019)

However, for all the participants in this study, working in backpacker tourism is a new experience, so their knowledge related to running hostels comes predominantly from "on the job" learning.

I've managed businesses in the UK and Australia. My parents have a business as well. So, I sort of had experience in that but nothing like this. I did help a lot at Hostel B. That's just the only experience I had. Basically, I was completely jumping into the deep end. We've just learned from our mistakes...still learning

as well. It's difficult. You get different people all the time, who will do different things. You just learn from them.

(Samantha, 2018)

### 6.1.2.3. Significance of Affluence

The stories of the Sri Lankans hailing from areas other than southern coastal areas are different to the common story of the southern men. Reasons behind their business ventures are different, but it was apparent that access to different forms of capital plays a crucial role in their decisions and success.

One day, when I was at Hostel B, Ravi told me that Sarath's<sup>9</sup> place is up for rent, and our Romanian friend, asked me whether I'm interested in taking it up with him. I thought, this is one of those moments I do something really crazy and made a spot decision to start a hostel. Basically, it was a completely random decision, which I took in about 10 minutes, not even, and before that, I had zero interest in starting a hostel.

(Yohan, 2018)

Coming from an upper-class family in Colombo, Yohan has an undergraduate degree from University in the UK and had been employed in the telecommunications industry in senior executive-level positions. He has since been a real estate developer, managing his family properties, and has access to *economic capital* and many influential social networks (*social capital*) that places him in an advantageous position than the average hostel owner. Therefore, although he may not be predisposed to be involved in the tourism industry, starting and operating a hostel comes with much less barriers along the process. Hiring the appropriate with pay-scales substantially higher than those of the average workers in the area, equipping the hostel with luxuries such as hot water and air conditioning are not relatively challenging for Yohan because of his access to *economic capital*. Yohan also attributes his success to Jose, the full-time, live-in manager he hired from the outset, and within one year of opening the hostel in Unawatuna, he has started a surfing hostel in Weligama<sup>10</sup>. Therefore, the ability to hire the appropriate labor, in the form of *cultural capital* has been vital to Yohan's success.

### 6.1.2.4. Employees

Employees with the appropriate skills and attitude are crucial for the success of a business, and a common sentiment was the challenge in finding the right employees. Social connections seem to play a role in staffing hostels, and certain owners, like Hashan, has his friends working for him for free until the hostels start making profits; such employees are provided with free food and lodging at the hostels.

The challenges in hiring women due to women working in tourism being culturally and socially

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<sup>9</sup> Sarath is the hostel manager at Hostel B.

<sup>10</sup> Weligama is a beach town located along the southern coastal belt, and it is a popular among surfers.

unacceptable in rural areas was mentioned in multiple interviews. However, the entrepreneurs prefer to hire women as they believe that women are more responsible and reliable workers.

Once again, the importance of *cultural capital* in the form of skills and knowledge in labor should be emphasized in running hostels, and it was evident that all hostels were facing challenges in hiring the appropriate labor due to the unavailability and/or inability for the owners to afford appropriate labor.

## **6.2. Meso and Macro Levels: Emphasizing the Place**

The focus in the previous subsection was on the individual owners' dispositions and motivations in connection with the choice of a livelihood sector and entrepreneurship, and how they mobilize *capitals* to support their choice of livelihood.

This section explores the place, where the owners create an identity of their own within the national and local institutions/policy framework and the structures that they are immersed in. By testing the city, they construct alternative activities collectively in parallel with the institutions and sometimes divergent structures that eventually work for them. The first subsection summarizes some of the policies and structures most relevant to the hostels alongside the applicable discussions with the owners; the second subsection, reflecting on the first subsection, discusses how the owners "adopt a new rhythm" specific to the place, not just physically but also contextually, consistent with Bourdieu's (1977:158) *habitus*.

### **6.2.1. Institutions and Structures**

#### ***6.2.1.1. Registration Requirements and SLTDA Regulations***

Based on the review of SLTDA *policy* guidelines, regulatory interventions are minimal in relation to hostels, and the documents governing hostels reflect that the regulations are voluntary and not strictly enforced (SLTDA, n.d).

Registration of businesses are mandated either as sole traders and partnerships under the Business Names Act No.7 of 1987 or as limited liability companies under the Companies Act No.7 of 2007 (Department of the Registrar of Companies Sri Lanka, n.d; Department of Business Names Registration Western Province Sri Lanka, n.d). All except one hostel have been registered, and this registration primarily serves the purpose of income tax remittances. Registration with the SLTDA as a hostel is not mandated although the registration is available to all hostels (SLTDA, n.d). The SLTDA has published guidelines and standards outlining the operation of hostels, but these policies are not enforced on the quality and safety standards

of the hostel facilitates. Most owners were either unaware or ignorant of the standards and guidelines that regulate hostels.

A hostel is a relatively easy venture to start due to the loosely enforced policies, which leads to limited *economic capital* needs at the inception. For instance, the monetary investment needed at the beginning is for the rental deposit and a few beds, and most respondents have been able to use their social networks and/or their own limited savings to fulfill these immediate needs.

