

Social Work Intervention for the Impact of the Covid-19 Pandemic on the Tourism Industry

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Abstract

With a 12.5% share of Sri Lanka's GDP and 250,000 direct and potentially two million indirect career opportunities, the tourism sector is extremely important to the country's economy. The country's tourism industry has deteriorated significantly as a result of the COVID-19 pandemic. Hence, this study intends to find social work interventions for the impact of COVID-19 on tourism industry. According to the data, there were 169,003 and 219,484 direct and indirect employees working in the tourism industry in 2018. The vast majority of employees in the tourism sector have currently lost their jobs as a result of the closure of hotels, tourist destinations, and restaurants. Families that were completely dependent on tourism have been greatly impacted by this circumstance. The research objectives were to explore the impact of the COVID-19 pandemic on business owners in the tourism industry, to examine the impact of the COVID-19 pandemic on workers in the tourism industry, to identify the impact of the COVID-19 pandemic on small-scale

enterprises related to the tourism industry, and to examine government interventions for this situation. The study population was identified through purposive sampling. The research sample was 5 hotel owners in Ella divisional secretariat in Badulla. The phenomenological method was used under the qualitative research methodology and data was collected through in-depth interviews and observations. Research data reveals that numerous problems have arisen as a result of the decline in the arrival of foreign tourists in Sri Lanka. The largest impact of COVID-19 on business owners was their inability to keep up with hotel maintenance. Due to the decreased revenue, maintaining hotels was a significant challenge. The hotel has temporarily closed off certain areas such as the swimming pool and lobby to limit the amount of electricity and water used there. The vast majority of the workers were dismissed from the job due to this. Accordingly, unemployment and wage reductions are the two main problems faced by employees in the

tourism sector. Vegetables, fruits, jaggery, Kithul honey, and handicraft transportation and supplies to the hotels have been halted and restricted decreasing the business of small-scale business owners. However, according to research findings, COVID-19 has positive effects on the tourism industry including providing a chance

for luxury hotels for local tourists at reasonable prices and encouraging greater social integration among hotel owners. The lack of government support for the institutions' operations has made the issues worse. As a result, hotel owners have resorted to international contacts for aid.

Keywords: Tourism industry, Hotels, Gross Domestic Product, Covid-19 pandemic, Small-scale owners

Introduction

Tourism is the most popular industry in the modern world. The United Nations World Tourism Organization (UNWTO) reports that there were 1.4 billion international tourist arrivals in 2018 (an increase of 5% from the same period in 2017), with \$1.7 trillion in total spending (an increase of 4% from the same period in 2017) (UNWTO, 2019). Additionally, the tourist industry represented 7% of all global trade in 2019. It is the world's third largest export after fuels and chemicals. This industry is attributed to new companies, technical developments, low-cost travel, and middle-class consumers from emerging economies, particularly China. An important sector for generating income and jobs is the tourist industry. It helps to improve living standards and restructure underdeveloped economies. The tourist industry, which accounts for one in ten jobs, is labor-intensive and requires skills ranging from entry-level to advanced. Up to 20% of the worldwide GDP is produced by workers from many industries who collaborate to develop the tourism industry and take part in the (global) tourism chain. In developing countries that are popular travel destinations, such as Sri Lanka, the tourism sector is one way to earn foreign currency. Given the tremendous level of competition brought on by the availability of so many travel locations today, it is clear that modern tourism is closely linked to development in these countries (<https://www.unwto.org/2021-a-year-in-review>). Additionally, the provision of services meeting visitor expectations in a highly competitive environment assists the tourism sector to contribute to the growth of cities and regions, raising the welfare of national societies (Navickas & Malakauskaite, 2009: 37).

Global tourism has been impacted by a number of epidemics and natural catastrophes such as the Severe Acute Respiratory Syndrome (SARS) disaster in

