

The investor gaze: recognition heuristic, social liability and legal disillusionment among foreign tourism entrepreneurs on Sri Lanka's southern coast

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Abstract

This study examines investment failures among foreign visitors and tourism entrepreneurs on Sri Lanka's southern coast, exploring what can go wrong after tourism-related familiarity encourages investment. It introduces the "investor gaze" as the epistemic position emerging when tourists become resident investors, distinguishing it from familiarity-based confidence and "substitutional collapse," a specific failure mechanism. A qualitative, interpretive multiple-case study draws on semi-structured interviews with two Sri Lankan attorneys providing proxy accounts of sixteen matters, alongside Sinhala-language press coverage. Inductive thematic analysis identifies four failure typologies: nominee-title property fraud; partnership and operational breakdown; personal, familial and household entanglement; and structural sector traps. Substitutional collapse appears in eight matters and in dyadic or modified form in three, but does not apply to five, including both sector-trap matters. Where this mechanism operates, investors possess substantial economic capital but limited independent local social capital, relying on one trusted intermediary as a substitute for community embeddedness. Relationship breakdown or intermediary defection leaves them without fallback support. The findings identify initial counterparty matching as a critical vulnerability and distinguish this mechanism from established strong-tie pathologies. The study connects macro-level tourism-driven familiarity effects with micro-level failure evidence as a hypothesis requiring further testing. It offers a due-diligence lens focused on control of title, licences and banking, and access to independent local information, alongside policy proposals requiring testing and costing. Because matters were selected through legal or media exposure, findings do not establish failure prevalence; agreement between attorney

and press accounts indicates consistency rather than independent corroboration.

Keywords: Tourist gaze; Investor gaze; Foreign investment; Lifestyle entrepreneurship; Social capital; Sri Lanka; Recognition heuristic; Qualitative case study.

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1. Introduction

Consider a composite trajectory drawn from the matters examined in this paper. A foreign tourist visits Sri Lanka and, following repeated visits, decides to purchase property on the southern coast, invest in a tourism venture with a local partner, or enter a marital relationship. In some of the matters examined, these commitments were subsequently associated with litigation, loss of investment, financial hardship, or the discovery, following a spouse's death, that the investor held no legal title to the venture. No single matter follows this trajectory in every detail, and it should not be interpreted as typical of foreign visitors who invest.

Trajectories of this kind appear in Sri Lankan legal practice and in the Sinhala-language press, but how often they occur is not known, and this paper does not estimate it. The cases examined here were selected because they reached a lawyer or a newspaper, so they cannot show how many foreign visitors invest, how many of those lose money, or whether failure is more common on the southern coast than elsewhere. The trajectory nonetheless sits awkwardly beside the recent macro-financial evidence that tourism causally raises foreign equity investment into visited countries (Antoniou et al., 2025). If familiarity rather than information draws the visitor towards investing, what happens in the cases where the investment goes badly wrong?

The paper takes up this puzzle through sixteen matters involving foreign visitors and investors on the southern coast, reconstructed through interviews with two Sri Lankan attorneys whose caseloads collectively span two Sinhala-language press series on such matters: Chaminda's (2017a-f) six-part *Divaina* features and Puravisandara's (2011a-j) ten-part *Lakbima Sannasa* series "An unpleasant story heard from the southern coast." Our central conceptual move is to name what we call the investor gaze: the epistemic position that succeeds Urry's (1990) tourist gaze when the visitor stops leaving.

The argument is straightforward, though the pieces take some assembling. Antoniou et al. (2025) show that a foreigner's prior tourism experience of a country raises her subsequent investment allocation to that country. They also show that this allocation does not predict returns. Familiarity, not information, is what does the work. That claim is a macro-financial one and lives in bilateral portfolio flows. But the mechanism it identifies, the recognition heuristic (Goldstein & Gigerenzer, 2002), may operate at the individual level too. If it does, and if the individual is a retail expatriate investing directly in coastal property and small tourism enterprise rather than in a diversified listed portfolio, the cost of any resulting overconfidence would fall squarely on her. The Sri Lankan matters cannot show that the heuristic operates. They show what the cost can look like in some cases where confidence built on familiarity meets a thin institutional setting.

Three research questions organise the paper. How is the tourist gaze converted into an investor allocation, and what is the epistemic character of the conversion? How do the operative frameworks in

the current migrant-tourism-entrepreneurship literature perform against Sri Lankan failure data? What does the Sri Lankan material add to a tourist-gaze framework that was, after all, theorised for the visitor rather than for the visitor who never leaves?

The paper contributes three things. It names the investor gaze as a distinct concept at the limit of Urry's (1990) framework, and specifies its properties. It reads the Antoniou et al. (2025) macro finding alongside the Sri Lankan micro record and suggests that they may be the two ends of a single script, a hypothesis that this case set can motivate but cannot test. And it puts Li et al.'s (2025) four-stage capital-mobilisation cycle to work as a diagnostic on the failure data, and finds that, where a single local intermediary was involved, the failure originates at the first stage: the match. Throughout, we keep three ideas apart: the investor gaze (a position), familiarity-based confidence (a disposition) and substitutional collapse (one failure mechanism, present in some matters and absent from others). Section 2.7 defines them. Section 2 lays out the theoretical framework. Section 3 covers method. Section 4 presents the four failure typologies. Section 5 is where the argument does its main work. Section 6 closes with the contribution to theory and to business and tourism management, the policy implications, and what the paper cannot see.

2. Theoretical framework

2.1. *The transition from tourist gaze to investor gaze*

Urry's (1990) *The Tourist Gaze* is still the anchor for any account of how a foreigner comes to be attached to a destination before she has really been there. Extended with Larsen in the third edition (Urry & Larsen, 2011), the framework locates tourism not in physical movement across borders but in a socially organised way of seeing. Places become "sights" only once the gaze is trained on them, and the gaze is anticipatory: brochures, films, television, and now social media form the image before the traveller arrives. Tourists come to verify what they already expect (Tan, 2018).

Urry's split between the romantic gaze (solitary, spiritual, preferring the unpeopled) and the collective gaze (crowded, atmospheric, needing others to complete the scene) will matter later. Romantic-gaze investors buy plots at Ahangama and Talalla. Collective-gaze investors buy into the party strips at Mirissa and Unawatuna. The failure modes differ accordingly.

What Urry does not theorise, and what the Sri Lankan cases force us to add, is what happens when the gaze does not lift at the point of return home. His tourist is a visitor. She gazes, photographs, consumes, and departs. The visitor/visited binary is constitutive of the framework. When the visitor buys land, opens a café, marries locally, or goes into partnership with a local operator, the binary collapses. She now employs Urry's (1990) "sign-posters" of the local tourism industry. She commodifies the very authenticity that first drew her in. She has to curate the staged performance rather than consume it. The gaze is not abandoned at this point. It is monetised.

We use the term investor gaze for the position that follows the tourist gaze in this trajectory. It is not an intensified or prolonged tourist gaze. It is a different position. Three things characterise it. First, it keeps the image-mediated apprehension of the destination that the tourist phase produced. Second, it commits capital, physical residence, and legal exposure that the tourist phase precluded. Third, and this is where the Sri Lankan cases are most productive theoretically, it inherits the tourist gaze's cognitive apparatus

without adding the institutional literacy that would usually go with putting capital down. The recognition heuristic that Antoniou et al. (2025) document at the macro level as the driver of tourism-induced foreign equity allocation may, at the individual level, be one source of the confidence with which such investors proceed without verification. We call that confidence familiarity-based confidence and keep it apart from the investor gaze itself (section 2.7).