I had no money. I came to Unawatuna with absolutely nothing... this hostel helped me build who I am.  
(Ravi, 2019)

The interviews revealed that the price per bed fluctuates drastically amongst hostels, and in attempting to get travelers to book their hostels, the price per bed is sometimes set below the cost of providing the service. The owners change prices based on the prices of their competitors, and therefore, certain hostels were selling beds at approximately US\$ 3, and the highest rate per bed was US\$ 10. The high variance in prices attract different types of travelers, and it was evident that most owners continued to reduce prices in response to the price fluctuations in the area as they believed that most of the travelers choose the lowest-price accommodations. This was a reflection on their lack of *cultural capital* on how the market works but the owners, who have either been in the industry longer or studied the market closely seem to be using the competition to boost their revenue without reducing prices. From a policy perspective, it was evident that the SLTDA is somewhat removed from the hostel industry, as their guidelines on pricing are not feasible to be enforced, and there seem to be a lack of interest in enforcing same.

Do you know how much they [SLTDA] are asking for one bunk bed? They are asking for the same amount as a double room.  
(Lahiru, 2019)

Due to the low entry barriers and lack of enforcement of the limited policy framework in effect, the average owner has resorted to operating facilities of lesser quality. These facilities are run with no proper standards, which has become a *norm* in Unawatuna. The pricing of beds in individual hostels is dependent on the pricing of the other hostels in the community, and individual owners decide the pricing; this is an unspoken rule adapted by the hostel community to remain competitive in the market, and the specificity they have created for Unawatuna could be viewed as a manifestation of Bourdieu's collective *habitus*.

### **6.2.1.2. Liquor Licenses**

During the interview at Hostel B, officials from the Excise Department in Colombo raided the hostel and confiscated a few beer cans that were in a refrigerator in the hostel kitchen. Those had been bought the

previous night for the consumption of the owner. Through the discussions, it was understood that officials from either the Narcotics Unit of Galle or Colombo, small police divisions in the area, or Excise Department of Colombo make random visits to tourist establishments frequently to check if they sell alcohol to their guests. Except three large-scale hotels in the area, none of the restaurants, bars, and tourist accommodations have licenses to sell liquor. According to the owners, a hefty cost is associated with applying for and maintaining liquor licenses, and the bureaucracy is so inefficient and complex that most small businesses prefer to do business without the licenses. In case any alcohol is found in the property, the officials not only confiscate the stock and impose a fine on the business but also file lawsuits against the enterprises for selling liquor illegally. Furthermore, most business owners in the area prefer to pay the fines and go through the inconveniences of a lawsuit than applying for liquor licenses as they believe the cost of the license is higher than the profits they would make from liquor sales and the bureaucracy does not support the business owners. Corruption is imperative when such impractical and unjust policies are in effect.

Due to the policy framework not being in favor of the small enterprises, the owners have resorted to either requesting their guests to purchase their own liquor or sell liquor to the guests with the risk of being penalized.

#### ***6.2.1.3. Essential Services***

Electricity, water supply, communication, garbage, and transportation are some of the essential services to support the tourism industry. Many owners expressed dissatisfaction in the service providers as their services or the lack of those seem to disrupt the day-to-day operations of their hostels and other businesses.

During data collection, there were water cuts daily from early morning until late afternoon, and most of the restaurants that do not have tanks to store water were closed on those days. The large hotels would pay the municipality to transport water from local water wells in trucks and pump to their water tanks, but smaller businesses neither could afford such luxuries, nor did they have the infrastructure to store water. Ann mentioned that power cuts are also quite frequent, and wealthier businesses with generators could continue with their daily operations without any challenges, but smaller businesses have to close at times as they cannot serve their guests without power.

...there's a daily water cut from 8am to 5pm. Sometimes, timing changes. When the hostel is full, and so many people are taking showers, sometimes even with the two water tanks that we have, it's not enough. So then, there's no water, and you can't flush toilets and stuff... and there's 20 people staying here, and that becomes a problem.

(Yohan, 2018)

Most owners were critical about the choice of Wi-Fi service providers available, and the high costs associated with their services. Eranga expressed concern about small businesses similar to his hostel facing challenges in paying for Wi-Fi, which is an essential service when running a hostel.

It was also understood through the interviews that travelers complain about the public transportation system, mostly buses, about being harassed, passengers falling off as the bus drivers rush to compete with other buses servicing the same routes, being cheated by the bus conductors because they are foreign, the risks they face due to the unsafe ways the buses are driven, etc. The travelers seem to be much happier with the train system except for the limited reach within Sri Lanka and infrequent schedules.

#### **6.2.1.4. Trust in the Government, Organizations**

Lahiru expressed disappointment in the SLTDA for not being invited for a conference organized by the SLTDA, sponsored by TripAdvisor<sup>11</sup> for entrepreneurs that do outdoor activities. Being rated number one on TripAdvisor for cycling tours in the area, he was concerned by the lack of interest government authorities have on small-business owners and not extending them appropriate support.

Buildings in rural areas should have no more than two stories and ridges of the roofs of the buildings should be below an average coconut tree, which is 12 metres according to the SLTDA (n.d.) guidelines to investors. However, a large-scale hotel that was in construction during fieldwork not only defies these height restrictions but also obstructs the view of the palm trees and the sunset, which is important in attracting tourists to Unawatuna beach. All the owners were disappointed by how regulatory frameworks are not pertinent to powerful people as this hotel is being built by the brother of the current president of Sri Lanka. Samantha was surprised as to why the locals have not protested against such a major construction as it directly affects the livelihoods of those dependent upon tourism in a small beach town.

