Globalised Tourism Development in Sri Lanka: Implications for Human Rights, Sustainable Development and Peacebuilding

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About the author and this report

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1. Introduction

This report investigates globalised tourism development in post-conflict Sri Lanka and its implications for human rights, sustainable development and peacebuilding. Under the dominant economic globalisation paradigm, the Government of Sri Lanka (GoSL) is liberalising its tourism economy in pursuit of growth, which it believes will help build peace in the aftermath of the 30-year civil war with the Liberation Tigers of Tamil Eelam (LTTE), which ended in 2009. However, the way in which these liberalisation processes are being implemented are arguably undermining democratic institutions and accountability (Bastian, 2005), while exacerbating social exclusion and inequality. Furthermore, this is eroding trust in the government. However, the rebuilding of societal trust and the addressing of social inequality are vital to sustainable peacebuilding (El-Bushra, 2006).

This central theme is explored through a desk-based case study of Kalpitiya, whose islets are being leased by the GoSL under the Kalpitiya Integrated Resort Project (KITRP). A range of stakeholders were interviewed, including government, tourism enterprises, and civil society organisations. While the government insists the tourism project will benefit the local fishing communities, the communities say they have not been consulted. They believe the development is violating their land and livelihood rights, will aggravate poverty, and increase social inequalities.

This carries negative implications for sustainable peacebuilding (El-Bushra, 2006), especially in the former conflict-affected Northern and Eastern provinces, where large-scale tourism is also planned. Land-based grievances linked to the systematic discrimination of Tamils and other marginalised groups constitute key root causes of the war (IA, 2006; Fernando et al, 2011). Thus, land acquisition for tourism, including by the military, is apparently perpetuating structural inequalities and fuelling grievances. In the interests of sustainable development and peacebuilding, this report urges the Sri Lankan government to pursue a people-centred approach to development, based on participation and respect for human rights.

The report also offers a tentative assessment of Kalpitiya tourism investors’ understandings of their human rights responsibilities, drawing on the ‘business responsibility to respect’ human rights as the global baseline norm set out in the UN Guiding Principles on Business and Human Rights (UNGPs) (Ruggie, 2011:16), and the perceived need for increased human rights due diligence in post-conflict contexts in order to avoid potential complicity in human rights abuses (IHRB, 2011). In Sri Lanka, this includes land-based grievances that underpinned the civil war. While there is acknowledgement by the resort-owners that fisher and other local communities should be enabled to benefit from the KITRP, and recognition of the need for consultation, according to local civil society, almost no consultation has taken place. Furthermore, those challenging the KITRP are perceived as ‘anti-development’. The report urges tourism businesses to recognise themselves as political actors who should be accountable for their actions, and that they have the potential to worsen, or mitigate, structural inequalities that undermine sustainable peacebuilding (IA, 2006).
1.1 Background

Tourism is one of the world’s largest and fastest growing industries, with international tourist arrivals predicted to reach 1.6 billion by 2020 (UNWTO, 2011). Tourism contributes an estimated 5% to the global economy and accounts for 6-7% of direct and indirect employment worldwide (ibid). In our increasingly globalised economy, large international developers, tour operators and hotel chains, compete for cheaper land and labour in less economically developed countries, whose governments - which may be weak or fragmented, particularly if recently emerged from civil war (Hoogvelt, 2005) - seek to create favourable investment conditions by liberalising their economies (TourismConcern, 2009; Britton, 1882). Such liberalisation policies are often tied into the conditionalities of major international donors, such as the World Bank and International Monetary Fund (IMF) (Bastian, 2005).

Due to its potential to generate jobs, foreign investment, economic growth and infrastructural development, tourism is frequently utilised as a development driver in many low and middle-income countries (Honey & Krantz, 2007). Indeed, the Government of Sri Lanka (GoSL), under President Mahinda Rajapaksa, is seeking to rapidly expand its tourism sector, aiming to attract 2.5 million tourists by 2015, up from 650,000 in 2010 (Wij, 2011). Tourism has been identified as a major driver for economic growth and job creation, particularly since the civil war between government forces and the Liberation Tiger of Tamil Eelam ended in 2009. The government believes that, in this way, tourism will contribute to peacebuilding.

However, tourism creates winners and losers. It frequently exacerbates poverty for vulnerable peoples and enhances social inequalities (Cole & Eriksson, 2010). For example, tourism is a major cause of displacement and alienation from livelihoods, particularly for poor, socially marginalised groups (TourismConcern, 2009). This can amount to the violation of a range of socioeconomic, and civil and political rights (George & Varghese, 2007). Poor communities inhabiting areas earmarked for tourism may lack formal land rights, and remain excluded from decision-making processes by government and developers (TourismConcern, 2009).

While bypassed by tourism’s benefits, such communities may also endure its severest negative impacts, including increased costs of living, cultural erosion, and competition over scarce resources, such as water (ibid). These impacts will be experienced differently by women and men, young and old. Furthermore, the position of socioeconomic and political marginalisation may impede some such groups or communities from seeking redress.

Such a situation is currently playing itself out in the coastal peninsula of Kalpitiya, Puttalam district, North Western Province of Sri Lanka. Kalpitiya has been gazetted as Sri Lanka’s largest tourism zone – the Kalpitiya Integrated Tourism Resort Project (KITRP) (KITRP(i), 2010:10). Fourteen of Kalpitiya’s islets are being put out to tender by the GoSL for tourism development to large investors, both national and international. However, the small-scale fishing communities who inhabit or seasonally migrate to Kalpitiya are fiercely opposing the KITRP (IFFM, 2011). Economically poor and socially marginalised, they claim their land and livelihood rights are being violated, that the KITRP will push them into deeper poverty, and that they were not consulted about the plans. Furthermore, local government authorities were reportedly excluded from the decision-making process, with orders elicited directly from central government in the capital, Colombo (IFFM, 2011).
The UN Guiding Principles on Business and Human Rights (UNGPs) have been devised in response to such emergent gaps in governance and accountability in our increasingly globalised world, in which states frequently fail in their primary duty to protect and fulfill the human rights of citizens, including against violations by businesses, while liberalising their economies to facilitate corporate investment (ibid). The UNGPs re-clarify the state duty in this regard, as well as the ‘business responsibility to respect’ human rights, and the responsibility of both states and businesses to provide access to redress for victims of abuse, as the global baseline norm. The business responsibility to respect is perhaps particularly pertinent in “high risk” contexts (IHRB,2011), including conflict and post-conflict countries such as Sri Lanka, where the state stands accused of human rights violations, war crimes (BBC,13/06/2011), and continued discrimination against minorities (MRG,2011). For example, in May 2011, an estimated 220,000 people remained displaced due to the conflict (mostly Tamils from the Northern Province), while some 366,000 were in differing stages of resettlement (IDMC,2011). Typically, the poorest remain displaced, because they lack the resources to return or have lost entitlements to their land (anon, 2011). While some such land may fall within ‘high security zones’ (IDMC, 2011), other land is reportedly being denied to Tamil returnees so that it can be used for development projects, including power plants, special economic zones, and tourism, “which the president’s critics suspect will do more to create business opportunities for the government’s allies than to improve the economic conditions of the Tamil population”(SRSG,2010:3). Such contexts necessitate particular human rights due diligence by businesses to reduce the risk of their activities in some way contributing to abuse, whether directly or indirectly (IHRB, 2011). Due diligence promotes social (and thus business) sustainability by embodying a respect for human rights, pursued through transparent, consultative engagement with affected peoples (Ruggie, 2011;IHRB,2011).

