Strategic development planning for sustainable tourism development in
Upper Mustang, Nepal
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1 INTRODUCTION - NEED FOR STRATEGIC DEVELOPMENT PLANNING

Research on tourism development in developing countries is relatively recent, growing during the last twenty years. Interest in eco-tourism and sustainable tourism has emerged in the last ten years, as a response to growing awareness of the negative impacts of tourism. It is now increasingly accepted that tourism development needs to be planned and that this should involve local people at all stages of development.

Upper Mustang covers 2,563 square kilometres and lies on the border of Nepal with Tibet. Over 6,000 people live in around 1,200 households in 32 villages and hamlets. Speaking a number of Tibetan dialects, they are culturally Tibetan, following traditional forms of Buddhism. Mustang is significant as it can be seen as "one of the last remnants of untouched Tibetan art, architecture, religion and culture" (Shackley 1994:17-29). Fragile environmentally, economically, socially and culturally, Mustang is part of the
Annapurna Conservation Area. Much of the region lies above 11,000 feet, experiencing harsh climatic conditions.
Very little rain falls and farmers are dependent on irrigation systems to bring the melt water to the fields. In the southern areas, two harvests are possible, but in the areas further north, only one harvest is possible, with a short season between May and September. Snow typically covers the ground for 5 months of year. Buckwheat and barley are the main crops, with market gardening and fruit grown in some areas. There is a growing dependence on imported food. A road is being built from China and has reached Lo-Manthang, the main city in the north of Mustang. It is believed that this should reduce the cost of imported basics like rice and kerosene, which currently have to be transported at high cost from Nepal, usually doubling or trebling their price.

Degradation of pastures has occurred due to the shortage of fodder. Before the Chinese invaded Tibet, more fertile pastures north of the border were used by farmers in Upper Mustang. Herds have been driven southwards with consequent over-grazing and farmers have been forced to reduce the size of their herds. Yaks, buffalo, sheep and goats are the main livestock. Yaks are able to pasture on higher areas where sheep and goats do not go. Following decline in what
used to be a thriving trade in salt; people have had difficulty in maintaining their former relatively high living standards (Vinding 1984:51-106). Over 50% of people migrate south for the winter (Gurung and DeCoursey 1994:239-253). The old, the poor and those with young families, are either incapable or do not have the means to do this and remain in Upper Mustang for the winter.¹

¹ Estimates vary depending on who and where you ask. It is likely a larger proportion of people move out from Lo Manthang in the winter, where the winters are more severe than some of the villages further south which tend to be slightly milder and also poorer.

The last twenty years, has seen increasing interest in tourism development planning, reflecting the growth in importance of the industry globally. More recently, the focus has turned to planning for sustainable tourism development. The IUCN (International Union for Conservation of Nature and Natural Resources) in conjunction with the WTO (World Tourism Organisation) has provided useful guidance on protected areas of the world. Classified as ecologically "special" in some way, these areas range from being very fragile wildernesses that do not support human habitation, to places of outstanding beauty, co-existing besides working landscapes.²

² Category IV - conservation areas, Category III - national parks and the highest level of protection, Category II - nature reserves.

ACAP (Annapurna Conservation Area Project) was established in 1985 following investigation by the KMTNC (King Mahendra Trust for Nature Conservation) as to the appropriate protection status for the area. A feasibility study was conducted to look into establishment of a "conservation area" that would conserve nature and cultural values alongside the development of tourism. This would be administered by a small unit relying on local participation that would be self-sustaining through entry and user fees. The concept was launched in 1986 by the chairman of KMTNC, the then Prince Gyanendra. In advance of the legislation that followed, the conservation area was defined as providing for the "protection, improvement and multiple uses of natural resources according to principals that will ensure the highest sustainable benefit for present and future generations in terms of aesthetic, natural, cultural, scientific, social and economic values." In July 1989 the bill was passed to amend the existing National Parks Act to formally authorise conservation status (Lucas 1992:111-113). The UMCDP (Upper Mustang Conservation and Development Project) was then set up by the KMTNC with main tourism objectives that were consistent with the philosophy of conservation, sustainability and participation (Banskota and Sharma 2000:81-117). Local people were educated about the implications of tourism in their community, environmental awareness campaigns were organised, cleaning campaigns were launched and rubbish pits were dug (Gurung 1998). These activities built up a sense of trust between the KMTNC
and the local community at the time created a positive work environment for future initiatives (Gurung and DeCoursey 2000:239-253).