The guests don't like the new hotel at all because it's blocking the view. Even when we take a boat to go diving, they get upset because of the large building in the horizon.

(Migara, 2019)

Resistance from local communities could potentially bring about favorable outcomes to support the interests of the people, as seen in Bali, where the protest by the adat Kesiman, brought a hotel development at Padanggalak to a stop (Mudana *et al.*, 2018).

When questioned about any alliances amongst hostel owners and other businesses in the area about collective action to get support for the Unawatuna business community, the owners expressed different

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<sup>11</sup> TripAdvisor is an online portal that has reviews of travel accommodations, restaurants, links to access online travel agents, and other travel-related content.

opinions. It was evident in certain conversations that they have not given any consideration into forming alliances amongst each other; some were open to the idea, but a minority was not open as they believe that they do not need any support from the hostel community. It was also revealed that the hostel community receives no support from the civil society.

Two months prior to the beginning of 2018/19 peak tourist season, a constitutional crisis that destabilized the GoSL disrupted the tourist arrivals. Several major tourism markets for Sri Lanka, including Germany, Canada and Australia issued travel warnings indicating the potential risks of traveling to the island; thus, the tourist arrivals had a marked drop in December 2018 and January 2019, two months of the peak tourist season in the region (SLTDA, n.d).

This is my first season running a hostel. This season of course is done..My hope was to make some good money this season. Took so many loans [from people] to get the hostel up and running and was hoping in god's will, to make some money. Politicians ruined it for us.

(Lahiru, 2019)

As discussed previously, most of the owners receive little or no support from financial institutions if they do not have access to collateral if needed to borrow to start or operate businesses. The wealthier minority is supported by the banks as they already have had long-standing relationships with the banking system. *Social capital* is the primary form fulfilling *economic capital* needs, which is the norm in this context.

## **6.2.2. Adopting a New Rhythm**

The above section reflects how owners are struggling to succeed amid multifaceted challenges due to the lack of an enforced national policy framework to support the hostels and corrupt practices stemming due to this void. However, the relatively novel hostel community is being shaped gradually by the aspirations of the owners, other service providers supporting the hostels, and the travelers. Playing the *field* by the rules of the game is vital in this context as the owners are somewhat forced to steer their way through this environment individually and collectively, especially when they have to form their own alternative support structures (Naudin, 2015:225-226).

### **6.2.2.1. Add-on Services, Linkages, and Guest Reviews**

Hostels, which are generally in business for selling beds, generate additional income by selling supplemental services. Through the interviews, it was understood that add-on services such as laundry, meals, cooking lessons, Ayurveda<sup>12</sup> treatments, bicycle, tuk-tuk<sup>13</sup>, and scooter rentals, airport pickups and

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<sup>12</sup> Ayurveda is a holistic healing system with roots in the Indian subcontinent.

<sup>13</sup> Tuk tuk is slang for auto rickshaws, and auto rickshaws are a dominant mode of public transportation in Sri Lanka.

drop offs, surfing and diving lessons, barbecues, etc. are essential to generate sufficient revenue for the businesses to at least break even after all expenses.

The fun activities organized by hostels create safe spaces for the guests to socialize with other travelers, building a sense of community and camaraderie in a strange place, and this encourages them to stay longer than their original plans. Thus, the owners strive to create unique experiences for their guests, which make the travelers want to stick together to eat, drink, party, and do all activities together.

...one thing we were clear from the very beginning is that we are not selling accommodation. We sell an experience and a lifestyle. The experience is that you come, meet fellow travelers, who you've never met before. You make really good friends within a short time, start doing things together, share rooms, share journeys, share experiences, and take back memories.

(Yohan, 2018)

The interviews revealed that “word-of-mouth” is the best form of advertising for the hostels as satisfied backpackers send travelers that they meet along their travel paths to those hostels, where they have had great experiences at. This generates extra revenue and good reviews on online platforms for the hostels.

Moreover, most of these add-on services are provided in alliance with other local service providers and vendors. For instance, all the owners interviewed, buy their produce from local vegetable stands, partner with surfing and diving service providers from Unawatuna when selling packages or individual lessons for the guests, source any vehicle rental needs to people in the community with vehicles for airport pickups, drop-offs, or to address any other travel needs of the guests, have their “go-to” tuk-tuk drivers when guests need tuk-tuks, connect with local travel agents for group-travel arrangements, etc.

We have partner programs with surf, diving places. Guests get a discount from their standard price. We also get something out of it. If a surf lesson costs, for a walk-in guest if they charge say 3,000, they would charge 2,000 from our guest and give us 500.

(Yohan, 2018)

#### ***6.2.2.2. Volunteers and Image***

Most hostels utilize the services of volunteers from other countries to do the daily chores and help with activities such as yoga and surfing lessons. While the owners prefer to hire locals as regular workers, having volunteers, who are generally white, helps with the image of the hostel as the travelers generally feel more comfortable in spaces with people from the west.