2.2. From tourist consumption to tourism entrepreneurship

The transition from consuming a destination to producing tourism inside it was first documented at scale by Williams, Shaw and Greenwood (1989) in their study of 411 tourism firms in Cornwall. Their headline numbers still discipline the field. Only 4.4 per cent of Cornish tourism entrepreneurs were ex-employers with sector-relevant experience. Over 70 per cent of the firms were financed from personal or family savings. More than half of the entrepreneurs were in-migrants. Their conclusion has aged better than most conclusions: "involvement in tourist businesses is as much a form of consumption as it is of production" (Williams, Shaw & Greenwood, 1989, p. 1650). This is the closest thing the literature has to a founding empirical claim.

What has been added since has enriched the picture without displacing it. Ateljevic and Doorne (2000) built the concept of "value-based entrepreneurship" to describe operators who deliberately refuse growth in favour of lifestyle. Benson and O'Reilly (2009) placed the tourist-to-entrepreneur transition inside the wider phenomenon of lifestyle migration: relatively affluent citizens of the Global North relocating to warmer, cheaper, more agreeable places, often in the Global South. Carson, Carson and Eimermann (2018) worked in northern Sweden, a low-amenity setting that inverts the usual amenity-migration story, and found that most of their participants became self-employed only after they migrated. Entrepreneurial intent was not, for most, part of the migration decision. Tourism just looked easy. As one of their informants put it, and we paraphrase from their p. 192, the industry seemed to need very little prior knowledge or capital.

Dias and Silva (2021) took the argument further with survey data from 221 Portuguese rural tourism operators. Their structural equation model found that place familiarity ($\beta = 0.303$) and relational capital ($\beta = 0.560$) predicted innovation, and that knowledge absorption did not ($\beta = 0.115$, n.s.). That last finding is more important than it looks. It says that the ability to translate local tacit knowledge into product does not, statistically, drive innovation among lifestyle entrepreneurs. Which is another way of saying that lifestyle entrepreneurs, at the margin, do not translate. This has consequences at the Sri Lankan end, where language, legal system and religious calendar are all as opaque to a European incomer as they can reasonably be expected to get.

The final piece we want on the table for later use is Torkington et al. (2025), working with 62 lifestyle migrant entrepreneurs and other informants across all sixteen Algarve municipalities. They report that the operative bottleneck for lifestyle-migrant entrepreneurship in the rural Algarve is meso-level bureaucratic opacity, not language. Even paid intermediaries (architects, lawyers, accountants) gave "conflicting information" that "irked the entrepreneurs at least as much as the bureaucratic issues" (Torkington et al., 2025). Meanwhile most local-governance representatives had "very little idea of who these migrant entrepreneurs are". That last sentence describes, with painful precision, a state of affairs we would encounter repeatedly in the Sri Lankan record, but in a much more damaging form.

2.3. Migrant tourism entrepreneurship and capital mobilisation

The recent piece we lean on most heavily is Li et al.'s (2025) work on capital mobilisation, published in *Tourism Geographies*. Working from Bourdieu (1985) and extending Jack and Anderson's (2002) embeddedness argument, Li and colleagues move the analytic frame from what capitals migrant tourism entrepreneurs bring with them to how they mobilise those capitals in interaction with the host community. Their empirical setting is a decade-long single-case ethnography of a homestay in the Huanggang Dong ethnic village, Guizhou, China. Out of it comes a four-stage cycle: capital match, capital consumption, capital accumulation, capital reproduction. Successful integration is not a state, they argue, but a repeated movement through this cycle. Each stage can break, and where it breaks determines what the resulting failure looks like.

Two points from their framework do heavy lifting in what follows. The first is their insistence that "the value of capital is not fixed but is determined by the specific field" (Li et al., 2025, p. 278). The Euro-denominated cash a German investor puts down is worth what the Sri Lankan field determines it to be worth. On the evidence of the cases in section 4, the local field frequently determines it to be worth far less than face value. The second is the dependency structure of the four stages. Match is not simply the first thing that happens; it conditions everything else. Consumption depends on trust that match produces. Accumulation depends on the reciprocity that consumption produces. Reproduction, the symbolic recognition of the incomer as a legitimate local actor, depends on all of them. If the match is wrong, nothing downstream can compensate.

2.4. Social capital, strong ties, and the "dark side"

The social-capital literature supplies the deepest lever for what the Sri Lankan cases show. Zhou, Chan and Song (2017) worked on migrant tourism entrepreneurs in rural China and built a tripartite operationalisation of social capital in early-stage tourism development: institutional support, community openness, personal social networks. Their synthesis puts Putnam's (1995) bonding/bridging distinction alongside Coleman's (1988) network-closure argument and, importantly for what we want to argue, Portes and Landolt's (2000) account of the exclusionary "dark side" of social capital.

Two claims of theirs matter for the cases. Following Jack (2005), they note that "strong ties can be more problematic than weak ties after an entrepreneur has launched his or her business" (Zhou, Chan & Song, 2017). The strong tie that gave the entrepreneur access to land, permits, staff and information at the outset becomes, once the business is running, the gatekeeper of information and the collector of rents. The second claim is even sharper: "the lack of transparency would instigate the abuse of social capital". A foreigner whose stake in a venture sits on informal papers with a single trusted intermediary loses that stake precisely because the intermediary is the only point of transparency in the arrangement.

A third observation of theirs is worth pausing on. Returnee entrepreneurs, they report, "were initially more confident and underestimated the challenges" (Zhou, Chan & Song, 2017). This is a candidate individual-level correlate of the macro recognition heuristic (section 2.7). Confidence produced by familiarity, whether the familiarity is a returnee's childhood memory or an expatriate's twenty years of holidays, is not knowledge. It only feels like it.

2.5. Opportunity recognition in institutionally thin, post-colonial settings

Most of the tourist-to-entrepreneur literature has been written about the Global North. Cornwall, New Zealand, northern Sweden, Portugal, the Algarve. The closest available comparator for Sri Lanka in an institutionally thinner post-colonial context is Atembe's (2024) study of 20 tourism entrepreneurs across the Anglophone and Francophone regions of Cameroon. Atembe finds that opportunity recognition in Cameroon runs not through Kirznerian market search (Kirzner, 1973) but through what Alvarez and Barney (2007) would call creation. His five inductive codes for how his participants recognised opportunities are: ethnic values, prior knowledge and experience in adjacent sectors, experimental observation of local gaps in provision, socialisation and interaction within networks and festivals, and social lifestyle patterns. None of his participants had any formal tourism education prior to opportunity identification (Atembe, 2024, p. 330).

Two things follow for Sri Lanka. First, the local operators who do succeed in these markets are typically the ones whose entrepreneurial competence is socialised or inherited rather than trained. On this specific point, the local knows things the incomer cannot know. Second, and more troubling for the incomer, this means foreign investors are structurally excluded from the very opportunity-recognition processes Atembe documents. They are left to rely on a local intermediary to substitute for the socialisation they do not have. Which may reproduce, at the individual level, something like the recognition-heuristic mechanism Antoniou et al. (2025) find at the macro level. The intermediary feels knowable. That feeling is treated as knowledge.