Tourism in Upper Mustang is a relatively recent development as the area was forbidden to foreign visitors until November 1992. The government of Nepal adopted a policy of restricted, high value tourism and opened the area to 200 visitors per year. In 1993, following pressure from tour companies, this quota was raised to 1,000. By restricting the number of tourists, it was intended to minimise the destructive environmental and cultural impacts of tourism (Shackley 1994; 1996). It also forms a means to raise revenue, as the government of Nepal charges $700 for a 10-day entry visa ($70 per day thereafter). On average, about 800 people per annum have visited since the area opened to tourism in 1992 (Walder 2000).

Few accounts exist of foreigners' visits to the area: Gucci in 1952, before restrictions were imposed, David Snellgrove in 1961, Marcel Peissel in 1963 and Peter Mattheissen in 1996.

The entry visa is issued in Kathmandu and is regulated by police checkpoints at Kagbeni and at Lo Manthang. Its cost effectively controls the number of people entering Mustang. It is difficult to know how many people would visit if this charge were lifted, as many people have never even heard of Mustang. The reaction of most people to the US$700 charge is to put off all but the dedicated. The market for visiting Nepal is relatively limited, with Nepal not even making the top 40 most popular destinations. Eco-tourism and trekking are not mainstream activities, even if it is a growing sector within tourism. The absence of facilities puts off all but the more self-sufficient and hardy. Lodges provide limited accommodation for local travelers and aid workers, but currently tourists have to come in organised, self-sufficient tour groups usually from Kathmandu, bringing all of their camping and cooking equipment, food and fuel. Their only requirement from the local communities is a place to camp and supply of water. Left to private enterprise and without controls, it is unlikely that it would take long before lodge owners and entrepreneurs would fill the gap, upgrading, extending and building new lodges, even if in the longer term this would not be sustainable.

The number of people visiting Nepal has increased from just over 6,000 arrivals in 1962 (Ministry of Tourism in Shackley 1994:18) to a peak of 492,000 arrivals in 1999. Arrivals have fallen to 361,000 in 2001 (WTO 2003:134) and are likely to have remained or fallen from this level, due to the political unrest in Nepal that has deterred many tourists from visiting.

Difficulty of access and lack of facilities limits the number of visitors likely to visit, although given the scarcity of unspoilt and remote destinations, it is likely that visitor numbers would increase substantially without some mechanism to control numbers. The risk of degradation would be high and
there are many examples of the negative impact of tourism in other fragile areas in Nepal. However, a high entry fee presents an ethical question, as whilst it reduces the number of people visiting the region, it favours richer over poorer tourists.

Consideration of "carrying capacity" is necessary given the lack of facilities and fragility of the area. Carrying capacity is defined as the "theoretical limit to which a population can grow and still be supported permanently by the environment" (Vernicos 1985:43). It can be measured as the level at which the use of natural and cultural resources by a community and tourists, in a given area, for mountain community development and tourism development, can occur without adverse impact on the sociocultural, economic or physical environment. (Nigram 2002:73). Caution is needed with what is a complex and dynamic concept. Although it needs further empirical research, the concept can be a useful tool to help assess numbers of tourists that might be supported comfortably (Coccossis and Parpairis 2000:91). Assessing carrying capacity is not just a question of counting beds or camping spaces but needs to include seasonality and dispersal. It is also necessary to consider how many places are available for a comfortable stay, the availability of food and daily needs, and the availability of hospitals and medical services. Consideration is needed on peak capacities: daily, weekly and annual (Nigram 2002:75). Little research exists on how much tourists are prepared to pay not to feel overcrowded, but perception of space also needs consideration (Hunter and Green 1995, Myers and Margaris 1985, Lanza and Pigliaru 2000). Shackley (1994) suggested that 1,000 visitors per annum were unsustainable without managed and pre-booked accommodation being available and any increase in numbers might have social and cultural costs.

In 1992, when tourists were first admitted to the area, rules were laid down which have not changed much since. Until July 2003, groups had to be accompanied by a Liaison Officer from the Ministry of Home. Groups have to bring all of their food and kerosene, take out all non-biodegradable rubbish and have to camp. No plan or strategy for the development of tourism was ever set up for Mustang (Shackley 1994:17-29). Although administered by ACAP, lack of resources has limited development work that ACAP can initiate in Mustang. In addition, ACAP’s activities have lacked clear priorities despite over a decade of experience in the Annapurna region (Banskota and Sharma 1998). Here, ACAP set out to help villagers regain and maintain control over the natural resources on which they depended through "Conservation and Development Committees that were formed and managed by the local people.

6 This was suspended in July 2003 and currently groups are able to visit the area without having to take a Liaison Officer with them.