Because at the end of the day, a volunteer, it's not a job for him. It's more or less like you know, doing something while you're traveling and just help out. [...] But we all hire volunteers - they help with the image.

(Ravi, 2019)

### **6.2.2.3. Seasonality**

Due to seasonality of the industry, most hostels close down during offseason as staying open during this period without enough beds being sold is not cost effective for most businesses; however, certain hostels continue operations, offering promotional deals to attract travelers. Some of the owners that close the hostels during offseason have other business ventures that they could fall back on. Some of the more established owners travel during the closed months, and this also provides the opportunity for the foreign owners to visit their families. It could be inferred through the discussions that those hostels that stay open are the ones that have found their niche in the fiercely competitive hostel community in Unawatuna and manage to be innovative in their business approaches. According to Sørensen (2007), innovation is important for survival in the environment that tourism-industry related businesses operate.

### **6.2.2.4. "Outsiders"**

"Pita-gam kaaraya" is the Sinhalese term for someone from a village outside of your village. In small beach towns like Unawatuna, where most of the population survival mechanisms are connected to tourism, people are quite territorial about such "outsiders," starting small enterprises. Several conversations gave the notion that the villagers from Unawatuna make it challenging to survive unless one is strategic in finding ways to blend in.

...it took me about two years to change Sarath. All he knew was doing illegal things. I've changed his whole life...now he makes from renting the Hostel K property about 100,000. Here, he makes about a 150k. I've helped him set up other properties. Now he owns three properties.

(Ravi, 2019)

This conversation is one example of how a hostel owner has worked his way into the Unawatuna hostel community and managed to shield himself from any adversities through Sarath, who is now his right-hand-man and the manager at Hostel B. Sarath is a well-known character in Unawatuna and respected and feared by many because of his rough personality.

Danushka talked about how Brita and he are being harassed by local tuk-tuk drivers and neighbors about petty issues, and it was insinuated in the conversation that this is a tactic used by the more established business owners to set smaller business owners in conflict with each other. Danushka, being considered an "outsider" because he was born "two villages away from Unawatuna" is more vulnerable to these types of harassments.

When an "outsider" starts an enterprise in Unawatuna, the villagers seem to challenge only the small-business owners, and they do not disturb the larger entities that are owned by powerful individual or

corporate investors from Sri Lanka or other countries. This is evident in the villagers' minimal or no resistance to the large resort that is being built against the height restrictions on the beach, which is conserved land. In order to be shielded from the adversities of the villagers, "outsiders" having to position themselves with a figure of power and influence from the village signifies conventional ways of being, rooted in the social sphere of Unawatuna. Furthermore, the established business owners setting small business owners in conflict with each other could be inferred as attempts to either slow down or shut down the small businesses. The role that power plays in shaping the rules of the game of the hostel and hospitality-industry community as a whole is indisputable in these instances.

#### **6.2.2.5. Analyzing Habitus**

The importance of place is evident through the discussion above on how the owners have, in the absence of an enforced policy framework, collectively created their support systems and alternative structures to operate their hostels. How the community deals with seasonality of the industry, add-on services to face the competition and maximize revenues and reviews, creating and sustaining linkages that strengthens the local economy through trickle downs and solidifies social networks, how innovations are happening within boundaries that set certain hostels apart from the others, the power dynamics and how such dynamics are being tackled by the owners, how the community deals with alcohol-related regulations, etc. are the unspoken rules by which the hostel business is being run in Unawatuna. This collective *habitus* in the hostel community is what underpins the behavioral patterns of all owners.

### **6.3. Circling back to Micro-Level - Significance of Networks**

The service sector in a touristic, small beach town is heavily dependent on networks. Thus, in the context of Unawatuna, it goes without saying, "it's not what you know; it's who you know" (Naudin, 2015). Especially for new entrepreneurs, networks are vital not only to form strategic alliances, provide access to required skills, knowledge, and resources but also spread awareness about opportunities (Lamine *et al.*, 2017:1).

This section circles back to emphasizing the significance of *social capital*, developed purely as business relationships or sincere friendships. Generative *habitus-microlevel* is also discussed in relation to individual hostel owner's survival in the hostel community. This is an attempt to paint a complete picture of how individual entrepreneurs open hostels and eventually make such entities work for them in making a living, and this process is being studied to understand how backpacker tourism is affecting socio-economic development.

Survival in the hostel space is dependent not only on networks but also on the development of different forms of *capital*; *capitals* generate opportunities and the potential to exercise power in a *field*, where an unspoken hierarchy is created among owners because of their access to *capitals* and their ability to transform such *capitals* into meaningful resources. In other words, over time, owners' identity within the space they operate is partly shaped by their skills in utilizing the *symbolic capital* they foster through *cultural* and *social capitals* (Naudin, 2015).

The social networks in Unawatuna hostel community are a determining factor in understanding the social context in which individual owners operate hostels, negotiating through the restricting structural barriers to sustain their businesses.

Finding their niche plays a significant role in the competitive hostel market, and once again, *social capital* aid in spreading the word about such distinctions, which attract more travelers to such hostels.

Offseason, since we have a decent name, there are times we are fully booked. At any given time, we always have customers. We're never empty. June is the slowest month of the year. We give them a free bed for the whole month and make money on the add-on services. I'm different. We aren't an ordinary hostel.