2.6. The macro-micro tension: familiarity effects and their blind spots

Antoniou et al.'s (2025) article is worth engaging with carefully because it is the strongest macro-financial statement of the argument this paper wants to complicate. Using bilateral portfolio-equity data from the IMF Coordinated Portfolio Investment Survey and institutional-holdings data from FactSet, across roughly thirty countries over 2001-2021, with UNESCO World Heritage sites as an instrument and difference-in-differences-in-differences designs around the FIFA World Cup, the Olympic Games, and the 2003 SARS outbreak, they estimate that a one-standard-deviation increase in outbound recreational travel raises bilateral foreign ownership by 20.03 percentage points. The placebo tests survive. The effect is stronger for cross-continental country pairs, where the recognition heuristic has more room to operate. Tourism does not predict foreign-portfolio returns. Their conclusion is unambiguous: "visitors are unable to extract value-relevant information from their travels" (Antoniou et al., 2025, P. 25).

This is a strong result. Its very robustness sharpens the puzzle this paper takes up. The design measures listed-equity allocation, aggregated across mostly OECD source-destination pairs, in the neutral currency of portfolio share. It structurally cannot see three things that the Sri Lankan micro-cases put in the foreground.

It cannot see ex-post outcomes. It measures inflows, not the returns or losses actually realised by the marginal foreign investor once she is inside the destination. It cannot see direct investment rather than portfolio investment. The Sri Lankan tourism-driven investment we are documenting is largely direct: retail expatriates buying villas, opening cafés, building guest-houses. This sits outside CPIS and FactSet altogether.

And it cannot see institutional fragility, currency risk, expropriation risk, or land-title informality. None of these enters the paper's covariate set. To their credit, Antoniou et al. themselves flag the gap: "in

future work, it would be useful to examine the long-term effects of tourism-induced foreign investments" (Antoniou et al., 2025, P. 28).

2.7. Distinguishing the three central concepts

Three ideas run through the rest of the paper. The argument depends on keeping them apart, because they sit at different levels and carry different evidential demands.

The investor gaze is a position. It names where a former tourist stands once she has committed capital, residence or legal exposure to the destination while keeping the image-mediated apprehension she formed as a visitor (section 2.1). It describes a location in the field, not a cause. Anyone who stands there occupies the position whether or not anything later goes wrong, and the position does not by itself produce failure. Our matters can show that investors occupied the position. They cannot show how they came to it.

Familiarity-based confidence is a disposition. It names the confidence in one's own reading of a place that builds up through repeated, pleasant, low-stakes exposure as a visitor. It is the individual-level counterpart of the recognition heuristic that Antoniou et al. (2025) study in aggregate flows, though whether it is the same mechanism is a question that the macro data cannot settle and ours cannot either. Familiarity-based confidence may or may not accompany the investor gaze. We do not observe it directly. We infer it, with caution, from what attorneys and journalists report about how investors proceeded.

Substitutional collapse is one failure mechanism. It names a specific way in which a venture can fail: one strong tie to a single local intermediary stands in for embeddedness in the wider local field, so that the investor has no independent source against which to check what the intermediary says or does. Section 5.3 gives the criteria. It is a claim about how a particular set of matters unfolded. It is not a claim about every investor who occupies the investor gaze, and it is not a claim about every failure: it does not describe the sector traps in section 4.4 or the matters in which the foreigner was the one who defrauded.

The three ideas are related but not interchangeable. The investor gaze is the position. Familiarity-based confidence may help to explain why an investor takes up the position with little verification. Substitutional collapse is one route by which a venture then fails. Other routes exist (section 5.4), and some investors who occupy the position and hold the confidence will never meet any of them. Where we write investor gaze in what follows we mean the position only. Where we mean the disposition or the mechanism, we say so.

3. Methods

3.1. Design

We use a qualitative, interpretive multiple-case-study design (Creswell & Poth, 2018; Denzin & Lincoln, 2018; Yin, 2018). The interpretive paradigm holds that entrepreneurs' perceptions, expectations and experiences of failure are socially constructed, and that they need to be understood from inside their

situational contexts (Berger & Luckmann, 1966). The multiple-case configuration is used for pattern replication across cases, not for statistical generalisation (Yin, 2018).

The label needs one qualification. Our informants are professionals describing matters that happened to their clients, and the press series were written by journalists. No investor was interviewed. The study therefore does not claim access to the investors' own lived experience, which is what a phenomenological design would require, and we have dropped that term from the design label used in the earlier version of this paper. What we analyse is how two attorneys and two journalists interpreted these matters: what they treated as the cause of the loss, what they thought the investor should have known, and what they thought the law could and could not do. Each account is read as a situated interpretation, shaped by the informant's professional role, by whom the informant acted for, and by the outcome of the case. The investors' reasoning at the point of purchase is inferred from these accounts, not observed (section 6.3).

Sixteen distinct matters drawn from two attorneys' caseloads make up the case set. We cluster them thematically into four typologies in section 4. All sixteen concern foreign nationals from Western Europe, Central Europe and Turkey who first visited Sri Lanka as tourists, and all ended in litigation, criminal proceeding, or documented loss. In thirteen of them the visitor went on to commit capital in Sri Lanka, in property, in a business or in a family estate. In the other three (D2, D3 and L2 in Table 2) no investment was involved: they concern a visitor whose matter ended in criminal proceedings, a visitor who paid for a service, and a visitor drawn into an irregular household arrangement. We keep these three because they show the same legal and social setting from the visitor's side, and we say so wherever a claim applies to investors only. The case set is purposive, selected through legal practice and press coverage. It is not a sample of foreign investors.

3.2. Primary data: attorney-proxy interviews

Primary data come from face-to-face semi-structured in-depth interviews with two Sri Lankan attorneys. Attorney at Law 01 was the informant for the six matters in the Sunday Divaina series (D1 to D6) and Attorney at Law 02 for the ten matters in the Lakkima Sannasa series (L1 to L10), as Table 2 shows. The interviews took place on (16 August 2025, 26 September 2025, 26 September 2025, 04 October 2025, 12 October 2025, 08 November 2025, 06 December 2025), in 04-05 sessions with each attorney, at their offices, in their residence and in selected hotels, and were conducted in both Sinhala and English. They were audio-recorded with consent and were transcribed by (authors); where an interview was in Sinhala, the transcript was translated by AI and then checked by authors. Interviews averaged about 90 minutes. We worked from a seven-question anchor set (client background; how the arrangement was entered; the legal issues; procedural history; outcome; structural factors; recommendations). We applied the same anchor questions to each matter in an informant's series that every matter was covered, or say, which is how we get within-case and cross-case comparison.

We call these attorney-proxy interviews because the primary informants, the foreign investors, were not interviewed. Using professionals as informants on matters they know from the inside is a recognised adaptation in qualitative research where the primary informants are inaccessible, either because they have left the jurisdiction, are unwilling to be re-interviewed on painful matters, or have died (King & Horrocks, 2010) investors were not approached. It carries known risks: informants speak from a role, know some matters better than others, and may present their own conduct and their clients' favourably

(Kumar, Stern & Anderson, 1993). The professionally engaged informant is not a substitute for the missing primary informant. She is a source of a different order of knowledge: the systemic, procedural, cross-case pattern that only sustained professional exposure produces. Because the informants' proximity to each matter varied, we record it. Table 2 states whether the attorney acted as counsel of record, was consulted or acted in a related proceeding, or knows the matter only from the record or from colleagues, and we flag second-hand accounts where we use them. Their accounts are consistent with the published record, and in several places extend it.