Indeed, although Kalpitiya falls outside the main conflict zone, the recent war clearly permeates the tourism development context. Fear of state reprisals has reportedly limited people from speaking out (LankaNewsWeb,03/01/2011), a fear compounded by the military’s role in laying out barbed-wire and operating checkpoints to block access to some areas earmarked for tourism (BBC-Sinhala,09/05/2011). This overlap between the institutions and apparatus of war with the institutions and apparatus of liberalised tourism development, which is exacerbating social conflict and inequalities, could seriously undermine wider peacebuilding in Sri Lanka, particularly in former conflict-affected areas. Furthermore, addressing social inequalities is particularly important in post-conflict contexts if peacebuilding is to be sustainable (El-Bushra, 2006).

Thus, tourism development is highly politicised, complex and uneven (Thomas, 2000). It embodies stark tensions between differing ideological visions of ‘development’ held by multiple stakeholders, and the means by which this vision of a desirable society is achieved (ibid). This raises critical questions around power, participation, governance, accountability, equity and social justice in tourism development, including with respect to the roles and responsibilities of governments and tourism businesses, whether national or domiciled overseas (Tourism Concern, 2009).
2. Problem definition

Tourism can be conceptualised as “a loosely bound chain of different products and services”, encompassing “natural and human resources, wildlife, culture, history and heritage, and social exchange” (George & Varghese, 2007:41). Tourism can be considered as a ‘system’ rather than an industry, in recognition that it is embedded within, and in turn affects, wider social, institutional, political and economic processes and (ibid).

‘Globalised’ tourism development in Sri Lanka refers to the dominant development paradigm of liberal economic globalisation. Economic globalisation encompasses the intensification of “transcontinental…flows and networks of activity, interaction, and the exercise of power” (McGrew, 2000:348). Underpinned by a neoliberal discourse, economic globalisation has prompted a reconfiguration of global economic relations, including a shift in the roles and relationships of private sector and state, “whose functions…become reorganised to suit global rather than domestic capital-accumulation priorities” (Hoogvelt, 2005:2). This includes state deregulation, privatisation and liberalisation of national economies and resources, while a narrow view of development measured by economic growth and job creation predominates (McGrew, 2008).

Globalisation is highly uneven: typically, those in positions of power - including networked government and transnational business elites - are able to exploit that power, thereby increasing polarisations between rich and poor (Hoogvelt, 2005). For example, in 2005, “the wealthiest 20% of the world accounted for 76.6% of total private consumption. The poorest fifth represent just 1.5%” (Mouffakir & Kelly, 2010:xvii). Such structures often derive from colonial legacies that inter-link elitist concentrations of state and corporate power nationally and transnationally (Brittion, 1982).

In this way, globalised tourism development is failing to fulfil its socioeconomic development potential, but rather often exacerbates the inequality and poverty of marginalised groups and communities (Cole & Eriksson, 2010; Hall & Brown, 2010; Meyer, 2010). Furthermore, the forced displacement, loss of livelihoods, cultural erosion, compromised access to water, and exclusion from decision-making processes that so often comes with tourism development means that it frequently violates civil and political, and social economic human rights - the upholding of which are integral to truly sustainable, equitable development (Tourism Concern, 2009; George & Varghese, 2007). Human rights are the fundamental freedoms of all human beings, without which they cannot live in dignity. An international consensus on human rights was first enshrined in the 1948 Universal Declaration of Human Rights, and has been elaborated in various other international, regional and national-level human rights conventions, declarations and policies since, including the UNGPs (ibid).

Such development failures and rights transgressions raise critical issues around accountability, governance and participation in globalised tourism development. Accountability relates to the obligation of those in power to take responsibility for their actions, as well as efforts to “establish and institutionalise the rights of those” who stand to be affected (OU, 2007:40). Governance relates to “the manner in which power is exercised in the management of a country’s economic and social resources for development” (OU, 2005a:61).
Governance is of an inherently political, contested nature, relating to questions of power, resource allocation, and conflicting development ideologies (e.g. Ritchen,1995,inOU,2005a; Thomas,2000). Such conflict is evident in Kalpitiya. Communities challenging the KITRP argue that the government and investors lack accountability while ignoring their developmental needs (IFFM,2011). These conflicts turn significantly on the extent to which people are able to participate in decision-making processes. Who participates and how is determined by multi-dimensional power relations, which intersect across social, political and economic lines from the local to the global level (OU,2005a;Mayoux&Johnson,2007).

The tourism-related conflicts in Kalpitiya perceptibly represent a contestation between the dominant economic development paradigm and people-centred development (Thomas,2000). People-centred development places emphasis on human rights, participation, empowerment, social justice and equality - values which are arguably critical if development is to be truly sustainable (ibid). People-centred development defines poverty beyond economic growth, to include lack of freedom, choice and capability (Thomas,2000).

Sustainable peacebuilding also draws on concepts of governance, accountability and participation (see Figure 3). Social conflict over resources between different groups of people is inevitable, and is especially linked to processes of change (OU,2005b). However, such conflicts can become violent when the societal mechanisms for dealing with them peaceably break down (ibid). In Sri Lanka, institutionalised socioeconomic and political inequalities perpetrated by the Sinhalese-dominated government against a Tamil minority fuelled grievances and a sense amongst some that violence was the only means to resolve the conflict (Stewart,2001;Moore,1990). Peace is more than the absence of violence (Moufakkir&Kelly,2010; Haessler,2010). For peace to be sustainable, manifestations of structural violence that lead to states of “peacelessness”, such as poverty, inequality, social injustice and violations of human rights, must be addressed (Moufakkir&Kelly,2010:xviii). Peacebuilding “seeks to create the conditions that reduce the likelihood of war starting again” (OU,2005b:13). Sustainable peacebuilding necessitates rebuilding trust in the state and addressing the root causes and grievances that led to the conflict, including inequality and exclusion of marginalised groups (see Figure 3) (Arambewela&Arambewela,2010). This requires a reconfiguration of power relations to create a more inclusive society (El-Bushra,2006).

Thus, it is vital to tackle societal inequalities in Sri Lanka if peacebuilding is to be sustainable (Arambewela & Arambewela,2010). However, in Kalpitiya, marginalised communities fear globalised tourism development is exacerbating their poverty and inequality. This is creating social conflict. If such a tourism development model is pursued in the former conflict zone, what are the implications for building wider sustainable peace?
2.1 Globalisation and governance gaps

There is growing recognition of the socioeconomic, political, cultural and environmental fallouts of globalisation by governments and business, who are under increasing pressure from civil society to respond (Voiculescu & Yanacopulos, 2011; Smith & Pangspa, 2011). These fallouts arise from businesses “cutting corners” in order to maximise profits, as well as the “frequent disjuncture between the needs of individuals and societies, and the agencies – largely governmental – that can (or have the duty to) provide/promote/fulfil these needs” (Voiculescu & Yanacopulos, 2011:1). Indeed, businesses are increasingly recognised as political actors, and can thus contribute considerably to building – or eroding - sustainable peace (Deitelhoff & Wolf, 2011).

The new UN Guiding Principles on Business and Human Rights (UNGPs) (Ruggie, 2011) provide a policy framework for governments and businesses to better understand and manage adverse impacts and “governance gaps” within globalised trade regimes (Ruggie, 2008:27). The UNGPs clarify human rights roles and responsibilities using the “protect, respect, remedy framework” (Ruggie, 2011:6):

- the state duty to protect human rights, including against abuses by businesses
- the business responsibility to respect human rights
- the responsibility of both to provide access to remedy for victims of abuse

The business responsibility to respect human rights is a baseline standard which means that businesses should not infringe on the rights of others, and should cooperate in remediation processes where abuses have occurred. The responsibility necessitates businesses to undertake “human rights due diligence” in order to monitor, prevent and mitigate potential involvement in human rights violations, whether direct or indirect (Ruggie, 2011:14). Due diligence requires “meaningful consultation with potentially affected groups” so that
particular impacts can be understood (ibid:17). By promoting positive community relations, it can be seen as a basis for managing risk and ensuring social (and thus business) sustainability (IHRB,2011).