(Ravi, 2019)

According to Ravi, Hostel B is not affected by seasonality of the industry as the hostel is popular not only through reviews on web platforms but also travelers talking about the hostel during their travels. Word-of-mouth is more powerful than any form of formal advertising and web platforms in the hostel space, according to Mindy, as it has a ripple effect. It was evident that Hostel B has advanced from a small hostel that started as "Hostel N" in a three-bedroom house to a campground occupying a two-acre land through the popularity they continue to gain because of running an "outside-the box" hostel. The guests recognizing and acknowledging the hostel as a great place to stay with great service and company and such acknowledgement attracting a constant flow of travelers are manifestations of the functionality of *cultural* and *social capitals* Hostel B has accumulated and effectively uses. Therefore, in the *field* of hostels in Unawatuna, the effectively established networks and cumulative goodwill validate Hostel B as one of the most lucrative hostels in this thesis. The business model of Hostel B influences not only how other owners run their hostels but also the rules and *structures* within which they operate.

As discussed previously, local financial institutions do not seem to support small entrepreneurs, so the owners' initial financial needs to establish hostels are fulfilled through social networks. Therefore, circumstances force most owners to be creative in how they spend their limited economic capital to start a hostel; skills certain owners have acquired over time help them become more visible to the travelers,

generating steady cashflows. For instance, Hashan's skills as a surfing instructor attracts travelers, interested in learning to surf, and such travelers frequent Unawatuna. This exemplifies how *symbolic capital* has been generated through *cultural capital*, and how the intervention of the *habitus* of the individual hostel owners is necessitated in this process.

In an environment with limited *economic capital*, support networks created among the owners aid in maintaining the reputation of the hostels and to have a continuous flow of travelers at peak times.

I know about 80 percent of those who run hostels. We also have mutual agreements. When my hostel is full, I send the guest to two or three other hostels, which are comparable with my standards...I explain the situation to the guests when I do that.

(Eranga, 2019)

All the hostels follow similar practices when directing travelers to other hostels when their hostels are full, primarily during high season. According to the hostel owners, overbookings could happen due to the challenges in monitoring the bookings coming through multiple web platforms and accepting walk-in travelers<sup>14</sup>. Having to turn away those travelers with prior bookings could be detrimental to the reputation of the hostel, and such mutual social networks are vital in such situations as news about bad service travels quite fast among travelers.

Most owners seem to communicate with each other openly, but the extent that they use such relationships to share information and expertise seems to be limited. It was apparent that jealousy and apprehension that the other owners may use your ideas to get ahead in a competitive environment and also jealousy stemming from the perception that the others may be more successful than you can be viewed as the main reasons for the limited collaboration within the hostel community. Trust is essential in establishing collaborative networks, and the lack of trust in the context in discussion could be stemming from the less-tangible cultural aspects in the community in discussion (Pechlaner *et al.*, 2010). Furthermore, awareness and business knowledge are vital in understanding the significance of networking in a highly competitive, small community environment. Thus, the lack of business knowledge in most owners, which is a manifestation of the lack of *cultural capital* could be cited as a primary cause of limited collaborations, which lead to isolation and heightened struggles in a competitive *field*. The owners' ability to share, acquire, and deploy knowledge could benefit the hostels more in the medium/long term as supportive networks manifested as *social capital* embraces cooperation, and hence help pull each other up in the hostel community (ibid).

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<sup>14</sup> Walk-in travelers are those budget travelers/backpackers, who do not have prior bookings but go from one hostel to another looking for the hostel that fits them best.