Case documents (plaints, deeds, agreements, court orders, correspondence) were shown or described to us, for which matters, and on what terms. We anonymise the attorney informants throughout as "Attorney at Law 01" and "Attorney at Law 02" in line with the confidentiality assurance given at consent. Matters are identified by code (D1 to D6 for the Sunday Divaina series, L1 to L10 for the Lakbima Sannasa series) and not by the names or nicknames used in the press; section 3.5 explains how we assessed the risk of identification. Where a specific passage might identify a living individual whose consent we do not have, we aggregate the material across cases.

3.3. Secondary data: the Sinhala-language press record

Two contemporaneous Sinhala-language press series provide the documentary comparison. Lalith Chaminda's (2017a-f) six-part feature series in Sunday Divaina, published between January and June 2017, covers six matters that overlap with Attorney at Law 01's caseload. Gihan Puravisandara's (2011a-j) ten-part series "An unpleasant story heard from the southern coast", published across 2011 in Lakbima Sannasa, covers ten matters that overlap with Attorney at Law 02's caseload.

The articles were printed in Sinhala. First-pass English translations were prepared from scans of the printed pages with the help of a large language model. First author checked of each translation against the Sinhala original: a backtranslation was done by the second author, disagreements were settled with discussions. Translation is itself an act of interpretation, so we keep quotations short, mark every quoted press passage as a translation, keep the Sinhala terms *sudda* and *suddi* and explain them below, and give the date and page of each article so that readers can check our rendering against the original. Translations of all sixteen articles are available on request.

Both series carry the moral framing of Sinhala tabloid print from the period. In both, the foreigner is called *sudda* (male) or *suddi* (female), literally "white one". The register is more genre-marker than pejorative, but it does mark a genre in which the foreigner is at once an object of curiosity and of moral commentary. Reporters in both series close their pieces on a warning or a cautionary moral. This has to be treated reflexively, not as a neutral record. We return to the point in section 5.5.

The interviews and the press record are not independent sources. The journalists may have drawn on the same lawyers, the same court files and the same complainants as the attorneys we interviewed, and an article that quotes an attorney and an interview with that attorney are one source, not two. We therefore treat agreement between an attorney's account and an article as consistency of account, not as corroboration. Where the two agree we say only that. Where they differ, we treat the difference as something to interpret, not as evidence that either is wrong. The press record serves three limited purposes: it dates and identifies each matter, it gives an account written outside the interview setting, and it shows how the matters were framed for a Sinhala-reading public. Triangulation in this paper

therefore means comparing accounts written from different positions (Denzin, 1978), not validating one by the other.

3.4. Analysis

We coded the interview transcripts and the translated press-article texts inductively in NVivo (v.14). Coding proceeded in the usual cycles: open, then axial, then theme synthesis (Braun & Clarke, 2006). Where attorney accounts diverged from press framing, we treated the divergence as analytically productive rather than as an error to be reconciled (Denzin, 1978). The four typologies in section 4 emerged from the coding. They were not imposed at the outset, though we would not want to claim that our reading of the theoretical literature in section 2 played no part in what we noticed.

The unit of analysis is the matter, not the quotation. Each of the sixteen matters was assigned to the one typology that best describes the main route by which the loss arose and then checked against the criteria for substitutional collapse set out in section 5.3. Table 3 shows, for one matter, how an extract was carried through the coding cycles to a typology and to that check. The coding was done by the second author by using NVivo, the first author checked a sample of the coding, there were no disagreements.

We distinguish two kinds of quotation throughout. A quotation from an interview is marked "(Attorney at Law 01, interview)" or "(Attorney at Law 02, interview)" and gives the transcript reference. It is a verbatim extract, translated from Sinhala where the interview was held in Sinhala every interview quotation is verbatim from a transcript. A quotation from the press carries the article citation and is marked as our translation. Square brackets mark our insertions, and an ellipsis marks an omission.

3.5. Ethics

The study followed standard qualitative-research ethical protocols. Informed consent was obtained from both attorney informants. Both reviewed anonymised transcripts and our interpretive claims before publication. Where necessary, case-specific material has been anonymised or aggregated to protect living individuals. The study was exempt from ethical approval, who confirmed this and on what grounds that the participants were two professionals speaking about their own work, that no investor was interviewed, and that the press material is in the public domain.

We assessed the risk that a matter could be identified, because the articles are public and a determined reader could trace a matter through its details alone. We looked at three kinds of detail. Names: no investor, counterparty, family member or business is named in this paper, and the names and nicknames used in the press are not reproduced; matters carry a code, and reference titles that contain a personal name or nickname are replaced by a bracketed description. Locations: the matters are placed only on the southern coast or by a type of place, such as a harbour or a beach town, never by the town, street or business. Unusual circumstances: where a detail is rare enough to identify a matter on its own, such as a particular criminal charge, the circumstances of a death or an unusual family arrangement, we describe it in general terms or leave it out. Some risk remains, because a reader who searches the Sinhala press by date and nationality could find the underlying articles, which already name the parties. We have therefore kept to what the articles already made public and quoted from them sparingly. The attorneys were asked to speak only about matters in the public domain or in terms that did not breach privilege.

4. Data Analysis and Discussion

The sixteen matters cluster into four typologies. They are analytically distinct in mechanism, though they overlap in individual cases. Table 1 gives the distribution, Table 2 lists the matters with their sources and informants, and Table 3 shows how one matter was carried from extract to typology.

Table 1 Distribution of matters across the four typologies (N = 16)

Typology	Description
01	Nominee-title fraud: 6 matters (Divaina Jan 2017; Lakbima Sannasa 2011c, 2011d, 2011e, 2011f, 2011g).
02	Partnership and operational breakdown: 4 matters (Divaina May 7, May 14, Jun 25 2017; Lakbima Sannasa 2011a).
03	Personal, familial and household entanglement: 4 matters (Divaina May 28 2017; Lakbima Sannasa 2011b, 2011h, 2011j).
04	Structural sector traps: 2 matters (Divaina Mar 19 2017 [partial]; Lakbima Sannasa 2011i).

Table 2 The sixteen matters: typology, press source, informant and the informant's role

Matter	Typology	Press source	Attorney and role
D1. Long-term German visitor; the land is held in the names of a local guide's wife and daughter	01	Chaminda (2017a)	AL01, role Author 01
D2. A visitor whose matter ended in criminal proceedings; fits the typology only in part	04	Chaminda (2017b)	AL01, role Author 01
D3. A visitor who paid for a sport-fishing trip; no investment	02	Chaminda (2017c)	AL01, role Author 01
D4. A foreign partner in a café in the south; premises and registrations in the local partner's name	02	Chaminda (2017d)	AL01, role Author 01
D5. A European couple; the venture collapsed with the husband's death and the widow had no legal title	03	Chaminda (2017e)	AL01, role Author 01
D6. A European couple who, according to the report, defrauded Sri Lankan suppliers and workers before leaving	02	Chaminda (2017f)	AL01, role Author 01
L1. A German visitor's restaurant venture, broken by a local partner's deceit	02	Puravisandara (2011a)	AL02, role Author 01
L2. An Italian visitor drawn into an irregular household arrangement; no investment	03	Puravisandara (2011b)	AL02, role Author 01
L3. A Finnish investor; the property is held by a nominee	01	Puravisandara (2011c)	AL02, role Author 01

Matter	Typology	Press source	Attorney and role
L4 to L7. Four further nominee-title matters. L4: Local partner holds formal title; investor cannot transfer. L5: Property registered in nominee's name; refuses to execute transfer deed. L6: Foreign investor's commercial property held in local intermediary's name; transfer deed promised but withheld despite investor's full capital contribution and operational management and L7: Hospitality business established under nominee-title arrangement; investor supplied capital and expertise but nominee retained formal ownership and refused transfer absent additional payments.	01	Puravisandara (2011d-g)	AL02, role Author 01
L8. A foreign resident whose household worker became the sole conduit for his transactions	03	Puravisandara (2011h)	AL02, role Author 01
L9. A German investor in commercial fishing; losses to harbour middlemen and a marine casualty	04	Puravisandara (2011i)	AL02, role Author 01
L10. An Austrian pensioner whose Sri Lankan wife left him, taking their daughter and most of the family estate	03	Puravisandara (2011j)	AL02, role Author 01

Note. D = Sunday Divaina (Chaminda, 2017a-f); L = Lakkima Sannasa (Puravisandara, 2011a-j). AL01 = Attorney at Law 01; AL02 = Attorney at Law 02. Typology numbers follow Table 1. Role of the attorney: A = counsel of record; B = consulted, or acted in a related proceeding; C = knows the matter only from the record or from colleagues.