Sixty percent of the revenues raised from visas to Upper Mustang were originally promised to be used for development in the area, but this never
materialised and now the region receives less than 5% (Sharma 2001:81-120). There are currently no alternative means of earning income from tourism directly, so tourism provides very little benefit to the local communities of Mustang.

The key to sustainable development of tourism is involvement of local people; not only in determining the form tourism should take, but also in controlling ways income from tourism should be spent to benefit their communities. As long as local people see the benefits of tourism, they will become the most efficient guardians of their natural environment and cultural heritage. The process will not be automatic and needs to build on sound institutions, empowerment, effective education and participation in all aspects of planning and implementation. The experience of the last ten years, when communities have seen so little evidence of any benefits and have not been involved in development of tourism will not make it easy to prove the value of tourism. A radical change of government policy will be needed, so that a larger proportion of revenue earned from tourism can go to local people, whether from government revenues, outside funding or income earned directly. This will require political support from Kathmandu and some release of control over how income is raised from tourism.

The justification behind tourism development planning is often quoted as being necessary to avoid the negative impacts of tourism (Hall 2000). Before developing a plan, appreciation of potential impacts is needed to ensure that these are minimised or avoided. Planning any activity involves the orderly arrangement of activities and practices to minimise the uncertainty of a future position (Westlake 2000:85). Gunn (2002:68) suggests that tourism should be seen as a system, with everyone gaining by planning in this context. Allocation of resources needs co-ordination and co-operation between diverse interests, which in turn needs clear objectives and how local people can participate in decisions that affect their lives. Lanza and Pigliaru (2000:93) comment that tourism development risks creating incentives for the excessive use of natural resources by the private sector, where the market does not assign a realistic price to public goods, so the risks are great that they will be used to unsustainable levels. Success of tourism strategy should not be measured in terms of increased numbers and revenues, but needs to take account of how tourism development can be integrated within broader development goals of local communities, regions and nationally. Paramount to this should be agreement on ways tourism related investment and revenues should be used to benefit the community (Brohman 1996:60).

Without some state intervention, tourism development is likely to lack cohesion and direction. Unregulated short-term initiatives serve narrow interests and jeopardise sustainability and long term tourism potential. The state needs to co-ordinate tourism with other sectors and in the context of national planning objectives such as national cultural projects, preservation of
cultural heritage sites (Brohman 1996:62). Unfortunately, the state is frequently seen to be ineffective and inefficient (Pradhan 1997). The absolute power and ability of the monarchy in Bhutan to control tourism is rarely found anywhere else (Karan 1990:113). In Bhutan, the government chose to develop tourism gradually to minimise the negative impacts on traditions, culture and natural environment. Development has been very strictly controlled, with the government seeking to maximise earnings from tourism by pursuing high-priced, all-inclusive package tours, keeping volumes low. A flat rate of US$200 per day (high season) and US$165 (low season) is charged. Carefully supervised treks minimise the negative environmental impact, with groups being taken along specific routes and camping in designated areas. Governments in most developing countries lack the power, ability and sometimes will to formulate and enforce appropriate policies for tourism development (Harrison 1992:29).

By virtue of being administered by ACAP and given the Annapurna Conservation Area's status as a Grade IV Protected Area since 1992, the guidance produced by the IUCN (International Union for Conservation of Nature and Natural Resources) is relevant to Mustang. In addition, experiences elsewhere can be drawn upon to assist tourism development and brief analysis is made to highlight areas that might be of relevance to Upper Mustang.

6 The UN List of Protected Areas (1998) lists the areas that are ecologically special in some way, from being fragile wilderness that does not support human habitation, to places of outstanding beauty, co-existing besides working landscapes.
7 The IUCN has published a number of books of Guidance to Protected Areas such as those by: McNeely, Thorsell and Ceballos-Lascurain 1992; Ceballos-Lascurain 1996; Phillips 1998; Phillips 2000; Eagles, Bowman and Tao 2001.

This paper considers the need for strategic development planning and summarises some key issues for consideration in planning tourism development, also making some more specific suggestions on how tourism might be developed in Upper Mustang.

2 IMPACT OF TOURISM

Much has been written to describe negative impacts of tourism, especially in Nepal (Harrison 1992; Travel & Tourism Occasional Paper 2000; Banskota 1998; Brohman 1996; Butcher 1997; Swarbrooke 1999). Tourism is frequently blamed for the negative impacts of modernisation and although not entirely blameless, is often just one of many factors.