The UNGPs assert that the responsibility to respect prevails even when the state is failing in its primary responsibility to protect the rights of its citizens (Ruggie,2011). Thus, in post-conflict contexts such as Sri Lanka, which is characterised by an authoritarian government that has been accused of war crimes (PRSG,2011;MRG,2011), businesses should undertake particular due diligence to ensure against responsibility for, or complicity in, rights violations (Ruggie,2011;IHRB,2011). This again draws attention to the need for tourism businesses to recognise themselves as political actors operating in highly contested contexts (Hall&Brown,2011), in which their activities can serve to exacerbate, or mitigate, existing structural inequalities and social grievances, including those which related to root causes of violent societal conflict (IA,2006).

3. Methodology

The implementation of the Kalpitiya Integrated Resort Project served as a case study through which to investigate the processes and impacts of globalised tourism development, and their implications for human rights, sustainable development and wider peacebuilding in Sri Lanka. A case study approach was adopted because I could not visit Sri Lanka and thus did not have sufficient access to information and/or the local population to define and undertake a sufficient sample survey (Thomas,2007b) (see Appendix 3 for full data collection strategy).

A stakeholder analysis was undertaken in order to identify representatives from the key stakeholder groups and other recognised experts to approach for interview, including: relevant GoSL ministries and departments, notably the Ministry of Environment (MED), Sri Lanka Tourism Development Authority (SLTDA), Sri Lanka Tourism Promotion Bureau, the Ministry of Land, Ministry of Fisheries, and the Puttlam Divisional Secretariat (local government); Sri Lankan and international civil society organisations, including the National Fishworkers Solidarity Movement, an international peacebuilding NGO, and Women for Justice and Peace (part of the Global Tamil Forum); Kalpitiya community representatives; existing and in-coming tourism developers; and the World Bank (see Appendix 2 for full list of identified tourism developers and civil society organisations involved in the tourism development issue in Kalpitiya). However, these stakeholder groups should not be seen as homogenous. Each one incorporates a range of interests and perspectives, and is skewed with power relations. Therefore considerations around representation (i.e. who is claiming to speak on behalf of whom) were also required (Mayoux&Johnson,2007).
As Figure 2 shows, I obtained nine responses from all but one from each of the key stakeholder groups, plus one ‘expert’. I was granted an interview with a World Bank representative, who then failed to engage. I also related the discussion notes from meetings with two international NGOs acquired at an earlier phase of the investigation to my research questions. Two interviews were conducted in person and two by telephone or Skype using respondent-specific, semi-structured interview schedules. The remaining responses were acquired via email. This includes one refusal to provide information from a prospective in-coming international tourism developer, Four Seasons Hotels.

The primary data was supplemented and triangulated with a range of secondary data, including grey and academic literature. Grey literature reviewed included: GoSL land and tourism policy documents (see Table 1), including those produced for the World Bank (SLTDA, 2009); NGO reports about peacebuilding in Sri Lanka (International Alert, 2006; Bastian, 2005), land rights (Perera, 2006; Tripathi, 2009), tourism and poverty reduction (Ranajara, 2003), business and human rights in post-conflict contexts (IHRB, 2011); and media articles.
Table 1: An overview of reviewed Sri Lankan government policy documents

<table>
<thead>
<tr>
<th>Document</th>
<th>Description</th>
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<tbody>
<tr>
<td>Sri Lanka New Development Strategy 2005 - interim Poverty Reduction and Growth Strategy document</td>
<td>Emphasis on pro-poor growth, addressing social inequalities, economic empowerment, and role of foreign direct investment. Not clear if and how this strategy has been adopted or integrated into existing policy.</td>
</tr>
<tr>
<td>Tourism Act, No. 38 (2005)</td>
<td>Facilitates the establishment of the SLTDA and vests them with the authority to plan, implement and regulate tourism development. Gives SLTDA jurisdiction over gazetted Tourism Development Areas.</td>
</tr>
<tr>
<td>Sri Lanka Sustainable Tourism Development Project: Social Management Framework (July 2009)</td>
<td>A key supporting document of this 4-year World Bank-funded project. Places significant emphasis on community consultation and participation; provides for establishment of grievance mechanism.</td>
</tr>
<tr>
<td>Kalpitiya Integrated Tourism Resort Project: Conceptual Master Plan</td>
<td>Provides overview of development plan, the geographical area, environmental characteristics, and the desired types of tourism.</td>
</tr>
<tr>
<td>Kalpitiya Integrated Tourism Resort Project: General Guidelines for Investors</td>
<td>As above, but includes specifics about the investor process. States that community benefits should be ensured, but limited elaboration and does not state need for investors to consult with communities.</td>
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4. Analysis and Findings

4.1 Tourism and post-conflict Sri Lanka

In 2009, Sri Lanka emerged from a 30-year civil war, which saw massive destruction of lives, livelihoods and infrastructure, particularly in the north and east (IA,2006). Widespread human rights abuses were committed by both government and (now defeated) rebel Tamil forces (BBC,13/06/2011). The root causes of the conflict are attributed to social, economic, political and cultural structural discrimination perpetrated by a Singhalese-dominated government against the Tamil minority (IA,2006). This discrimination, and the conflict itself, has created highly geographically uneven patterns of development (ibid). Almost 50% of GDP earnings accrue to the Western province (IA,2006;Ranaraja,2003), while the North Western Province, which includes Kalpitiya, and conflict-affected Northern and Eastern provinces, where large-scale tourism developments are also planned (see Figure-3), are very poor and lack basic infrastructure, such as roads and electricity (IA,2006).
Sri Lanka was the first South Asian country to pursue a liberalised economic development model in 1977 and remains firmly on this path today (IA,2006;Ranaraja,2003;PRSG,2010). Thus, the country is seen to be pursuing a “liberal peace”, influenced by the ideological conditionalities of major donors (Bastian,2005:9). For example, the IMF agreed a loan of US$2.6 billion in 2009 to support Sri Lanka’s post-conflict economic reform program (IMF,2009). However, such top-down, politico-economic reforms are arguably further undermining democratic state institutions (Bastian,2005), which were already eroded because of the conflict (anon,2011), thereby perpetuating mistrust in the government, particularly amongst Tamils and other socially marginalised groups. Furthermore, the privatisation of public resources that these policies entail, notably land, is generating significant societal conflict (Bastian,2005), particularly as control over land is linked to issues of self-determination, itself a key root cause of the Sri Lankan civil war (Fernando.et.al,2010).