Table 3 Worked example: from a press extract to a code, a theme and a typology (matter L3)

Step	Content
Extract (press report, matter L3, our translation)	"under Sri Lankan law, on paper, [the nominee] does. There is nothing in [the investor's] hand ... that establishes his beneficial interest" (Puravisandara, 2011c)
Matching interview extract (Attorney at Law 02)	"Where the property is registered in the nominee's name, the person claiming the beneficial interest would need some documentary basis to establish that arrangement. Without such evidence, the registered title carries considerable evidentiary weight".
Open codes	title held in the nominee's name; no document recording the investor's beneficial interest; the investor's position rests on an informal understanding
Axial code	evidential asymmetry: the paper controls when the understanding breaks down
Theme	legal form favours the local counterparty
Typology	01 Nominee-title fraud
Check against section 5.3	One nominee (first condition); title passed through the nominee (second condition); no independent check recorded (third condition)

Note This worked example illustrates the analytical progression from a press extract and interview evidence to open coding, axial coding, theme development and typology construction. The coding was conducted using NVivo, and the coded material was subsequently checked against the conditions specified in Section 5.3.

4.1. Nominee-title fraud

This is the most common typology in the case set, and it accounts for the largest aggregate financial loss. Six matters fall clearly within it. The mechanism is the same across all six, and once you see it once you recognise it everywhere.

Sri Lankan law restricts foreign freehold ownership of land. The restriction has been amended over the years but has never opened a straightforward direct-ownership route for the retail foreign investor. English-speaking local intermediaries advise the standard workaround: buy the land with your money, put the deed in the intermediary's name, or his wife's, or his adult daughter's. Attorney at Law 01 put the resulting legal position simply, in the case of a long-term German visitor (matter D1, reported in Chaminda, 2017a):

"There was no trust deed, no declaration of trust, no side agreement, and no other document that recorded, in an enforceable form, my client's beneficial interest in the property. The registered owners in the folio are the guide's wife and daughter, and on the face of the record the land is theirs" (Attorney at Law 01, interview).

The doctrinal remedies exist, in principle. Sri Lankan civil law will reach these arrangements through resulting trust, constructive trust, or restitution. But the evidentiary demands are exacting. Payments made in cash and in foreign currency. Documents in Sinhala signed on the strength of oral translation. No contemporaneous side agreements. Remittances characterised on the receiving side as gifts or as personal payments for services. Put those four features together and the foreign plaintiff is at a systematic evidential disadvantage before she even walks into court. The press account of the Finnish investor's matter (L3) puts the position in similar terms: "under Sri Lankan law, on paper, [the nominee] does. There is nothing in [the investor's] hand ... that establishes his beneficial interest" (Puravisandara, 2011c).

On our reading, these are not one-off frauds. They are the predictable output of a legal framework that restricts direct foreign ownership without providing a safe alternative for the retail foreign investor. We return to this structural point in section 5.4.

4.2 Partnership and operational breakdown

The second typology has four matters, all concerning the operation of tourism-related enterprises: cafés, guest-houses, sport-fishing boats, and the transport and excursion services that surround them. Two features recur.

The first is asymmetry of legal form. The premises, licences, business registrations and often the bank accounts sit in the local partner's name. His position on paper does not match the informal understanding between the parties. When the informal understanding breaks down, the paper controls. Attorney at Law 01, on a café case in the south (matter D4, reported in Chaminda, 2017d):

"The client had no formal shareholding, no registered partnership deed, no signed lease and no bank mandate in his own name. He held nothing that gave him legal control of a business into which he had put substantial personal money" (Attorney at Law 01, interview)

The second feature is more distinctively Sri Lankan. The Immigrants and Emigrants Act is repeatedly deployed as an instrument of leverage in what would otherwise be a purely commercial dispute. A foreigner on a tourist visa who engages in gainful business activity is exposed to arrest, passport impoundment, and eventual deportation. That provision, in itself, is uncontroversial. What makes it operationally decisive is that the local partner's complaint is what triggers enforcement. Once the foreign party is in custody, his position on the civil side of the dispute is essentially gone. As Attorney at Law 01 put it in interview, "the visa regime turns the same foreigner into an offender the moment he does anything that looks like business, which gives the local partner a very powerful weapon in any dispute."

This is a structural feature of the Sri Lankan regime that the Cornwall and Algarve literatures (Williams, Shaw & Greenwood, 1989; Torkington et al., 2025) have no occasion to describe. Intra-EU lifestyle migration confronts no comparable weapon.

4.3. Personal, familial and household entanglement

The third typology also has four matters. In each of them the failure runs not through the property or the business structure but through the personal relationships of the foreign resident. A European couple whose venture collapsed with the husband's death, leaving the widow with no legal title (matter D5, Chaminda, 2017e). An Italian visitor drawn into an irregular household arrangement with a brother and sister in a coastal town (L2, Puravisandara, 2011b). A foreign resident whose household worker became the sole conduit for all his transactions (L8, Puravisandara, 2011h). And an Austrian pensioner whose Sri Lankan wife eventually left him, taking their daughter and most of the family estate (L10, Puravisandara, 2011j).

These matters sit less comfortably in the tourism-entrepreneurship literature, which has focused on the business-formation moment rather than on the household life-course within which the business sits. But they recur in the matters we examined, and follow patterns clear enough, to warrant their own analytic treatment. Attorney at Law 02 characterised the household-worker case in terms that generalise across the group:

"The critical failure point in this case, and we have seen it repeatedly, is what we would describe as the collapse of the boundary between household staff and financial agent. Foreign residents who live in a small property with domestic help routinely, over time, allow the trusted domestic worker to become the person through whom the small transactions of daily life are done. Because those transactions are small, they attract no independent scrutiny. Because they are frequent, the aggregate becomes large" (Attorney at Law 02, interview).

The widow case and the Austrian pensioner case share the further feature that a family relationship was treated as a substitute for a property structure. As Attorney at Law 02 said in interview of the Austrian pensioner (L10): "a foreigner who allows the two to merge, on the informal assumption that a family relationship makes formal protection unnecessary, has effectively surrendered in advance the ability to defend himself if the family relationship comes apart."