Tourism is the largest industry in the world and is of economic importance to developing countries in providing employment opportunities, increased quality of life, education opportunities, and improvements in infrastructure and promotes development and economic growth (Khan 1997:989). Although the
majority of tourists go to developed countries, developing countries take about 25% of receipts and this is growing, often forming a significant contribution to balance of payments. Tourism holds out the promise of becoming a substantial new growth sector for many developing countries (Brohman 1996:52). At the same time, there is a fear that there is a sell-out in Nepal for short-term profit, with Nepal undergoing dramatic social, cultural and ecological change, leading to a reshaping of values throughout the country (Dixit and Tuting 1993).

Reliance on tourism to generate growth can be problematic and expectations can be disappointed when it is found not to be the answer to problems of poverty (Banskota 1998). Fluctuations in earnings caused by global recession, seasonality and political disturbances make tourism unreliable to rely on. It should be a supplementary way to earn income. Many people leave agriculture to seek employment in tourism (MacLennan, Dieke and Thapa 2000), causing problems when the growing season coincides with the peak season for tourism. However, tourism can form a supplement to agriculture (Pagdin 1995:229) and contribute to economic diversification. There are often comparative advantages in terms of climate, mountains, eco-tourism and cultural heritage sites that can be useful in developing tourism (Brohman 1996:52). Tourism does offer employment opportunities, but often not many jobs go to local people (Lindberg, Enriquez and Sproule 1996:553), and benefits go mainly to hoteliers, travel and trekking agencies and airlines (Pradhanang 2000:210).

The problem of control going outside of the area to international and trans-national companies from the metropolitan core is particularly relevant to Mustang. Tour groups typically originate from Kathmandu, organised by foreign companies, sub-contracting to Nepalese companies. Overseas leakage of tourism earnings such as payments for imports, foreign staff salaries and increasing consumption by locals of imported goods made available through tourism can be high. Polarisation occurs when existing social elites get richer, exploiting their control over land and other resources. Experience elsewhere in Nepal indicates that benefits from tourism tend to be highly concentrated among a small percentage of local people. In areas like Ghandruk (Annapurna), Langtang and Sagarmatha, besides lodge owners, the benefits of tourism have not spread into the villages (Banskota 1998). Local tour companies with linkages to the local economy would reduce the external control of resources. Problems with lack of co-ordination with other economic sectors (Shackley 1999:95-109, Gurung 1998) would needed to be resolved, made possible by effective participation of all groups across the community.

The multiplier effect depends on the form of tourism and is higher when benefits are dispersed on a small scale, through locally owned businesses with linkages with the local economy (Pradhanang 2000, Shackley, Furze, de Lacy and Birkhead 1996, Sharma 2000). It is impossible to avoid a certain amount of leakage. Goods that are transported from elsewhere in Nepal are carried by pack animals and cost two or three times the price paid in Kathmandu or
Pokhara. The road from Tibet to Lo Manthang will make imports from China much cheaper, but leakage will be greater going outside of the country to the benefit of China and not Nepal.

Attitudes towards the traditional authority of elders are increasingly coming under challenge. This is not necessarily solely due to tourism development and their participation in tourism development can help confirm the authority of village committees and structures. A study of the village of Te showed the authority of elders to remain strong. This was as much due to the way that the village tended to remain aloof to outside influences, although as the village is located in a side valley, it is less exposed to contact with tourists (Ramble 1990:119-129).

Marginalisation occurs as younger people gain greater independence, rejecting traditional ways (Harrison 1992:19-36). People sometimes move to towns to work in tourism activities, leaving their extended family behind. In Mustang, rural to urban migration has occurred independently from tourism. Peissel described a pattern of migration in the early 1960s, following from the invasion of Tibet by China. Before this however, trading with Tibet also meant that there was a tradition of movement (Peissel 1967:46). By improving local opportunities, this might reduce the numbers permanently leaving the region.

Aggressive begging from children and donation-seeking mothers' groups is evident in many places (Shackley 1994:17-29). If resources were forthcoming, maybe there would be less need to beg. Schools do not teach Tibetan or local history. Teachers come from the lowlands and children grow up with a diluted knowledge of their culture, unable to write the language they use at home (Marullo 1996). At the Teje Festival evening performances were given by school children from Mustang's first lay cultural school, Tsechen Tharpaling School (the Great Compassion Liberation School), which was opened in 2000, showing importance is still attached to traditional songs and dances. The re-emergence of monastic schools in Lo Manthang and Tsarang helps reinforce this.