It is within this context that the GoSL, under President Mahinda Rajapaksa, is seeking to rapidly expand its tourism sector, aiming to attract 2.5 million tourists by 2015, up from 650,000 in 2010 (Wij,2011). Tourism has been identified as a major driver for economic growth and job creation. The government believes that, in this way, tourism will contribute to peacebuilding. Up until now, tourism’s growth has been hampered by the conflict, as well as the 2004 tsunami (Fernando.et.al,2011). The GoSL states it will develop high-end, low-volume, ‘sustainable’ tourism. Under a US$20 million World Bank-funded ‘Sustainable Tourism Development Project’, 45 tourism zones have been identified, incorporating 11 gazetted Tourism Development Areas (SLTDA,2009). Some of the hotel projects currently underway are shown in Figure-3. A Land Alienation Policy providing for the leasing of state land for up to 99 years, was passed in April 2011 in order to make it easier for private sector land acquisition to take place for national and international investors (GoSL,2011).
The political economy of tourism in post-conflict Sri Lanka

Civil society respondents and much of the literature characterise the state as increasingly authoritarian and militarised, and as having little regard for human rights in its pursuit of its liberalisation agenda. Sri Lanka was declared the most militarised country in South Asia in 2006 (Balachandran, 21/09/2006) and the defence budget is increasing again in 2012 (Sunday Observer, 06/09/2011). Meanwhile, in September 2010, President Mahinda Rajapaksa removed the two-term presidential limit and repealed measures limiting presidential powers (PRSG, 2010). The executive now controls over 80 state institutions and the Rajapaksa brothers hold several key posts (ibid), creating a multifaceted overlap of military, land and tourism-related mandate, power and resources, which is being harnessed to drive liberalised tourism development. For example, the President’s brother, Basil Rajapaksa, controls the Ministry for Economic Development, which incorporates the SLTDA and SLTPB, and chairs the Presidential Task Force for Development, Resettlement and Security in the Northern Province (PRSG, 2010). President Rajapaksa also heads the Ministry of Defence (MoD) and his
brother, Gotabhaya, is Secretary. The Urban Development Authority, Land Reclamation and Development Corporation, and Coast Conservation Department all sit under the MoD (GoSL, 2010), thereby rationalising the military’s involvement in appropriating land for tourism and other large-scale development projects (e.g. SundayTimes, 14/08/2011).

The character of the state means that, according to civil society respondents, people in the north and east remain largely quiet because of fear. There is a strong perception that the GoSL lacks accountability and is “only interested in getting investors and profits”. Corruption is apparently rife, including over land deals for tourism development. This includes allegations of corruption over the allocation of land in Kalpitiya (SundayTimes, 06/02/2011; DailyMirror, 05/09/2011). Media self-censorship and the “ politicisation of everything” are impacting on the judiciary and democratic institutions, freedom of expression and civil society space (IA, 2006: 561). Even the NGO Secretariat has been brought under the MoD (NGO-Secretariat, 2011), while those who criticise the government are reportedly labelled ‘mouthpieces of the West’.

4.2 The Kalpitiya case

The quiet coastal peninsula and islets of Kalpitiya, in Puttlam district, North Western Province, has been gazetted as Sri Lanka’s largest tourism zone – the Kalpitiya Integrated Resort Project (KITRP(i), 2010: 10). Kalpitiya constitutes a ‘project cluster’ of a 4-year World Bank-funded Sustainable Tourism Development Project. Cabinet approval to acquire 5000 acres of land for the KITRP was granted in December 2004 (KITDP(ii), 2010). Most of this land was already state-owned. As of September 2011, fourteen of Kalpitiya’s islets are being put out to tender for development and four islets have already been leased to two developers. International brands are being encouraged, but most developers are Sri Lankan. The government is particularly seeking to develop high end tourism, including 5-7 star hotels. According to the SLTDA website, KITRP investment opportunities include hotels, chalets, water bungalows, a race course, amusement park, 18-hole golf course, water sports centre, and a domestic airport. The KITRP is predicted to generate 15,000 direct and 50,000 indirect jobs, and will cost an estimated US$4 billion (ibid).

However, the small-scale fishing communities who have inhabited or seasonally migrated to Kalpitiya to fish for generations are fiercely opposing the KITRP, along with many national and international civil society organisations (IFFM, 2011). Economically poor and socially marginalised, and lacking official land title deeds, the fishing communities claim their land and livelihood rights are being violated, their traditional ways of life eroded, and that they have not been consulted about the plans by either their government or developers (ibid). Furthermore, although Kalpitiya falls outside the main conflict zone, the recent war permeates the tourism development context. Fear of reprisals has reportedly limited people from speaking out (LankaNewsWeb, 03/01/2011), compounded by the military’s role in laying out barbed-wire and operating checkpoints to block access to some areas earmarked for tourism (BBC-Sinhala, 09/05/2011). This overlap between the institutions and apparatus of war with the institutions and apparatus of liberalised tourism...
development, which is exacerbating social conflict and inequalities, could seriously undermine wider peacebuilding in Sri Lanka, particularly in former conflict-affected areas.

**Civil Society perspective**

According to NAFSO, 30,000 people, including 12,500 fishermen, women and their dependents, depend upon the 14 islets and lagoon of Kalpitiya for their livelihoods. Most are small-scale, using basic catamarans or canoes. The women are involved in drying and selling the fish, so also stand to be directly affected. The fisher families are generally poor and uneducated. Some migrated to Kalpitiya from the East coast and have been here for four or five generations; others migrate seasonally to fish. However, “as migrants, they have no rights and politicians don’t listen to them”. The selling of state land for the KITRP is causing fishermen to lose access to beaches, lagoons and anchorage points needed for fishing, as fences are erected and areas cordoned off for development. This is threatening their livelihoods and causing deep anxiety and resentment amongst the fishing communities, leading to public protests and local and national-level campaigning (e.g. LankaSriNews, 13/06/2011). Negative cultural impacts are also being cited, as access to churches and mosques has been curtailed on some islands. For example, communities on the island of Uchchamunai fear tourism will damage their traditional lifestyles and culture (IFFM, 2011:11). They feel that their social, cultural, economic, civil and political rights are under threat. These communities say they are not ‘anti-tourism’, but want to be involved in tourism decision-making processes (ibid). However, the KITRP is being implemented with little, if any, consultation by government or tourism developers, and the process is lacking transparency and accountability. Even the Puttla Divisional Secretary has stated that the plans were produced in Colombo and that he was simply ordered to implement them (IFFM, 2011).

This lack of consultation undermines peoples’ belief that the government’s intentions of ensuring community benefits are genuine: “The fact that it [meaningful consultation] is totally lacking at Kalpitiya, indicates that such talk is a just facade. People are in the dark as to what is going to happen to them. Empowering people begins only if the development process begins with consulting people.” National civil society respondents and numerous accounts and testimonials from local community members in the national media convey concern that infrastructure development will benefit the tourism industry and tourists, rather than the pressing development needs of local people (e.g. IFFM, 2011; SundayTimes, 26/06/2011).

These communities and organisations such as NAFSO are calling instead for people-centred development, based around the priorities identified by local communities in a participative, consultative process.

The employment opportunities and quality of employment that would be available to poor, largely uneducated fishing communities in Kalpitiya has also been cited as a concern. Tourism is a fickle, seasonal industry, determining a preference for casual employees (Ranaraja, 2003). According to Sri Lanka’s own 2003 Poverty Reduction Strategy Paper, low paid casual employees “are worse off than the unemployed...up to a third of service workers, including workers in the hotel and tourism sector, face consumption poverty and economic hardship” (Ranaraja, 2003:18). Additionally, the focus on high-end, rather than mass tourism, will
arguably limit job creation potential, as will lack of training opportunities for the most socially disadvantaged (ibid).

Despite its claiming to be an 'eco-tourism' development, according to NAFSO, the Kalpitiya project is seeing a “complete disregard for the environment”. This is detrimental for both fishing and tourism. Mangroves, which provide fish breeding grounds and are traditionally used as building materials by locals, are reportedly being destroyed by hoteliers.

**Government perspective**

According to the SLTPB, the country is undergoing rapid economic growth and the Kalpitiya communities must be supported to develop too, or face being left behind. The same applies to those living in the former war-affected Northern and Eastern Provinces: “There is a real need for development activities in these areas”. Tourism is considered to provide significant potential in this regard. However, small-scale fishing is also recognised as an important industry and contributor to GDP that should be safeguarded. It was acknowledged that some will embrace tourism, while others – perhaps those in the older generation - would find it more difficult to engage. The SLTPB recognises access to land as a key issue in Kalpitiya. It stated that, while the land used by the communities is largely government and privately-owned, all beaches remain public (although this conflicts with what communities are reporting): “The fishermen may lose access to some areas, but space will be allocated for them elsewhere. This should be done in a consultative manner, with access to markets maintained”. However, “overall the area and the people will benefit”. For example, it is anticipated that communities will be able to sell produce and fish directly to hotels.