4.4. Structural sector traps

The fourth typology has only two matters, and the evidence for it is thin. One of them (D2) fits the typology only in part. Unlike nominee-title fraud or contractual breach, this loss exemplifies the structural entrapment of the trade sector itself. The investor's limited linguistic competence and outsider position within the established network of harbour middlemen who control the wholesale market flow, a mechanism described by counsel as integral to the trade's organization, systematized value extraction beyond the reach of litigation. In the other (L9), the foreign investor's loss is not attributable to any individual local counterparty at all. The loss follows from the structural organisation of a Sri Lankan trade into which the foreigner entered as an outsider. A German investor built up a commercial fishing operation working out of a harbour on the southern coast. Over several years he lost about a crore of rupees, some to the combined action of harbour middlemen and some to an eventual marine casualty (Puravisandara, 2011i). Attorney at Law 02 explained the middleman mechanism:

"A day's catch that on any honest reckoning was worth several lakhs was routinely paid out to the boat at a fraction of its wholesale value; the difference was absorbed at the harbour by the middlemen who controlled the flow of fish to the wholesale market. The client, who neither spoke the language nor understood the sequence of hands through which the catch had to pass, was in no position to reset the terms of the trade... Litigation cannot fix that. Sector reform can" (Attorney at Law 02, interview).

The typology matters because it complicates any tempting reading that the Sri Lankan cases are simply cases of individual dishonesty. In some of them, the individual counterparty is the failure point. In others, the individual counterparty is behaving in a way that is fully consistent with the norms of a local trade whose value chain would have absorbed the foreigner's margin whether any single actor in it was dishonest or not. The distinction between individual malfeasance and structural extraction is not incidental to the paper's argument. It has direct implications for what kind of remedy would actually work, and we take it up again in sections 5.4 and 6.

Substitutional collapse does not describe this typology, and we do not claim that it does. In L9 the investor did not rely on one trusted intermediary who then defected. He entered a trade whose terms were already set by several actors, and the loss would have fallen on him whoever those actors were. The typology therefore marks one boundary of the concept: where loss comes from the structure of a trade rather than from a relationship, a single-intermediary account is the wrong explanation (section 5.3).

5. Discussion

5.1. The investor gaze

The investor gaze is a position, not a failure mechanism, and the four typologies do not converge on a single mechanism. In the thirteen matters in which a visitor went on to commit capital, the foreigner appears to have arrived in the destination with the cognitive apparatus of the tourist and to have deployed capital without upgrading that apparatus. That position is what we have been calling the investor gaze. It is not an intensified or lengthened tourist gaze. It is a distinct epistemic position at the

point where Urry's (1990) visitor/visited binary collapses. How a venture then fails is a separate question. In the matters we examined it failed through different routes (title, partnership, household, trade structure), and only some of those routes run through the single-intermediary pattern described in section 5.3.

Three properties distinguish it. The gaze keeps the anticipatory, image-mediated apprehension of the destination that the tourist phase built up. A German investor who bought a plot on the southern coast after many years of family holidays did not encounter the country afresh at the moment of purchase. He encountered it as the accumulated stock of images through which he had come to feel he already knew it. That is one.

The gaze commits capital, physical residence, and legal exposure that the tourist phase precluded. The tourist gazes, photographs, and departs. The investor buys, builds, marries, employs, and stays. That is the second.

Third, and this is where the Sri Lankan cases are most theoretically productive, the investor gaze inherits the tourist gaze's cognitive apparatus without adding the institutional literacy that would ordinarily accompany capital commitment. The recognition heuristic that Antoniou et al. (2025) document at the macro level as the driver of tourism-induced equity allocation may be one source, at the individual level, of the confidence with which such investors proceeded without verification. We cannot show that it was: the matters were reconstructed after the event and say little about what the investor thought at the point of purchase. What they do show, in the matters where the single-intermediary pattern applies, is that capital was committed with little independent verification of the counterparty, the title or the legal position.

We do not claim that the investor gaze is general. It may not be idiosyncratic to Sri Lanka, but our matters cannot show that. We offer it as the specifiable epistemic position of a class of investors that the macro literature has treated as a residual, the marginal retail expatriate whose investment decisions may be influenced by familiarity rather than independently verified information. This paper argues that the class warrants its own conceptual apparatus, to be tested on other destinations and on investors who did not fail. The Sri Lankan case-file makes it visible in the failure register only. The wider research agenda the concept opens is a matter for section 6.

5.2 The recognition heuristic, at retail

Antoniou et al.'s (2025) macro finding is consistent with the Sri Lankan record, and complicated by it. The consistency is limited. All sixteen foreign nationals in the case set first came to Sri Lanka as tourists, and in thirteen of the matters a visitor went on to commit capital. In the accounts we have, the transition from tourism to investment appears to have happened without a substantive upgrade of the investor's epistemic position in the country. Familiarity may have been mistaken for knowledge, as the macro model would predict, but the matters cannot show it. We select on failure, so we cannot tell whether investors who did well had upgraded their knowledge or had simply been spared.

The complication is that the paper's own null result on returns, the finding that "visitors are unable to extract value-relevant information from their travels", is treated as a robustness check for the familiarity mechanism rather than as a substantive result in its own right.

The Sri Lankan cases invite a different reading of the null. If tourists cannot extract value-relevant information from their travels, but do increase their bilateral allocations, then the marginal foreign investor may be allocating capital on the basis of a cognitive bias. In the macro setting of listed-equity portfolios, this bias is bounded. Diversification limits the exposure. Price discovery on organised exchanges corrects the worst allocative mistakes. In the micro setting of direct expatriate investment in a boutique guest-house or a beach-side café, no such bounding mechanism exists. If the bias operates there, the full cost of it falls on the individual. The Sri Lankan case-file is a set of ex-post bad outcomes among investors of the kind whose ex-ante allocation Antoniou et al.'s framework predicts. Because it is selected on outcome, it cannot show how heavy that tail is, or whether it is heavier than for other kinds of investor.

The implication for the field is uncomfortable. The macro and micro literatures on tourism-driven foreign investment have been written in parallel for years without adequate connection. The macro literature treats allocation as the outcome and has no view on what happens next. The micro literature treats operation and failure as the subject and has no view on the ex-ante mechanism. This paper suggests that they may be the beginning and end of one script, and that the recognition heuristic may be what writes it. That is a hypothesis for later work that follows investors forward from the point of purchase, including those who do well. Our case set cannot test it.

5.3. Substitutional collapse: where capital mobilisation can break

Li et al.'s (2025) four-stage capital-mobilisation cycle, put to work as a diagnostic on the Sri Lankan cases, gives a clear answer to the question of where failure is located in the matters to which it applies. It is at the first stage, the match. We state the scope of that answer carefully. We define substitutional collapse by three conditions, all of which must hold. First, a single local intermediary, one individual or, in the dyadic variant, two partners acting together, was the investor's sole or dominant channel to the local field at the point of commitment. Second, the intermediary mediated the transaction, in that title, licences, bank access or information about the venture passed through that person. Third, the investor had no independent check, in that no second source such as an independent lawyer, a second local contact or an institution was consulted or readily available. We count a matter as a modified case where the intermediary was a spouse or family member, or where another party shared the role, so that the first condition holds only in part. We count a matter as outside the concept where the loss arose from the structure of a trade (section 4.4), where the foreigner was the party who defrauded, or where the visitor did not invest and no intermediary relationship of this kind existed.

Table 4 applies these conditions to the sixteen matters. Eight show the full pattern, one a dyadic variant and two a modified form, and five fall outside it. The mechanism is therefore common in this case set but not general to it, and it does not describe all four typologies: it is present in the nominee-title, partnership and household typologies, and absent from both sector-trap matters.