2003 and the Tsunami disaster in 2004. However, contrasted to other disasters, COVID-19 has a significant impact on tourism. In the first three months of 2020, the coronavirus pandemic caused a decline in tourist arrivals that cost the global economy almost \$80 billion in export earnings (UNWTO). The epidemic has had a significant impact on most tourism destinations around the world, according to data from UNWTO, while different regions have experienced varied effects, with the Middle East experiencing the least. Numerous businesses and financial markets are impacted by uncertainties regarding future social and economic situations. The tourism and hospitality industries have been heavily damaged and many jobs have been placed in danger by border closures, travel restrictions, and social estrangement. The World Travel and Tourism Council (WTTC) points out that the impact on the economy is substantial given that the tourism sector contributed \$8.9 trillion to global GDP in 2019. (WTTC, 2020). One in ten employments worldwide, or 330 million jobs, were created by tourism, which accounts for 10.3% of the global GDP. According to the United Nations World Tourism Organization (UNWTO), 2020 was a disastrous year for worldwide tourism, with a 74% decline in foreign arrivals. The cost of declining demand and travel restrictions is estimated to be a loss of export revenues of 1.3 trillion dollars. According to the UNWTO World Tourist Barometer and Statistical Annex, the loss caused by the pandemic is 11 times greater than that caused by the global economic crisis of 2009 and has put 100 to 120 million tourism employees directly at risk (2021). With ongoing international travel limitations in 2021 and consumers fearing contagion, recovery in the tourism sector does not appear to occur in the near future (OECD, 2020b).

The COVID-19 pandemic is the most catastrophic event that has taken place in recent world history. In terms of the disaster's effects on international tourism, the COVID-19 outbreak, which was initially detected in Wuhan, China, on December 31, 2019, is very distinct from previous outbreaks. According to the United Nations Sustainable Development Group, the COVID-19 pandemic catastrophe of 2020 is "a global health crisis unlike any in the 75-year history of the United Nations" and is "an exogenous shock to the economy" that has the ability to affect all economies and all sectors. Every part of society was affected by this outbreak, which turned daily life on its head. However, this wasn't just a big explosion that happened in the medical sector. As Talcott Parsons emphasized in his system theory, society is comprised of a variety of parts that are interconnected. Additionally, changes in one part have a direct or indirect impact on other areas. Thus, it appears that the health sector, which is a part of the social system, has an impact on other sectors of society as a whole. However, both the developed and poor worlds were severely affected by this pandemic in terms of their economies. Since the socio-cultural superstructure depends on the economic base structure, it is clear from an analysis based on Marx's

theory of economic determinism that economic disruption has a significant effect on other socio-sectors.

The regulations of the COVID-19 Pandemic Crisis of 2020, such as restrictions on human movement, lockdowns, and the closing of national borders, have had a most negative impact on the service sector, such as "tourism," which has been first affected by the declining aggregate demand by the shrinking of economies. This economic impact negatively affected the tourism industry, both directly and indirectly. However, it appears that the COVID-19 Pandemic Crisis of 2020 has a negative overall impact on the tourism industry in developing nations. Furthermore, the picture becomes much more dramatic when the developing world is taken into account, particularly those nations that heavily rely on the tourism industry as a source of foreign exchange earnings.

Statement of the problem

The third-largest source of foreign exchange for Sri Lanka is tourism, which is also a significant source of capital for the country's administration. It is one of the main factors responsible for generating the overwhelming amount of employment and greatly increases Sri Lanka's foreign exchange revenues, highlighting its economic importance. However, COVID-19 Pandemic and the restrictions imposed totally damaged the tourist industry in Sri Lanka. Data show that there was a considerable drop in tourist numbers during the epidemic, which made things difficult for many whose livelihoods depended solely on tourism.

Table- 01
Tourists' Arrivals to Sri Lanka in 2019- 2020

Month	2019	2020
January	244,239	228,434
February	252,033	207,507
March	244,328	71,370
April	166,975	-----
May	37,802	-----
June	63,072	-----
July	115,701	-----
August	143,587	-----
September	108,575	-----
October	118,743	-----
November	176,984	-----
December	241,663	393
Total	1,913,702	507,704

(Source: Annual Reports Tourist Board)

Due to this situation, hotel owners whose businesses are situated in Sri Lanka's tourist areas, workers, and small-scale entrepreneurs who closely relate to the tourism sector, such as suppliers of vegetables and fruits, have to deal with various hardships and it has become increasingly alarming at the micro level. Accordingly, the research problem of this study is what is the impact of COVID-19 on the tourism industry and this paper aims to explore and investigate how COVID-19 has affected the tourism industry.

Objectives of the Study

- I. To explore the impact of the COVID-19 pandemic on business owners in the tourism industry.
- II. To examine the impact of the COVID-19 pandemic on workers in the tourism industry.
- III. To identify the impact of the COVID-19 pandemic on small-scale enterprises related to the tourism industry.

Research Methodology

This study was completely based on the qualitative research methodology. The data in accordance with research objectives were obtained through in-depth interviews. The purposive sampling method was utilized to select the sample. 15 hotel owners in the Ella divisional secretariat and its related employees, and small-scale business owners were utilized as the sample of this study. In addition, research reports, articles, and websites were used as secondary sources. Thematic analysis was used to analyze the qualitative data included in this study.