Indeed, the KITRP **Investor Guidelines** state that infrastructure - including roads, water and electricity, hospitals, schools and housing, will be “geared to cater to the efficient functioning of the resort and for the betterment of the local community” (KITRP(ii),2010:12). Stated objectives include improved living stands, social equity and community empowerment. The KITRP **Conceptual Masterplan** states that Kalpitiya will be a “socially sustainable resort”, which will mitigate harmful impacts on environment and people (KITRP,2010(i):11). It says that “no family will be dislocated from their present locations” (ibid:12). Developer proposals are required to include information on how they will contribute towards community development. However, the **Conceptual Masterplan** stops short of requiring developers to undertake any kind of social impact assessment (SIA) to explicitly identify and address their potential or perceived sociocultural and economic impacts on local communities.

Although still in its early stages, the implementation of the KITRP does not appear to be living up to its espoused principles. Similarly, the lack of community consultation runs contrary to the stipulations set out in the **Social Management Framework (SMF)** for the World Bank-funded Sustainable Tourism Development Project (SLTDA,2009), of which Kalpitiya is a cluster. The SMF places significant emphasis on the need for consultation before, during and after project implementation. It calls for continuous SIAs, awareness-raising campaigns about the developments (most KITRP documents are only available in English, although the fishing communities are largely illiterate and do not speak or read English), and provides for the establishment of a
multi-stakeholder ‘Grievance Redress Committee’ to deal with land and livelihood-related grievances (SLTDA, 2009:22-3). Meanwhile, according to a representative from the Ministry of Lands, before land is acquired, a comprehensive study should take place to ensure it is suitable for said purpose and that environmental, cultural and economic disruptions are minimal. In terms of redressing grievances, the Land Acquisition ordinance provides opportunities for communities to protest and seek compensation, including through the judiciary (indeed, he noted that there are many instances where “mega development projects” have been abandoned due to public protest).

There is therefore, a significant gap between policy and practice in the implementation of the KITRP, further underlining the communities’ mistrust in their government. The SLTPB stated that consultation was taking place, but acknowledged more was needed and steps were being taken in this regard. It was acknowledged that the in-coming tourism developers have not been required by the GoSL to consult with communities. However, the Deputy Minister for Economic Development recently visited and promised communities new houses and assured them that they would not be displaced (e.g. NewsFirst, 11/08/2011). However, NAFSO dismissed the claims as more empty promises, again illustrating a deep lack of trust in the government.

**World Bank**

Project documents from the World Bank-funded Sri Lanka Sustainable Tourism Development Project are available online in English from the SLTDA and World Bank websites, including progress reports on the latter site. However, these documents are likely to be largely inaccessible to poor communities in Kalpitiya who are being most directly and negatively affected by the KITRP, as well as communities in other identified Project cluster areas, many of whom may lack internet access, suffer high levels of illiteracy and do not speak English. The World Bank failed to answer any questions about its role and accountabilities to local stakeholders during this research, despite repeated attempts to contact the project representative, and despite relatively wide media coverage of the social conflict over the tourism development in Kalpitiya that falls under the project it is funding. The World Bank does have an Inspection Panel, which provides a mechanism through which communities affected by projects it funds can raise a grievance (WorldBank, 2011). However, this may again prove difficult for marginalised communities to find out about or access, and it seems there have been no pro-active efforts by the World Bank to engage with Kalpitiya communities.

**Tourism industry perspective**

The existing resort-owner stated that there had also been a lack of information and consultation with tourism stakeholders regarding the KITRP by the government. However, both he and the in-coming developer (both Sri Lankan) believed the KITRP could provide socioeconomic benefits to local communities, if implemented sensitively. Both were aware of the communities’ grievances. Indeed, the incoming resort-owner stressed the need for community engagement from the outset, including educating local people about how they could potentially benefit from the KITRP in order to promote a positive attitude as opposed to what he sees as “the traditional anti-development attitude”.

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In terms of community engagement, the existing resort-owner stated that between 70-90% of staff at his two resorts are from the area, and most produce is sourced locally. He believed more tourism could also help preserve the reef, which he claimed is being damaged by dynamite fishing by locals. However, he was wary of the government’s particular efforts to secure investment from large international hotel groups and developers, and felt that potential community benefits would be harder to realise in such a case.

He too perceived elements of the fishing communities as ‘anti-development’ and as seeking to exploit the situation for their own interests. Similarly, the SLTBP used the phrase ‘anti-development’ when discussing NAFO, suggesting a failure by all to recognise or value development approaches which do not fit with the dominant growth-centred paradigm.

### 4.2.1 In-coming tourism developers’ human rights awareness

Sri Lanka has a history of corporate philanthropy and corporate social responsibility (CSR) is a growing trend (IA,2006). However, generally businesses fail “to regard social inequalities as a structural problem requiring their involvement”; many are “reluctant to be seen as socially and politically conscious”, and choose to ignore the “inherently political power dynamics” of their business activities (IA,2006:577). Thus their potential to exacerbate grievances linked to the root causes of the conflict remain largely unrecognised.

According to the Institute of Human Rights and Business (IHRB), in post-conflict contexts, business should undertake rigorous due diligence to avoid potential complicity in rights violations, especially where a government stands accused of war crimes: “International investors are more likely to face calls for boycott or divestment from international civil society. But Sri Lankan businesses should also conduct due diligence...it is vital for them to ensure that as a matter of good practice, even if the law doesn't require it, they include all sections of Sri Lankan society in their activities.”

The in-coming developer said it is company policy to be sensitive to community impacts and relations, and to avoid human rights violations. In terms of due diligence, his company reportedly ensures it has clear title and vacant possession of land, and undertakes “strategic communication” with communities during construction and operation.

International hotel group, Four Seasons, declined to answer questions on either their prospective investment in Kalpitiya or their general investment policies. The company’s CSR website states its commitment “to being a responsible and caring community partner by having a positive economic impact and supporting community goals...within and outside the hotel” (FourSeasons,2011). However, it is not clear how these initiatives seek to identify, address or avoid complicity in negative human rights impacts, for example, through community consultation or other processes of due diligence.
Many incoming tourism developers listed on the KITRP webpage provide postal addresses only. Most did not have websites or did not respond when contact was attempted. The incoming developers’ reported lack of community consultation, lack of information provision and unresponsiveness seems somewhat removed from the principles of transparency, engagement and information provision espoused by in the UNGPs. This means that some incoming tourism developers in Kalpitiya are perceived by local people as complicit in the rights violations being committed by the government in the form of land-grabs, loss of livelihoods, and lack of participation.

Indeed, it would seem that there are very low levels of awareness within the tourism industry globally of the global baseline business standard to respect are human rights, as recently elaborated in the UNGPs. This raises questions about how the business responsibility to respect human rights will be communicated, particularly to domestic tourism enterprises in countries where the state apparently flouts human rights in order to create lucrative business opportunities, and is therefore unlikely to promote such principles. Moreover, unless governments incorporate the UNGPs into domestic regulatory frameworks, they remain voluntary. This suggests an important role for global civil society in lobbying governments and industry and and ‘naming and shaming’ companies which are complicit in human rights abuse.

4.3 Implications for wider peacebuilding

What does the Kalpitiya case suggest for wider peacebuilding in Sri Lanka? As discussed previously, from the perspective of the GoSL, development and peacebuilding is primarily being sought through a process of market liberalisation in pursuit of rapid economic growth and job creation (Bastian, 2005) - notably through tourism development.