Table 4 Where substitutional collapse applies (N = 16)

Pattern	Matters	Basis
Full pattern (8)	D1, D4, D5, L1, L3, L8 and two of L4 to	One local intermediary (a guide, a café or restaurant partner, a nominee, a household worker) was the sole or dominant channel, mediated title, licence, bank access or information, and the investor had no independent check.
Dyadic variant (1)	L4	Two local partners acting together stood in for the community; the second and third conditions hold unchanged.
Modified form (2)	L10	In L10 the intermediary was the investor's spouse, so the tie was also the household.
Outside the concept (5)	D2, D3, D6, L2, L9	D2, D3 and L2: the visitor did not invest . D6: the foreigners were the party who defrauded. L9: the loss arose from the structure of a trade.

Note. The classification is our reading of the articles and interviews against the three conditions in the text.

In the matters where the pattern applies, the foreign investor arrives with substantial economic capital, some cultural capital (a taste for the coast, a repertoire of European hospitality templates, some spending money and a working knowledge of English), and very little independent field-specific social capital. The match, in Li et al.'s (2025) sense, is with a single local intermediary. A guide, a driver, a fixer, a spouse, or a household worker. That one person becomes the entire meaning of "the community" for the incomer. There is no independent check. The intermediary is both the map and the territory.

In these matters, because match is a foundation, failure at match means the subsequent stages of the cycle cannot be reached in their proper form. Capital consumption still happens, but in a form the intermediary determines rather than the incomer. Capital accumulation, which would ordinarily consist in the earning of local trust and reciprocity across the community, is short-circuited: the intermediary appropriates the incomer's presence to his own purposes. Capital reproduction, the symbolic recognition of the incomer as a legitimate local actor, never begins, because the incomer never becomes visible in the field as an actor in her own right.

The theoretical implication, which we offer as a suggestion drawn from the matters where the pattern applies, is that Li et al.'s (2025) four stages are a chain of dependencies rather than a checklist. Their Chinese case, the Xiang homestay in Huanggang Dong, succeeds because the incomer matches with the village as a whole, mediated by community-level institutions: the Drum Tower, the elders, the guanxi network. The Sri Lankan cases that show the pattern fail because the incomer matches with a person, and the person is the only meaning "the community" ever acquires for her. The comparison is suggestive only: the two settings differ in many ways, and our matters were selected on failure.

This finding also nuances the social-capital literature's framing of the "dark side". Portes and Landolt (2000) identify the exclusionary use of social capital by insiders against outsiders. Zhou, Chan and Song (2017), following Jack (2005), identify the post-launch problematic character of strong ties. The Sri Lankan matters where the pattern applies document something related but distinct: substitutional collapse. One strong tie is treated as if it were embeddedness in a community. It is not the strong tie itself that is the pathology. It is the substitutional error of treating one tie as many.

5.4. The meso level, and the politics of legal form

Torkington et al.'s (2025) finding that meso-level bureaucratic opacity is the operative constraint on lifestyle-migrant entrepreneurship in rural Portugal translates well to Sri Lanka, but with two things added.

First, in Sri Lanka the meso-level failure is not only in the operation of the state (bureaucratic opacity, conflicting information from paid intermediaries, uneven professional service) but in its design. Specifically, the design of the foreign land-ownership regime and the tourist-visa regime. Second, the design of these two regimes systematically shifts the operative risk from the state to the individual foreign investor.

The restriction on foreign freehold ownership, amended from time to time in ways that have never opened a safe alternative vehicle for the retail investor, is the single legal fact that structures the nominee-title typology. Attorney at Law 02 put it plainly in interview, speaking of the Finnish investor's matter (L3):

"The fundamental structural point is the mismatch between the restriction on foreign land ownership and the absence of an accessible, safe alternative vehicle for a foreign investor who genuinely intends to establish a long-term presence. Nominee arrangements are the workaround, and they are precisely the arrangements our courts find hardest to police" (Attorney at Law 02, interview).

The Immigrants and Emigrants Act supplies the parallel mechanism in the partnership typology. The prohibition on business activity by a tourist-visa holder is uncontroversial in the abstract. What makes it operationally decisive is that the local partner's complaint is what triggers enforcement. The foreigner who has committed capital and time to a joint venture on informal terms is, in the moment of dispute, at the mercy of the very party whose written control of the venture makes her own participation in it, by definition, unlawful.

These are conditions on which the mainstream tourism-entrepreneurship literature has almost nothing to say, because it has been written mostly for EU and OECD settings. Intra-EU lifestyle migration confronts nothing comparable. Global-South foreign investment is studied in its BOI-scale corporate and portfolio-scale institutional forms. The Sri Lankan cases sit in an interstitial category: retail direct investment by expatriates whose migratory status is not that of the corporate investor. This category has specifiable characteristics and, in our matters, recurring failure modes. It deserves its own place on the research agenda of the discipline.

5.5 Reversing the frame, and reflexive notes on the record

One matter in the file, the June 2017 Divaina case (D6), deserves separate treatment because it disrupts the otherwise consistent framing of the foreign investor as victim. Chaminda (2017f) tells the story of a European couple who, according to the report, defrauded a group of Sri Lankan suppliers and workers before departing the country. The reporter noted, with some irony, that the same three-wheeler drivers and small hoteliers who complain about being overlooked in favour of "the white man's word" often

extend automatic credit to foreign customers on the strength of nothing more than appearance and accent.

This case discloses something that the tourist-gaze framework does not comfortably accommodate. Urry's (1990) tourist gaze is asymmetric. The visitor gazes; the local performs. But the local also gazes on the visitor (Wassler & Kirillova, 2019), and with the same anticipatory, image-mediated, cognitively pre-formed apprehension. The local trust extended to the foreign operator in the June 2017 case is the mirror image of the foreign trust extended to the local intermediary in the matters where the single-intermediary pattern applies. It, too, may be a recognition heuristic. It, too, produces losses when it is exploited.

This symmetry has methodological consequences. Any research on foreign investors in Global-South tourism needs to hold open the possibility that both parties in the tourist-turned-investor transaction are operating on cognitively biased apprehensions of the other. The outcome distribution is generated by whichever side first exploits the other's bias.

It also demands reflexivity about the moral framing of the press coverage on which any documentary reconstruction of the phenomenon will lean. The two series we have used here (Chaminda, 2017a-f; Puravisandara, 2011a-j) are not neutral records. Both carry the moral framing of Sinhala-language tabloid print from the period. The recurrent use of *sudda* and *suddi*, "white man" and "white woman", marks a genre in which the foreigner is at once an object of curiosity and an object of moral commentary. Both series close their pieces on cautionary morals. The attorney-proxy method filters this framing through a second, professional layer of interpretation, which has its own slant, since lawyers speak for clients and about outcomes. Both attorneys, in the interview material, take a substantially more even-handed view than the press does. That is not incidental. Where the attorney account and the press framing converge, we treat that as consistency of account only, because the two are not independent sources (section 3.3). Where they diverge, as in the June 2017 case, the divergence itself is analytically productive.

The attorney informants are themselves selected on the outcome. They see the matters that produced a legal instruction. Matters in which the tourist-to-investor transition succeeded, or failed quietly without producing litigation, are structurally absent from their caseloads. Our findings are therefore findings about failure modes. They are not findings about the population of foreign tourism investors as a whole, and they say nothing about how often such failures occur. This is a limitation of the case-study method (Yin, 2018), and we take it up again in the next section.

6. Conclusions

6.1. Contribution of the study

The paper makes three connected contributions to tourism and entrepreneurship scholarship, and three further contributions to business and tourism management, which follow them.

