

## Informal tourism sector in Sri Lanka: problems and prospects for triple bottom based tourism development

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Despite the fact that tourism industry in Sri Lanka has inherited comparative advantages to accelerate the economic growth and development of the country, it is questionable whether Sri Lanka has been able to tap these advantages at their highest capacity. On the other hand, escalating terrorist activities and Tsunami devastation in 2004 have significantly impeded the growth of tourism industry. Paradoxically it is not the only one reason that has prevented the growth of tourism industry, some unsustainable components prevailing with the industry must also take the responsibility for not capitalizing the full advantages of tourism potential of the country. To achieve the full advantage, one of the major critically important strategy is to direct the small scale tourism sector to gain its maximum contribution to the tourism industry. The major issue in this sector is that most of these services are informally operated by many service providers of the industry. The sector is generally characterized by the lack of legal recognition and registration, evasion of taxes, illegal operation and unethical market operations etc. This arena is often a niche of insecurity, shrouded in ambiguity and low standard as well. Social and environmental costs of this sector are considerable. It has not been directed by the **Triple Bottom Lines Approach** or not been based on **Trio-Fundamental Requirement** of sustainable tourism development.

The major objectives of this study are to assess the impact of informal sector on tourism development in Sri Lanka and to analyze the issues that are preventing this sector becoming formal operations. Equally this study identifies the appropriate strategies to regularize this sector for Triple Bottom Based Tourism Development. Both qualitative and quantitative approaches will be employed to analyze the findings when necessary. Besides the secondary information, a field survey will be carried out in Hikkaduwa tourist destination.

**Key words:** Informal tourism, Issues, Triple Bottom Lines Approach, Trio-Fundamental Requirement, Strategies