Research Area of the Study

Alla has been designated as a tourist destination that is located in Sri Lanka's Central Hills region by the country's tourism board. The history of this area dates back to the colonial era. Since this region's climate was so similar to that of England, the imperialists specifically named it "Little England." As a result, Alla can be regarded as a significant tourist destination with historical significance that primarily draws both national and international tourists. Ella comprises 111 square kilometers and 32 Grama Niladhari divisions. The total population is approximately 52,000 and major income ways are the tourism industry and agriculture.

Limitations of the Study

The prevailing lockdown situation and travel restrictions within the country were a huge challenge (transport, accommodation, food, curfew, vaccination) during the data collection process. Further to that, the respondents were reluctant to meet outsiders owing to the health threat, and hence some important stakeholders were missing from the study. Therefore, data were collected through telephone conversations and online platforms.

Findings and Discussion

This study of the impact of the Covid-19 pandemic on the tourism industry is utterly based on qualitative data and the data obtained from hotel owners, managers, and villagers in Ella divisional secretariat were assisted to significant outcomes.

Impact of the COVID-19 pandemic on hotel owners

The COVID-19 Pandemic had a severe adverse effect on the tourism sector, particularly in regions that are widely recognized as travel destinations. Hotel owners were the principal victims of the tourism industry's paralysis driven by COVID-19, despite the fact that many parties involved in the tourism industry were affected as a result of this catastrophe.

The unexpected reduction in monthly income

Ella is the major ecological tourist destination in Sri Lanka and most of its occupation relies on the tourism sector in that area. Ecotourism-related jobs are the major income generator of the Ella GN division area from 2010 onwards Ella began to be a famous destination for ecotourism (Sharmini & Bandusena, 2020). As a result, the hotel industry has emerged as a significant source of income in this area, and hotel owners in this region enjoyed tremendous profits from the tourism industry. According to data, the COVID-19 pandemic-related travel restrictions have significantly reduced the monthly revenue of hotel owners compared to earlier times.

Table 02
Annual of income of hotels before and after the COVID-19 pandemic

No	Name of the Hotel	Annual Income (Before the pandemic)	Annual Income (After the pandemic)
1	Aloft Grand Hotel	Rs. 02 Million	Rs. 85,000
2	Ella Heritage	Rs. 05 Million	Rs. 250,000
3	Forest Homestay	Rs. 70,000	-
4	Cloudy Hill Cottage	Rs. 300,000	Rs. 15,000
5	Blooming Rose	Rs. 150,000	Rs. 15,000
6	Reach View Hotel	Rs. 125,000	Rs. 10,000
7	Ella Tea Land View	Rs. 1.6 Million	Rs. 150,000
8	Ella Panorama	Rs. 450,000	Rs. 25,000
9	Ever Green Mount	Rs. 400,000	Rs. 25,000
10	Ella Happy View	Rs. 600,000	Rs. 35,000
11	Ella Lucky Panoramic	Rs. 300,000	Rs. 15,000
12	Nature Village in Ella	Rs. 300,000	Rs. 15,000
13	Green Langton	Rs. 200,000	Rs. 15,000
14	Ella 100 View Cottage	Rs. 150,000	Rs. 10,000
15	Ella Welcome In	Rs. 300,000	Rs. 15,000

(Field data, 2022)

The table shows that, after the spread of COVID-19, the annual income of each hotel in the sample has decreased dramatically and by a sizeable amount. The majority of respondents in the sample stressed that Ella is the key tourist attraction, that they were able to make a lot before the pandemic, and that the spread of COVID-19 has severely damaged their financial situation.

“Actually, we are businessmen who had profitable businesses. But now we are unable to pay even light bills or water bills. We are too bankrupt to do anything like that. All our businesses are now in the same situation”

(Respondent 11)

“You know that there is nothing to talk about Ella. It is such a good place to earn income. The foreigners who travel to Sri Lanka prefer to visit Ella. Not only them but also local tourists. You can see what has happened to these hotels now. Now not a single fly comes here”

(Respondent 06)

Complete or partial Closure of hotels due to the decrease in arriving foreign tourists

The COVID pandemic has forced the majority of hotel owners who managed tourist hotels with opulent amenities to shut them down. Every hotel owner who has closed down their businesses emphasized that they did so just temporarily and that they anticipate reopening them as soon as the pandemic's effects fade. According to data, the decline in revenue necessary for the maintenance of hotels' operations, however, was the primary cause of hotel closures.