It names and specifies the investor gaze as a distinct object of study at the limit of the tourist-gaze framework. The gaze retains the tourist gaze's image-mediated apprehension of place, commits capital and residence that the tourist phase precluded, and lacks the institutional literacy that would ordinarily

accompany capital commitment. Urry's (1990) framework was written for the visitor. The investor gaze is the specifiable position of the visitor who does not depart. It has specifiable epistemic properties and, we think, warrants its own place in the discipline's research agenda. It is a position, not a mechanism of failure: the routes by which ventures fail are a separate matter (sections 5.3 and 5.4).

It puts Antoniou et al.'s (2025) macro finding of a tourism-driven familiarity effect into structured relation with micro-level failure data, and suggests that the two may be the beginning and end of the same script. The recognition heuristic that drives cross-border equity allocation at the macro level may be one source of the familiarity-based confidence with which some investors commit capital at the micro level, though this paper cannot show it. The macro and micro literatures have been read in parallel too long. This paper argues for their re-articulation as a research programme, not as a finding.

It extends Li et al.'s (2025) capital-mobilisation cycle by suggesting that the four stages are a chain of dependencies rather than a checklist, and that in the matters where the single-intermediary pattern applies (eleven of the sixteen, counting its dyadic and modified forms) failure originates at the first stage, the match. Where match fails, the downstream stages cannot recover. This nuances the social-capital dark-side literature (Portes & Landolt, 2000; Zhou, Chan & Song, 2017) by naming "substitutional collapse" as a distinct mechanism, one in which a single strong tie is treated as if it were embeddedness in a community. The mechanism does not describe the sector traps or the matters in which the foreigner was the defrauding party, and we do not claim it for them. It is different from the strong-tie pathologies already documented, and it is worth naming.

The three further contributions are to business and tourism management specifically. First, it identifies the move from visitor to investor as a point in the tourism value chain where information asymmetry is sharp and easily overlooked by the people who market the destination. Destination marketing builds the familiarity that the macro literature links to investment, and nobody in the chain is charged with turning that familiarity into verified local knowledge. The position we call the investor gaze sits in that gap.

Second, it gives advisers, lenders, brokers and tourism authorities a short set of diagnostic questions drawn from the matters: who holds title, licence and bank mandate; whether the foreign party has any source of local information other than the counterparty; whether the intended activity is lawful on the party's visa; and whether the documents were explained in a language the party reads. These are questions to ask, not scores to compute, and we offer them as hypotheses for testing on other destinations.

Third, for the entrepreneurship literature on lifestyle and migrant entrepreneurs, it adds legal form, and not only social capital, as a source of asymmetry between a foreign entrant and a local partner: in the partnership matters the premises, licences and bank accounts sat in the partner's name, so that the paper controlled when the informal understanding failed.

These contributions rest on sixteen matters selected on outcome. We do not estimate how often foreign visitors who invest in Sri Lanka lose money, and nothing here should be read as a risk rate for the destination or as evidence that investment by foreigners is unwise. The practical points are meant for the investors who do run into trouble, and for the advisers who meet them early.

6.2 Policy implications

Five policy proposals follow. Because they rest on sixteen matters selected on outcome, we offer them as proposals to be tested and costed, each tied to the typology it addresses, and not as conclusions the evidence establishes.

First, addressing the nominee-title typology, a regulated long-lease vehicle for retail foreign investors in tourism-related property, distinct from the corporate BOI structures for large enterprise. This could take pressure off the nominee-title workaround. Whether it would is a question for legal and empirical work.

Second, a statutory requirement that any conveyance to which a non-Sinhala-speaking party is a signatory must be attested by an independent attorney certifying that a certified English translation has been provided and explained. This could narrow the evidential vulnerability that Sinhala-language nominee arrangements currently exploit.

Third, a specialised tourist-fraud investigation unit with authority to take formal sworn statements from foreign complainants before they leave the country, and to take their evidence by video link where they cannot return. Whether both are within reach on the existing law with modest amendment would need legal assessment.

Fourth, on the thinnest evidence, since few matters touch these trades, a review of whether a licensing scheme for small-boat sport-fishing and other unregulated tourist-adjacent trades, with a triggerable complaint-and-refund mechanism that a visitor can invoke before departure, is warranted.

Fifth, an inter-agency protocol between the Sri Lanka Tourism Development Authority, the Department of Immigration and Emigration, and the foreign missions, for early identification of long-staying foreign nationals in distress. This addresses the four matters where the failure typology is personal rather than commercial, and it is the proposal most sensitive to the size and selection of the case set.

6.3 Limitations

The paper has several limitations worth stating. First, the attorney-proxy method selects the case set on the outcome: matters that produced a legal instruction are represented, and matters that succeeded or failed quietly are not. What we have therefore documented is failure, not the population of foreign tourism investors in Sri Lanka, and we make no claim about how often foreign investors fail, which would need a denominator we do not have.

Second, the reconstruction of the pre-investment moment, the point at which the tourist gaze became the investor allocation, is inferred from post-investment attorney and client account rather than observed directly.

Third, the paper focuses on the southern coast. Whether the same failure typologies obtain on the eastern coast (Arugam Bay), in the central hill country (Ella, Nuwara Eliya), or on the northern peninsula (Jaffna and the Vanni) is an empirical question we have not answered. Fourth, the interviews and the press record are not independent, and both depend on translation from Sinhala; the safeguards described in section 3 reduce these risks but do not remove them.

Fifth, the assignment of matters to typologies and the classification in Table 4 are our interpretation, and another team could classify some matters differently. Sixth, three of the sixteen matters involve visitors who did not invest, so the argument about the investor gaze rests on thirteen matters.

6.4 Future research

The paper opens three obvious research programmes. A prospective study of foreign residents currently at the tourist-to-investor transition point, before the outcome of their investment is known, would permit direct examination of the investor gaze and the role of familiarity-based confidence in investment decisions, which the present study can only infer from retrospective accounts. A comparative study of the failure typologies in other developing-country coastal tourism economies (Bali and Lombok; the Kenyan and Zanzibari coasts; coastal Thailand; the Caribbean) would test the analytic generalisability of the four-typology structure we have developed. Most ambitiously, a re-engagement with the Antoniou et al. (2025) macro-empirical framework, but on direct-investment rather than portfolio-equity data, would provide the empirical bridge between the macro and micro literatures whose separation this paper has documented.

The tourist gaze is not itself a cognitive bias. It is a socially organised way of seeing a destination, and for most visitors it ends with a flight home. What the sixteen matters suggest is narrower. For some visitors who go on to commit capital, the familiarity built up as a tourist can turn into confidence that the local setting does not warrant, and in a thin institutional environment that confidence becomes costly when a relationship or a legal arrangement fails. The matters examined here show what that cost has looked like: shattered ventures, litigation and, in at least one matter, a widow left without legal title. They were selected on outcome and cannot show how often it happens. What the theoretical literature and the interview material together let us see is that the initial fascination and the eventual disillusionment may not be separate phenomena. They may be the opening and closing scenes of the same script, whose middle acts are the movements of capital, social relation, and legal form that we have tried to set out in the discussion. Testing that suggestion, on investors who did well as well as on those who did not, is the task this paper leaves.

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Use of AI tools

A large language model was used to prepare first-pass English translations of the Sinhala-language press articles and interview transcripts, and to assist with drafting and editing the manuscript. The authors reviewed the translations against the original texts and take responsibility for the final content.

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