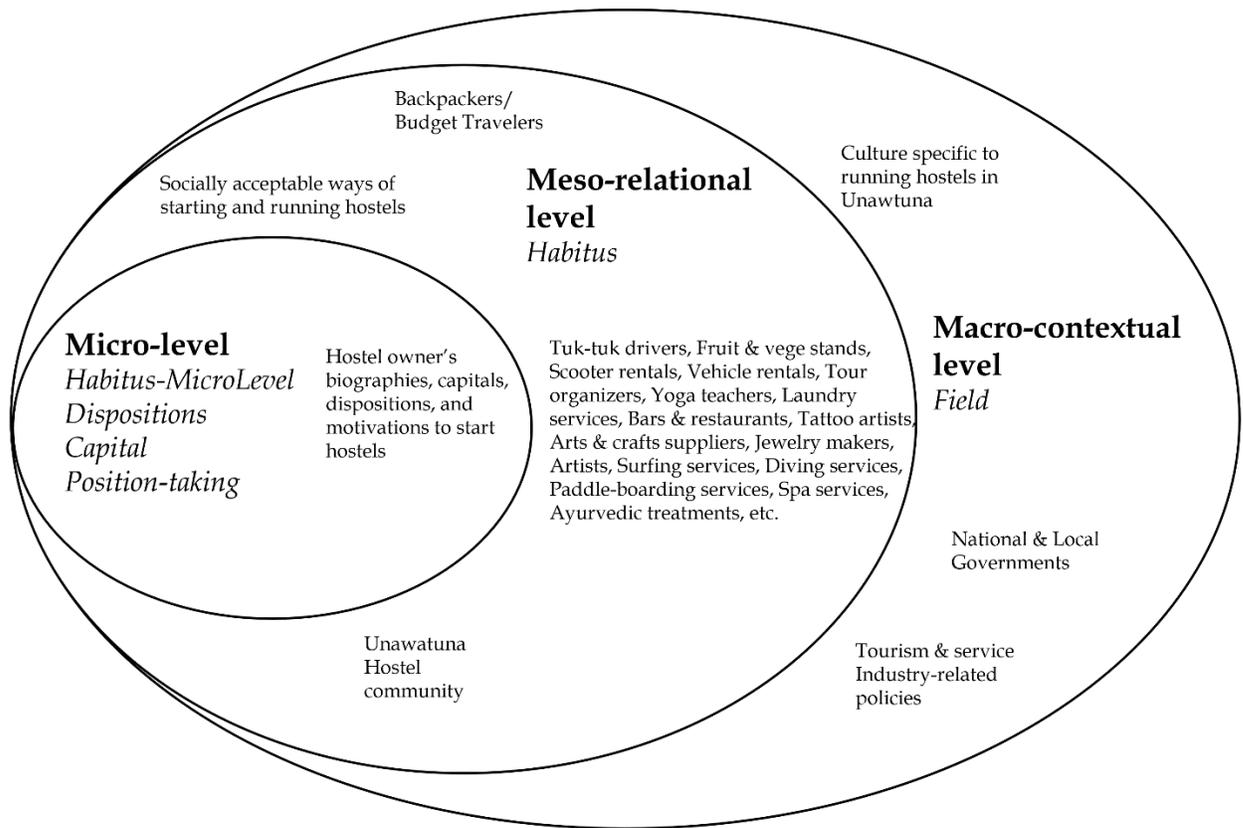
Enactment of *social capital* is crucial in the context in discussion. However, the adoption of *social capital* in daily interactions and negotiations could create a dynamic network of power relationships, which augment inequalities and fortifies the dominant positions of the more successful and powerful hostel owners within the community (Sakdapolrak, 2014:25). Bourdieu's focus on *capital* and its conversion is viewed as addressing *capital* as an instrument for the continuation of unequal power relations (ibid).

It was understood from the interviews that the travelers appreciate the synergies that the co-owners bring into the businesses due to the white women's ability to relate to and communicate with ease with the western backpackers frequenting the hostels and the local men's knowledge about the area and the local community. Once again, *social capital*, which is the network of the local and foreign joint owners, and *cultural capital*, which are the different skillsets of the co-owners transformed into *symbolic capital* through acknowledgement of the synergies and the value of such skills by the hostel guests are vital in all aspects of running hostels in the area.

Establishing and nurturing *social capital* through supportive social networks was mentioned as a significant component of operating hostels as such networks are vital in a closely-knit, rural/semi-urban community, where everyone knows everyone, and chances of clashes are relatively higher than in an urban setting. For instance, Ravi mentioned that hiring workers from around the hostel premises limits clashes with the neighbors as the behavior of primarily western backpackers and how the owners operate to cater to such clients could be viewed as culturally inappropriate in the relatively conservative community. Hashan and most others mentioned the extreme importance of availing themselves to help their neighbors when needed because in the absence of *economic capital*, *social capital* is what helps them to run their businesses without adverse interferences from the neighboring community.

Although most of the owners have access to limited *economic capital*, they develop distinct skills to stand ahead in the *field* of hostels, where such skills are dependent on utilizing *social* and *cultural capitals*, which eventually define their identity. This discussion of relationships was to unveil a less rigid, socially fluid environment, where owners strive to be successful entrepreneurs through fostering supportive networks. It must be noted that these networks are underpinned by structures and institutions that the owners have influenced in molding.

Figure 3: A Micro, meso, and macro level analysis of the hostel community in Unawatuna



(Author, Adapted from Naudin, 2015)

## 7. Concluding Discussion

This thesis aimed to contribute to the understanding on how backpacker tourism can affect socio-economic development in Sri Lanka by exploring the livelihoods of the hostel owners in Unawatuna. In exploring the motivations and dispositions of the young entrepreneurs opening hostels in a post-conflict context with a booming backpacker/budget tourism industry, the study aspired to draw attention to the importance of budget tourism in the development discourse of the country.

The thesis seeks to understand the realities of the people, who are in a sense, non-conventional entrepreneurs due to their lack of access to economic capital, trying to make a living by opening hostels to support backpacker tourism, and how it could potentially lead to poverty alleviation. To explore this specific scenario related to socio-economic development in Sri Lanka, the following guiding question was posed: how can hostels, as primary units of infrastructural support for backpacker/budget tourism, affect poverty alleviation strategies? Inspired by Bourdieu's Theory of Practice, an analysis of the micro, meso, and macro level was done to understand (1)the individual hostel owner's motivations and dispositions to start hostels, strategically use and accumulate capitals to survive and gain power within the context in discussion, (2)institutions and structures within which they operate and how such frameworks accommodate and/or impede the operation of hostels, and (3)how the owners eventually combine and transform different forms of capital to maneuver through the roadblocks, changes in power structures that enable them to alter the prevalent regulations and relationships within which the hostels operate to make a meaningful living through their hostel ventures.