While the in-coming developer believed that socially and environmentally sensitive tourism can provide the best opportunity for sustainable socio-economic development in many areas of Sri Lanka, and can thus contribute peacebuilding, a market-orientated view of development is again suggested in his response: “Pro-development community organisations need to be empowered to understand how to be part of and how to derive benefits from tourism for the short to long term”. The existing tourism enterprise also believed communities would benefit from improved infrastructure, but again warned that big international hotels would limit benefits. He felt a major investment in training in tourism hospitality is required, along with a commitment from any large hotels to recruit local people. However, it was again stated that, as most fishing communities are uneducated, it is unclear if they would benefit. Furthermore: “Customary land rights will be evoked and they will cry foul in a bid to receive compensation”. However, he stated grievances would need to be addressed by government and the requisite resources for relocation and rehousing made available.

However, the perceived human rights abuses, lack of consultation and elitism associated with tourism development amongst civil society respondents and much of the literature arguably undermine tourism’s
potential to help address structural inequalities and land-based grievances at the root of the conflict – so vital for building peace (El-Bushra, 2006). Rather, the current model of tourism development is arguably serving to exacerbate grievances and undermine societal trust. This becomes apparent when considering the wider post-conflict context in Sri Lanka. In May 2011, some 220,000 people remained displaced due to the conflict (mostly Tamils from the Northern Province), while some 366,000 were in differing stages of resettlement (IDMC, 2011). It is typically the poorest who remain displaced, because they lack the resources to return or have lost entitlements to their land (IA, 2011). While some such land may fall within ‘high security zones’ (IDMC, 2011), other land is reportedly being denied to Tamil returnees so that it can be used for development projects, including power plants, special economic zones, and tourism, “which the president’s critics suspect will do more to create business opportunities for the government’s allies than to improve the economic conditions of the Tamil population” (SRSG, 2010:3).

NAFSO stated that development projects that prevent people from returning home, reviving livelihoods or participating in development activities are undermining peacebuilding and reconciliation. It was argued that such projects weaken trust in the government, create uncertainties and augment community tensions. Indeed, land acquisitions for tourism under the government’s liberal development model are seen as part of wider patterns of displacement, leading to social, economic and cultural alienation. NAFSO and others, such as Sri Lanka’s Food Sovereignty Network, also believe the current land grabs are ultimately threatening food security. For example, since Rajapaksa was elected in 2005, 150,000 acres of farmland have been reportedly acquired for tourism and other infrastructural development projects (Fernando. et.al, 2010). Thus: “If people don’t feel things are different, if people are not consulted, the mistrust will continue and disaffection may grow.” Rather, a consultative process is needed in order to address the root causes of the conflict, including ethnically discriminatory land policies, and to rebuild the country sustainably.

One civil society respondent agreed that, in developing tourism in the north and east, the government is not interested in the impact on, or the development needs of, the Tamils. Main roads are being refurbished while villages and roads remain in a poor condition. “Land is being handed out to Sinhalese business people before IDPs can return...There is no systemic planning for sustainable development.” Indeed, many believe that the government is promoting tourism as a means for elite Sinhalese to colonise the Northern and Eastern Provinces, to the detriment of the Tamil people. Indeed, in 201 MoD opened the 31-room 'Thal Sewana' Holiday Resort at Kankasanthurai, Jaffna, while Sinhalese Buddhist nationalism purportedly remains an “ideological current that still dominates within the business community” (Bastian, 2005:25). Such colonisation – which links to issues of land and Tamil self-determination – was a key root cause of the conflict (IA, 2006; IFFM, 2011; Bastian, 2005). Thus its perceived continuation through tourism development carries serious implications for peacebuilding. Additionally, the Transnational Government of Tamil Eelam, the Tamil diaspora’s self-proclaimed government-in-exile, “claims that the Tamil community...is systematically denied the political power required to protect its interests” (PRSG-U, 2010:3). Furthermore, some believe that the global Tamil diaspora is capable of bankrolling a renewed separatist uprising if the political route fails (ibid).
Finally, while some view the GoSL’s development programmes in the North and Eastern provinces as a thinly veiled attempt at “Sinhalisation” (MRG,2011), others argue that the very lack of investment in these areas itself reflects “the discriminatory practices of the central government in Colombo” (IA,2006:588). This ambiguity demonstrates the complex sensitivities shaping the context in which tourism is planned, again highlighting the need for human rights due diligence on the part of tourism developers to reduce their potential complicity in human rights abuses, and recognition of themselves as political actors whose actions can serve to aggravate – or indeed mitigate – the root causes of the Sri Lanka’s recently ended civil conflict.

5. Conclusions

This report argues that the current model of globalised tourism development being pursued by the government in post-conflict Sri Lanka is undermining human rights, and thus sustainable development and peacebuilding. The conflict over the proposed KITRP served as a case study through which to examine the central theme.

The GoSL is placing significant emphasis on tourism as a means to create jobs, foreign investment and economic growth (SLTDA,2011), facilitated through the further liberalisation of Sri Lanka’s economy – an approach encouraged by the IMF and World Bank (Bastian,2005). By contributing to economic stability, it is believed that tourism will contribute to peacebuilding in the aftermath of the 30-year conflict with the LTTE. However, for peacebuilding to be sustainable it must address the root causes of the conflict (ibid). Therefore if tourism is to meaningfully contribute to the peacebuilding strategy, it should also help to address – or at least not explicitly exacerbate – these root causes. In Sri Lanka, the roots of the conflict include the deeply uneven patterns of development arising from discriminatory policies that favoured Sinhalese over Tamils and other socially marginalised groups, notably policies around access to land, which caused widespread socioeconomic and political exclusion (IA,2006;Bastian,2005). Such exclusion fostered deep mistrust and resentment in the government amongst Tamils and other negatively affected minorities, leading to a breakdown of the social mechanisms that may previously have enabled peaceful conflict resolution (El-Bushra,2006;Arambewela&Arabewela,2010).

However, the GoSL’s “liberal peace” agenda is arguably insufficient to address these critical challenges on its own (Bastian,2005:29). Rather, as is illustrated by the situation in Kalpitiya, such an approach is exacerbating mistrust and frustration in the central government, by alienating poor fishing communities from their land and livelihoods and excluding them from democratic decision-making processes, while augmenting profits for the tourism industry. For these communities, the implementation of KITRP is seen as violating their civil and political, and socioeconomic human rights, and will push them into deeper poverty. Furthermore, questions remain over the scale and quality of employment opportunities available to the largely uneducated fishing communities, especially given the fickle, seasonal nature of the industry, with statistics suggesting those engaged in the most menial roles will be relatively poorer due to increased living costs caused by the
industry’s arrival (Ranaraja, 2003). This again calls attention to the need to define development beyond jobs and growth, to include freedom, capability and participation (Arambewela & Arambewela, 2010).

In this vein, members of the Kalpitiya communities and Sri Lankan civil society organisations campaigning to challenge the KITRP, such as NAFSO, are calling for a people-centred approach to development, based on consultation, participation, respect for human rights, social justice and equity (IFFM, 2011; Thomas, 2000).

Indeed, the GoSL’s own Sustainable Tourism Development Project SMF clearly stipulates the need for consultation and participation in the design and implementation of the tourism under the project, which includes Kalpitiya, as well as the establishment of grievance mechanisms. The KITRP Investor Guidelines also stipulate the need for positive socioeconomic community benefits. Therefore, there are presently considerable gaps between policy and practice. The communities, existing tourism enterprises and local government have been excluded from decision-making around the KITRP (IFFM, 2011), and the process is marred by corruption allegations. All these factors undermine trust in the sincerity and ability of the government to build an inclusive, sustainable peace.