“My hotel actually had to temporarily close because it costs a lot to maintain it and pay the wages of the staff. Before the pandemic, there were no issues of this nature because we had enormous earnings and could make significant investments. It is now extremely difficult to bear these costs. I temporarily closed my motel as a result. There isn't always COVID. I, therefore, anticipate reopening my hotel after pandemic limitations have been lifted.”

(Respondent 5)

Prior to the pandemic, a few hotel owners in the sample also owned small-scale restaurants, and pandemic-related conditions have impacted all those businesses.

“I am familiar with a hotel owner who owned a luxury hotel and two restaurants. He received a sizable monthly salary, and during certain seasons both local and foreign tourists enjoyed that hotel. However, he has indeed gone bankrupt, and just one of the restaurants is currently being maintained. Due to movement restrictions, the restaurants' income is insufficient to cover even basic maintenance”

(Respondent 03)

According to data, a considerable number of respondents expressed that although they have not completely closed their hotels, some areas of the hotel such as restaurants, and party halls had to be closed partially as a result of the pandemic. The maintenance difficulties due to the decrease in income were the main reason for the complete or partial closure of hotels.

“This is the main way of my income. So, I have to maintain it although it is so hard at this moment. However, my hotel has been closed partially because of maintenance difficulties.”

(Respondent 02)

Becoming debtors due to decreasing the income

The majority of the respondents in the sample have turned into debtors as a result of a decline in their business's related income. The major causes of that were having to take out loans to pay for worker salaries and necessary hotel maintenance. Due to pandemic restrictions that have lowered their monthly income, they have been compelled to take out bank loans in order to obtain enough cash to pay the salaries of hotel employees.

“This pandemic completely lost our income. Actually, we do not have money to even pay salaries for our staff. We are very sorry for our inability to not paying them. But what to do? We are doing this business now at our own expense”

(Respondent 12)

On the other hand, several of the respondents emphasized that a sufficient budget must be reserved not only for paying salaries but also for hotel maintenance tasks such as gardening and machine repair. Every hotel has been designed to attract tourists, and upkeep is required. But it is an investment, as well. The issue, though, is that it takes a long time to rebuild some parts of the hotel, like the grounds, if it cannot be maintained properly. As a result, hotel owners have been forced to incur debt in order to keep such crucial positions.

“The creation of these hotel gardens has taken a lot of effort. To keep the grass and flowers regularly, we apply several fertilizers and chemicals. The hotel's natural surroundings are affected if we are unable to do this. Therefore, even though we had previously set aside sizeable money for it, we now need to borrow money to do it”

(Respondent 07)

And also business owners of the tourism sector have confronted troubles to reimburse the credits they have acquired from banks and other financial institutions. Furthermore, because of the informal business operators, the majority of them were unable to secure loans from commercial banks and therefore, most of them obtained loans from private financial institutions at higher interest rates.

Impact of COVID-19 pandemic on workers in the hotel industry

According to the data, the cripple of the tourist industry due to the COVID-19 pandemic have a severe impact on the workers who were working in the hotels in Ella DS division.

Loss of jobs

The Bankrupting of hotels has lost their employments for a huge number of workers who were working in the hotel industry.

Table 03
Number of employees before and after the COVID-19 pandemic

No	Name of the Hotel	Number of Employees (Before Covid-19)	Number of Employees (After Covid-19)
1	Aloft Grand Hotel	15	04
2	Ella Heritage	12	04
3	Forest Homestay	01	0
4	Cloudy Hill Cottage	06	02
5	Blooming Rose	03	01
6	Reach View Hotel	04	01
7	Ella Tea Land View	13	06
8	Ella Panorama	11	03
9	Ever Green Mount	08	02
10	Ella Happy View	13	04
11	Ella Lucky Panoramic	05	01
12	Nature Village in Ella	04	01
13	Green Langton	06	02
14	Ella 100 View Cottage	03	01
15	Ella Welcome In	05	01

(Field Data, 2022)

According to the table, the workers who were working in the hotel industry lost their job. The main reason for that was hotels' bankrupting in the Ella DS division due to the COVID-19 pandemic.

Migrating to other areas

The majority of unemployed persons have moved to other locations in order to look for new jobs as a result of losing their source of income from jobs in the hotel industry in Ella DS division. Data show that the great majority of jobless workers have relocated to Colombo.