In the first part of the analysis, looking at the hostel owner at micro-level, this study attempts to assert that that the common beginnings that different entrepreneurs end up at to start hostels are driven by the social conditions and various factors that were crucial in defining their characters and personality traits. Although the Bourdieuan principle seems to be in line with the idea that different actors with diverse starting points may arrive at the same outcome through different steps as they face similar life opportunities, this thesis argues that the different owners starting at a similar starting point may end up with different outcomes based on how they evolve to transform and manipulate various forms of capital they have access to or that they accumulate. While the livelihood in discussion in the study is only related to owners, this calls for a rethinking of the basic argument of how livelihoods are determined in a fixed way as acquired dispositions due to social conditions (*habitus*) shape the same destiny for everyone (De Haan and Zoomers, 2005:43).

The second section of the analysis is a review of the meso and macro levels, where the institutions and structures within which the hostels operate. In this section, the thesis attempts to understand the how the

policy frameworks regulating the tourism industry and supporting services and the structures are effective in supporting backpacker/budget tourism. In doing this, the study reviews the existence of the regulatory frameworks specific to backpacker/budget subsegment. The thesis argues that the lack of reference and applicability of policies related to backpacker tourism is evident through how the owners attempt to make their own rules for survival in the hostel community. It further argues that with more attention of the government and local authorities to budget tourism, the industry could be more effective in developing local communities as the trickle-downs from backpacker tourism is more tangible and immediate relative to high-value tourism. It further discusses the importance of shifting the government's focus on providing essential services such as communications and transportation, specifically targeting budget tourists as the existing services are not cost effective and inefficient and therefore, negatively affect the industry. Electricity and water, which are crucial for the operation of tourism-related establishments should be regularly supplied with minimal disturbances as smaller businesses are the ones adversely affected by irregularities in such services. Low entry barriers provide MSM entrepreneurs access to the industry, but the lack of institutional framework could adversely affect the industry in the long run due to potential inconsistent and subpar-quality services. The study continues to stress the significance of increased government attention through policies targeting budget tourism and better structures to regulate and support the industry subsegment because such are required to encourage entrepreneurs to open hostels.

In the third section of the analysis, the study draws the attention back to the individual owner at micro-level. In doing so, the thesis attempts to highlight the significance of networks in surviving in an industry, where the owners receive minimal or no support from the government and/or local authorities. The study argues that in the absence of formal structures and institutions, the hostel owners evolve to accumulate and transform capitals that enable them to challenge and change the dominant set of rules that govern the hostel community.

This thesis highlights potential areas of future research. Backpacker tourism in Sri Lanka is on the rise, and this subsector of tourism has been receiving minimal to no attention from the government. The industry lacks resources to expand and cater to the travelers. Therefore, more similar studies should be carried out in order to understand the socio-economic impact of budget/backpacker tourism on local communities. Small businesses are what generally support budget tourism in Sri Lanka, and those are generally more vulnerable to human-inflicted and natural disasters. Therefore, research efforts should be invested in understanding the sustainability of such MSM enterprises.

Budget/backpacker tourism holds much potential in elevating the socio-economic conditions of local communities. This applies not only to those directly supporting the Budget/backpacker subsegment but

also to those indirectly involved as the trickle downs from backpacker tourism are quite evident. The intent of this study was not to criticize the persistent focus on high-value tourism as an effective tool for development or to argue that this focus is positive or negative. This study aspires to open up the debate on the significance and timeliness of emphasizing the potential of backpacker/budget tourism in reducing poverty in local communities. The insights gained from this can now provide guidance to informed policy decisions, specifically targeting the budget subsegment of the tourism industry. Given the boom in Sri Lanka's tourism industry, there will undoubtedly be structures and institutions that will target budget tourism in the long run. Nevertheless, it is hoped that this thesis will provide new perspectives and insights into regulation, support, and the study of budget/backpacker tourism in Sri Lanka.

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## Appendix A: Interview Materials

The interview materials below were given to all the participants prior to the interviews. The project purpose was verbally communicated when interviews were being scheduled and prior to the start of each interior. The Consent document was verbally translated to Sinhalese to all the participants from Sri Lanka. The participants were informed at the start of each interview that they could respond to the questions in English or Sinhalese, and both languages were used interchangeably depending on how the participants responded to the questions.

### INTERVIEW CONSENT FORM

Exploring the effect of hostels on poverty reduction strategies, focusing on livelihoods  
Geographical focus: Unawatuna, Sri Lanka

Thank you for agreeing to be interviewed as part of this research. This is developed as part of a MSc in International Development and Management (LUMID) at Lund University in Sweden. The purpose is to explore the Backpacker tourism's impact on livelihoods as a tool of poverty reduction in Sri Lanka. By signing this form, you agree that:

1. Your participation is voluntary, and you can stop the interview at any time. Your identity or the information provided will not be shared to any other third parties without your consent.
2. You do not expect to receive remuneration for your participation.
3. You can ask any questions in relation to this research.
4. Any changes of these conditions will only occur with your explicit approval.