Furthermore, a political economy analysis suggests how a highly militarised, centralised state is shaping policies and institutions to create a multifaceted overlap of military, land and tourism-related mandate, power and resources, which are being harnessed to appropriate land and drive liberalised tourism development. Such a context arguably has particularly negative implications for peacebuilding in the conflict-affected Northern and Eastern provinces. Here, where thousands remain displaced because of the conflict, land appropriation for tourism and other large-scale development projects is perceived by some as a deliberate government-driven process of ‘Sinhalalisation’. This is further compounding existing social tensions and undermining trust in the state (MRG, 2011). While it is broadly agreed that the north and east urgently need investment and development - both severely hampered because of the conflict (IA, 2006), the current approach is apparently bypassing the urgent needs of the poorest, mostly Tamil people, who remain socioeconomically and politically marginalised.

While tourism undoubtedly carries potential to generate employment, infrastructure development, and economic growth in Sri Lanka, its current mode of implementation is apparently undermining participation, societal trust and respect for human rights, which are required for sustainable development and peacebuilding (El-Bushra, 2006; Haessely, 2010). Tourism is fuelling frustration and resentment, including around land-based grievances and social exclusion, which were root causes of the conflict. While an authoritarian state is currently quashing dissent, some analysts maintain: “peace is holding, but it cannot be taken for granted...if Rajapaksa fails to pursue an inclusive post-war agenda, a renewed eruption of conflict is possible” (PRSG-U, 2010:4).

Consideration was also given to tourism businesses’ understandings of their responsibility to respect human rights, as set out in the UNGPs. These principles were devised in response to the emergent gaps in governance and accountability within our increasingly globalised economy, stemming from the burgeoning
power of the transnational private sector relative to the role of states, which frequently fail in their primary
duty to protect the human rights of citizens while liberalising their economies to facilitate corporate
investment (ibid). This can be particularly so in post-conflict contexts (Ruggie,2011), such as Sri Lanka, where
the state stands accused of human rights violations and war crimes (BBC,13/06/2011). This necessitates
particular human rights due diligence by businesses to reduce the risk of complicity in abuse (IHRB,2011),
including state-perpetrated displacement and loss of livelihoods for tourism. Due diligence promotes social
(and thus business) sustainability by embodying a respect for human rights, pursued through transparent, on-
going consultation with affected peoples (Ruggie,2011;IHRB,2011). Explicit human rights considerations
amongst tourism industry respondents seemed fairly low, although both the existing and in-coming Sri
Lankan resort-owners reportedly seek to promote positive community benefits and relations through
employment or “strategic communication”. Generally, however, the Kalpitiya communities report that they
have not been consulted by developers. This suggests a failure to recognise how tourism activities may
contribute to structural inequalities, which could undermine peacebuilding (IA,2006).

It was beyond the scope of this report to discuss in detail the positive, pro-active steps businesses can take to
promote peacebuilding in Sri Lanka. For further reading in this regard, please refer to the report by

### 5.1 Recommendations

**The Government of Sri Lanka, including the Ministry of Economic Development and the Sri Lanka
Tourism Development Authority:**

- Steps should be taken to fulfil and protect the socioeconomic, and civil and political rights of Sri
Lankan citizens in respect to tourism development, particularly marginalised communities and
groups, including protection from potential violations by tourism developers. This requires the GoSL
to recognise, and seek to redress through appropriate policy measures, the potential for businesses,
including tourism businesses, to exacerbate societal inequalities and grievances through their
activities.

- If development and peacebuilding are to be sustainable, related initiatives such as tourism
development should be implemented in an accountable, transparent and democratic manner, and
be founded upon a respect for human rights. This includes the right of local communities, such as
the fishing communities of Kalpitiya, to be consulted and to participate in decision-making processes
that hold profound implications for their lives and livelihoods.

- In this vein, the Ministry of Economic Development and the SLTDA should adopt a people-centred
approach to development, whereby socially marginalised groups are enabled to identify their own
development priorities, and empowered to meaningful participate in and gain from tourism
development, where appropriate. The Government should listen to the legitimate concerns of local
communities and civil society organisations seeking to represent them, which should not be dismissed as ‘anti-development’.

The guidelines of the Sustainable Tourism Development Project set out in the Social Management Framework should be honoured and implemented by the Government. These clearly stipulate the need for community consultation before, during and after project implementation in the identified cluster areas (which includes Kalpitiya); on-going communication with local communities and education; continuous social impact assessments; and the establishment of a grievance mechanism whereby communities who believe they are suffering negative impacts can seek redress.

In accordance with the STDP Social Management Framework, the GoSL should require in-coming tourism developers in Kalpitiya and elsewhere to conduct SIAs of their proposed activities. This should involve on-going meaningful consultation with affected communities – with special attention given to marginalised groups, such as women and minorities - to ensure that particular concerns and perceived or actual negative impacts are understood, and steps are taken to mitigate and redress these as required.

Guidelines for tourism investors in Kalpitiya and elsewhere should elaborate further on the requirements of developers to ensure meaningful, sustained and equitable community benefits from their activities. Particular sensitivities are required in the Northern and Eastern provinces in this regard.

Tourism industry

Domestic and international tourism developers in Kalpitiya, Sri Lanka, and elsewhere, must recognise themselves as political actors operating in complex, pollicised environments, where their activities carry a range of impacts and consequences for communities and other stakeholders. Some of these impacts may amount to, or be perceived as, complicity in or a direct violation of human rights, for which tourism developers should be accountable.

Furthermore, tourism developers should recognise that their activities will form part of, and impact upon, the wider socio-political context. In Sri Lanka and elsewhere, this may include the exacerbation of structural inequalities experienced by certain groups and minorities, and/or state-perpetuated human rights abuses. In this way, tourism developers can be perceived to be complicit in human rights violations, whether directly or indirectly.

In order to identify, prevent, mitigate and redress their potential for contributing to human rights violations, and promote sustainable peacebuilding, tourism developers in Kalpitiya and elsewhere should recognise their fundamental business responsibility to respect human rights, as clarified and elaborated in the UN Guiding Principles on Business and Human Rights (Ruggie,2011).

The responsibility to respect exists independently of the State duty to protect human rights in recognition that States often fail in this regard, particularly in post-conflict contexts such as Sri Lanka. The business responsibility to respect necessitates an on-going process of human rights due diligence, whereby companies seek to develop an understanding of the context in which they operate, engage directly with stakeholders - including local communities and
marginalised groups, such as women and minorities, and take steps to mitigate adverse impacts and provide access to redress where they are perceived to have occurred.

The World Bank

Steps should be taken to ensure that any tourism projects that if funds, including the Sri Lanka Tourism Development Project (of which Kalpitiya is a project cluster) adhere in both principle and practice to the agreed social management frameworks to ensure that they do not infringe on the rights of marginalised communities.

The World Bank should be receptive to, and actively investigate, civil society grievances regarding the human rights impacts of the projects that it funds, even if those grievances are not conveyed directly to the World Bank itself but are otherwise known or expressed (for example, reported in the media, as is the case of the KITRP).