“Actually, we had to remove many workers from staff because we were unable to pay salaried for them. They are the workers who were working for us for a long time. Although it is a sad thing, we had to take that decision. But we got to know that most of the workers who were working for our business have moved to other areas. Especially to Colombo city. But we exactly do not know whether what happened to them or if they have got a new job”

(Respondent 13)

Impact of COVID-19 on small-scale enterprises related to the hotel industry

The tourism industry is a field that arises a lot of employment opportunities, business, and entrepreneurial opportunities. According to data, it could be identified various small-scale businesses related to the hotel industry Ella DS division. Foods such as Jaggery, Kithul honey providers, vegetables and fruits providers, flower providers as well as small mats, and Handicrafts providers are significant among those small-scale enterprises in the sample. However, COVID-19 has hit small-scale enterprises related to the hotel industry due to cripple of the hotel industry.

Loss the way of income in small-scale enterprises

According to data, the vast majority of respondents emphasized that they had previously purchased a variety of items, including flowers, vegetables, fruits, and handicrafts, from small enterprises and that those businessmen have lost their business as a result of the pandemic's crippling of the hotel industry. Prior to the pandemic, these businesses made a lot of money, especially during the tourist season, from tourists buying from them directly and hotels buying from them to get the supplies they need.

“Actually, there were lots of people who earned through hotels. We bought things from them. Now we are not in a position to buy from them as much. We do not know what they are doing now”

(Respondent 15)

Becoming street vendors

The majority of small business owners, according to hotel owners, have turned into street vendors as a result of the collapse of the hotel industry in the Ella divisional secretariat area. The majority of respondents in the sample emphasized that they purchased many products required for their hotel from small business owners, who

are now street vendors and do not make enough money from their street vending. However, as a result, their status and living standards have declined.

“The majority of people who supplied us with goods have now evolved into street vendors. But because of this virus, many avoid purchasing goods from street vendors. The COVID virus may be present in things purchased from street vendors because they have been exposed to the environment”

(Respondent 15)

Business owners in the tourism sector have faced many difficulties due to covid-19 pandemic. There is no doubt that this Covid-19 pandemic has brought a lot of negative impacts on the business owners of the tourism sector in Sri Lanka. It is obvious that there are a number of service providers such as accommodation suppliers, travel agencies, event coordinators, transportation Suppliers, etc. In the current situation, they have not received any income from their tourism products. Due to decline the in revenue, maintenance cost, electricity and water bill, permanent staff salaries, government taxes, and organizational-level payments have been cut, reduced, or stopped. There has been a reduction in the number of employees and wages. They have attained higher-interest loan payback schedules. The tourism industry is an umbrella industry networked with many other sectors in the economy including hotel, community-level operations, education, finance, agriculture, medical, travel and transportation, construction, real estate, retail, and vice versa. Accordingly, it is possible to conclude that all the above sectors have been adversely affected by the closure of hotels due to the Covid-19 pandemic.

Social Work intervention

Due to the covid-19 pandemic, there has been a significant impact on the tourism industry. The social worker addresses the needs of the individual to develop their capacity to meet their needs and to engage with related institutions, communities and individuals to provide positive solutions to the problems they face, as well as plays a unique role in providing functions to promote marginalized people in special disaster situations.

According to the facts revealed in the study, it has been identified a vulnerable situation of the community in the tourism industry during the Covid -19 pandemic. It is mainly the social worker's responsibility to provide community support to rise from this situation. Social workers can then help strengthen inter-institutional and interdisciplinary relationships between individuals, businesses and organizations within the tourism industry. The social worker's mission is to create awareness of the resources available in the community and to strengthen cooperation among community members.

The social worker can intervene in emotionally distressed groups of people through the psychosocial approach. There, the epidemic has caused significant emotional distress to those involved in the tourism industry by losing their jobs or businesses. There, as a social worker, empowering can be achieved by, listening to their concerns, providing empathy and awareness and preventing mental breakdown by connecting them with appropriate mental health counseling. In addition, in the study, that the impact of the pandemic on the tourism industry has caused the person to fall down into a severe financial depression, the social worker can connect people with resources and financial assistance programs by introducing them to unemployment benefits, small business loans and opportunities to develop the industry.

By advocating for the policies that apply to the tourism industry and its employees, supporting an economic recovery plan related to the tourism industry, the relevant sectors should be aware by conducting awareness programs. The pandemic has highlighted the need for training and awareness on issues such as public disaster safety protocols, and crisis management. Accordingly, individuals and businesses within the tourism industry can be empowered by equipping them with knowledge and training as a social worker. By providing emotional support, financial support, community support, counseling and education, the social worker can intervene to help tourism workers face the situation and create a strong and resilient future.

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