Please select the statement that you agree with:

| Quotations               |  |
|--------------------------|--|
| <input type="checkbox"/> | I agree to be quoted directly.   |
| <input type="checkbox"/> | I agree to be quoted directly, only if my name is not published and a pseudonym is used. |
| <input type="checkbox"/> | I DO NOT agree to be quoted directly.  |

| Interview Recording  |  |
|--|--|
| Recordings help to produce a transcript to recall the structure and content of the interview more accurately |  |
| <input type="checkbox"/>   | I agree to the recording of the interview.     |
| <input type="checkbox"/>   | I DO NOT agree that the interview is recorded. |

|                            |                    |
|----------------------------|--------------------|
| Participant's Printed Name | Date<br>DD MM 201_ |
| Participant's Signature    |                    |

In case of having any questions or concerns about this study, please contact:

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## Semi-Structured Interview Guide

1. Name of the hostel:
2. Do you own the property?
3. How old are you?
4. When did you open the hostel?
5. How did you purchase the property? (financing, family owned? etc.)
6. Are you renting the property? How challenging or easy was it for you to get into a lease agreement?  
Your relationship with the landlord?
7. What is the length of your lease?
8. Number of rooms:
9. Number of beds:
10. Number of bathrooms:
11. How much do you sell a bed at? (during high season and low season)
12. Do you live in the same facility as the hostel?
13. What type of extra facilities (i.e. air conditioning, hot water, etc.) do you provide? If not, why not?
14. In order to be in the business that you are in right now, do you think this space has all that is needed to perform at your best?
15. Do you provide services in addition to the rental of beds?
16. Where are you from?
17. What brought you here? (if not from Sri Lanka)
18. What was your estimated annual income prior to setting up the hostel?
19. What did you do? (More questions about their status - socioeconomic status, status in society, etc.). Or are they Sri Lankans who come from the big city? or rural people trying to make a living? (this is to see who's profiting and how? Need more information about the business owners, and their employees to really see where the money is going after the tourists spend it)
20. Getting into this industry, do you feel that you would have done any better or worse with formal training or education in the hospitality industry? What type of background do you have to be in it?
21. Do you feel that your income and life have improved over the years? Discuss prior to starting the hostel and after.
22. Disposable income - Do you have money to spend to grow your business? Your personal expenses? For what you perceive as a decent social life? What is a decent social life for you? How's your money generally spent?
23. Do you feel more confident as an individual after you started the hostel?
24. Status in society - How do others in your community and new people coming into your life perceive you now? Do you feel a change from before starting the hostel?

25. Who does the daily chores in the hostel? What entails running this hostel on a daily basis?
26. How many employees do you have? Are they seasonally employed? etc. (this question is not just about how much the tourists spend, but where the money goes, how it is distributed into the economy?)
27. Do you believe your employees are happy? Discuss pay structure and benefits. Contractual terms?
28. How do you hire employees? What type of medium do you use to advertise the open positions?
29. Do you prefer local or foreign workers? Why?
30. Are your employees seasonal workers? What happens if they don't have a job during off season?
31. How do you think the growing competition will affect your business and earning potential?
32. In which ways do you think you could stand ahead of the competition?
33. What do you generally do to make your guests stay longer? Or do you do anything at all?
34. What type of support do you have from the government or the municipality or any authority to maintain your business?
35. How do you see your potential be able to take part in community events and contribute financially to such events?
36. Do you feel like you are a part of the community here? Do you have the support needed from the community? Your network of other hostel owners? Is there mutual trust in this community?
37. How did you start the hostel? The financing, property? Decorating? Advertising?
38. How do you see the improvement process of the hostel from the start? The progress.
39. How do you think the natural resources, landscape in the area is helping you with your business?
40. Tell me about your perception of the seasonality of the business. Is it actually seasonal?
41. How do you manage (financially, do you close?) during off season?
42. How are the changing trends in your guest behavior (i.e. changing backpacker behavior, varied behavior of people) affect your business?
43. How do you foresee the current political situation and also the ongoing environmental issues will affect the backpacker tourism industry?
44. How do your guests generally identify themselves as? Backpackers? Budget travelers? Tourists? Why is that particular identity?
45. What do you think of large hotels coming into the area? (i.e. the new hotel being built by the president's brother in Unawatuna)?
46. What is your perception of the differences of the contributions between large international chains and small local hotels for the economic development in the area?
47. What are your long-term goals (personal and professional)? Do you believe how things are going with your business now, that you could achieve such goals?
48. As a woman, being a business owner, how are things going? Discuss how you are accepted by the society, your ability to be more self-reliant, etc.

49. How do you think your hostel would do if there are flooding, and any other types of natural disasters?
50. How is the current government helping you in your hostel business? What's happening and what can they do?
51. What is your relationship like with the other hostel owners and people in the service industry in the area? Do you get together with them to discuss common issues?
52. Relationships with powerful people (relatives, friends, local politicians, others) - How is that helping/not helping?
53. Physical capital: Basic infrastructure that people need to make a living, as well as the tools and equipment that they use. For example, transport and communication systems, shelter, water and sanitation systems, and energy.
54. Financial capital: savings, in whichever form, access to financial services, and regular inflows of money.
55. Natural capital: the natural resource stocks that people can draw on for their livelihoods, including land, forests, water, air and so on
56. Observe - Family situation, relationship dimensions.