Particular attention should be given in the above regard in post-conflict countries such as Sri Lanka.
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Appendix I

Acronyms and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GoSL</td>
<td>Government of Sri Lanka</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>KITRP</td>
<td>Kalpitiya Integrated Resort Project</td>
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<td>NAFO</td>
<td>National Fisheries Solidarity Movement</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<td>MED</td>
<td>Ministry of Economic Development, Sri Lanka</td>
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<td>MoD</td>
<td>Ministry of Defence, Sri Lanka</td>
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<td>SLTPB</td>
<td>Sri Lanka Tourism Promotion Bureau</td>
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<td>SLTDA</td>
<td>Sri Lanka Tourism Development Authority</td>
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<td>SMF</td>
<td>Social Management Framework</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNGPs</td>
<td>United Nations Guiding Principles on Business and Human Rights</td>
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<td>WB</td>
<td>World Bank</td>
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Appendix II

Incoming tourism developers and civil society organisations involved in the Kalpitiya (as of July/September 2011)

In-coming Sri Lankan tourism resort/hotel developers

- Citrus Leisure
- Palm Lanka Holdings
- Cube Lanka Leisure
- Integrated Resorts
- Sun Marina Resorts
- Heritage Reserves (Pvt) Limited
- M S A Sham Sudeen Development & Reality (Pvt)
- Elements
- West Agro Property Developers(Pvt) Ltd
- Alpha Tours (Pvt) Limited
- Divyaa resort

In-coming international tourism resort/hotel developers

- Four Seasons (prospective only)
- Dutch Bay Resorts (Kingdom of Bahrain)
- Hassan Gate
- Sun Resort / Let's Travel (Swiss-Sri Lankan joint venture )
- Kuwait European Holding (Kuwait)
- M.mandeep Singh (London)
- Mr. Thomas Roses (Germany)

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1 See: [http://www.sltda.gov.lk/ongoing_projects](http://www.sltda.gov.lk/ongoing_projects)
Existing resorts/hotels

- Alankuda Beach
- Makara Resorts
- Dolphin Beach
- Dolphin View Eco Lodge
- Bar Reef Resort
- Diyamba Beach Resort
- Lagoon Lodge
- Ruwala Resort
- Taniya Hotel

International Human rights & social justice NGOs

- World Forum of Fishworkers
- International Fact Finding Mission: Equations (India); FSNA + IMSE (India); Sustainable Development Foundation (Thailand); ANPFA (Nepal)
- Tourism Concern (UK)
- Sri Lanka Campaign for Peace and Justice (UK)
- Society for Threatened Peoples (Switzerland)
- Women for Justice and Peace (UK)

National CSOs

- All Ceylon Fisher Folk Trade Union
- National Fisheries Solidarity Movement (NAFSO)
- Beach Seine Society;
- People to People Dialogue on Peace and Sustainable Development;
- Human Rights Centre;
- Movement for National Land and Agricultural Reform (MONLAR);
- Food Sovereignty Network: Savistri Women’s Movement; Rural Women’s Front, MONLAR and NAFSO
- Humanitarian Brotherhood Foundation
- CEDEC (CARITAS)

Kalpitiya CSOs

- Puttulam District Fisheries Solidarity
- Organisation for the Protection of People’s Rights of Mohoththuravarama

1 For all ministerial functions and departments, see:

## CENTRAL QUESTION:
What are the implications of globalised tourism development in post-conflict Sri Lanka for human rights, sustainable development and peacebuilding, with a focus on Kalpitiya?

### Primary Sources:
- SLTDA & SLTPB; Ministry of Economic Development; Ministry of Lands; Ministry of Fisheries; Local government; Existing and incoming tourism developers (national/ international); Civil society stakeholders; Recognised experts
- Secondary Sources: Tourism Masterplans and policy documents; Kalpitiya Investor guidelines; Media articles; Academic literature; NGO reports

### Question Sub Questions Assumptions Data required
1. What is the post-conflict context in Sri Lanka? Climate of societal mistrust and state failure to protect and fulfil human rights, including against abuses by businesses. • Root causes of conflict • Character of the state • Economic growth strategy • Development patterns
2. What is the status of tourism development in Kalpitiya and former conflict-affected districts in Sri Lanka? Tourism development is set to rapidly increase, including in conflict zones. • Tourist arrivals • Tourism GDP contribution • Tourism employment (direct and indirect) • Policy frameworks (tourism; land; fishing; economic)
3. Why is globalised tourism development being pursued as a development model and (how) is this linked to the government’s peacebuilding agenda? • Liberalised/globalised tourism development is being pursued as a means to promote job creation and economic stability as a means to promote peace. • Supported by the World Bank and IMF. • Economic & tourism policies • Peacebuilding strategy • Role of WB and IMF • War economy links with tourism economy
4. Who are the key stakeholders, actors and agencies involved in Kalpitiya? There are multiple stakeholders in at local and national level. Power relations are skewed against Kalpitiya communities; government is aligned with national and international business interests. • Who? At what level? • Culture, politics, status • Power relations: social, political, economic
5. How is globalised tourism development in Kalpitiya impacting upon the lives and livelihoods, and socioeconomic and civil and political rights, of poor local communities? Tourism development is impacting negatively on human rights of local communities. Lack of governance and industry accountability; lack of consultation with communities. Poverty, social exclusion and inequality are being exacerbated. • Community perspectives • Government perspectives • Tourism perspectives • Data re: human rights context • Literature re: globalisation, equality and governance
6. Extent of adherence to international norms for businesses operating in post-conflict contexts in Kalpitiya? Tourism investors have a limited awareness and understanding of norms. • International business norms and standards in post-conflict contexts • Tourism perspective
7. What does the globalised tourism development model adopted imply for promoting equality, social inclusion and wider, sustainable peacebuilding in Sri Lanka? The GoSL’s tourism development agenda is marred by its perceived elitism, corruption and failure to protect and fulfil human rights. Negative implications for the poorest, including in north and east. • Assessment to be based on data acquired via all methods above

### Data collection strategy

#### Question
- What are the implications of globalised tourism development in post-conflict Sri Lanka for human rights, sustainable development and peacebuilding, with a focus on Kalpitiya?

#### Sub Questions
1. What is the post-conflict context in Sri Lanka?
2. What is the status of tourism development in Kalpitiya and former conflict-affected districts in Sri Lanka?
3. Why is globalised tourism development being pursued as a development model and (how) is this linked to the government’s peacebuilding agenda?
4. Who are the key stakeholders, actors and agencies involved in Kalpitiya?
5. How is globalised tourism development in Kalpitiya impacting upon the lives and livelihoods, and socioeconomic and civil and political rights, of poor local communities?
6. Extent of adherence to international norms for businesses operating in post-conflict contexts in Kalpitiya?
7. What does the globalised tourism development model adopted imply for promoting equality, social inclusion and wider, sustainable peacebuilding in Sri Lanka?

#### Assumptions
- Climate of societal mistrust and state failure to protect and fulfil human rights, including against abuses by businesses.
- Tourism development is set to rapidly increase, including in conflict zones.
- Liberalised/globalised tourism development is being pursued as a means to promote job creation and economic stability as a means to promote peace.
- There are multiple stakeholders in at local and national level. Power relations are skewed against Kalpitiya communities; government is aligned with national and international business interests.
- Tourism development is impacting negatively on human rights of local communities. Lack of governance and industry accountability; lack of consultation with communities. Poverty, social exclusion and inequality are being exacerbated.
- Tourism investors have a limited awareness and understanding of norms.
- The GoSL’s tourism development agenda is marred by its perceived elitism, corruption and failure to protect and fulfil human rights. Negative implications for the poorest, including in north and east.

#### Data required
- • Root causes of conflict
- • Character of the state
- • Economic growth strategy
- • Development patterns
- • Tourist arrivals
- • Tourism GDP contribution
- • Tourism employment (direct and indirect)
- • Policy frameworks (tourism; land; fishing; economic)
- • Economic & tourism policies
- • Peacebuilding strategy
- • Role of WB and IMF
- • War economy links with tourism economy
- • Who? At what level?
- • Culture, politics, status
- • Power relations: social, political, economic
- • Community perspectives
- • Government perspectives
- • Tourism perspectives
- • Data re: human rights context
- • Literature re: globalisation, equality and governance
- • International business norms and standards in post-conflict contexts
- • Tourism perspective
- • Assessment to be based on data acquired via all methods above