Rising crime is often blamed on tourism (Dixit 1993, Harrison 1992:19-36) and there were reports of the theft from monasteries (Shackley 1994:17-29). However, in a survey conducted in Pokhara to assess the impact of tourism there, Pagdin found that most people did not associate crime with tourists and saw this as much more a local problem caused by local people. Generally, increasing crime figures tend to be marginal outside cities and can be as much between tourists (Pagdin 1995:241). The only recent investigation the police post at Lo Manthang could recall being involved with concerned the accidental death of a man who fell from his horse during a horse race between village, where the issue was more to do with the fact that the village the victim came from was competing in contravention to instructions from the Raja.
"Demonstration" effects can change social structures and value systems. According to Shackley (1994) and Gurung (1998), that there has been degradation of local traditions in Mustang, but this cannot be totally blamed on tourism. Migration means there is significant contact with people outside the area. The extent local people take on the values of tourists depends on the degree and type of interaction. Nationalism, religion and social structure counter the full effect of westernisation. Many women still wear traditional clothing, although men and younger people mostly wear western clothes. Buddhism, festivals and traditions still play an important role in people's lives.

Local art production may move from functional and traditional forms towards commercial production, cheapening its effect. Conversely, production for tourists need not be any less "authentic". If anything, tourism can revitalise local culture and handicraft production (Harrison 1992:19-36).

Tourism can impact local rituals and ceremonies, turning them into a show for tourists and losing their validity for local people. There are negative effects where 'commoditisation' occurs and the authentic cultural experience becomes commercialised (Richter 2001; Shackley 1999; Furze, de Lacy and Birkhead 1996; Getz 1991, 1994; Harrison 1992). It is difficult to measure how far something loses value to local people. There can be a blurring of the distinction between the sacred and profane, when dancers wearing consecrated masks obtain religious benefit even when performing for tourists (Harrison 1992:19-36). Provided numbers of visitors remain relatively low, tourism may not impact significantly.

There can be a sense of loss of cultural identity to outsiders and the culture of Mustang is seen to be threatened by modernisation. There is some apprehension at the effect that the building of the new Tibet-Lo Manthang road will have and it will accelerate this process. Cheap imports from China will be more readily available, hastening the process of westernisation. However, heritage should not be seen as being culturally universal and it can be seen as being more of a creation of the western mind that is often absent in other cultures. Continuity is a higher priority, than preservation for many societies. It is patronising to view the culture of developing countries as weak, needing protection, as it often possesses "deep structures" which allow adaptation (Harrison 1992:19-36). There is often a revival in interest in traditional languages and culture by local people when they recognise the respect that visitors have for them. This has been seen with Sherpas where their self-image has increased as a result of respect from tourists (Furze, de Lacy and Birckhead 1996:171). The people of Mustang, sharing many traits of the Sherpas could also benefit in this way. Buddhism is important and provides a strong "structure". It is easy to criticise the effect of western films, but who should dictate what people should be able to adopt as their taste in entertainment?
There is often a perception of a decrease in the quality of life, with outsiders are seen as exploiters. In Mustang, only external tour companies benefit from tourism. Involvement of local people in tourism development would increase their control and by providing goods and services locally, this would reduce exploitation from outside. In addition, care is needed not to create inequalities, which often arise through the development of "enclave" or resort tourism. This type of development would be inappropriate, as fewer people would benefit. Alternative, smaller, more dispersed operations would encourage tourist mobility and contribute to a more even distribution of tourism expenditure. Care would be needed to avoid over-concentration in Lo Manthang, to the disadvantage of outlying areas.

Overcrowding can be a problem. Lanza and Pigliaru suggest that where tourism exploits resources in uncrowded places that are equated with higher quality, tourists are willing to pay a greater proportion of their income to secure these "luxury goods". Given the growth of tourists' incomes, the proceeds going to more exclusive destinations will grow faster than in a "lower quality" crowded one. There have not been any conclusive empirical studies, but it is suggested that the degree to which tourists react to quality variation is significantly higher today than it was in the past and in the future will be higher. Tourism exploitation of resources is often irreversible and leads to a deterioration of the quality of resources. A responsibility to the future should lead to more cautious management of these resources. (Lanza and Pigliaru 1999:92-93). The "psychological" carrying capacity needs to be taken into account (Eagles, Bowman and Tao 2001:44).

A common complaint from tourists is that local people often lack skills, experience or training to provide services to the quality expected. Basic training in hospitality has been provided to lodge owners and teahouses, but further training will be needed to equip local people with languages and guiding skills.

Development often occurs without consent or consultation, imposed, with little or no voluntary participation. Participation of local communities from the start of planning to implementation is vital to the success of sustainable tourism development. ACAP has set up committees, and the Panchayat system of decentralised democracy provides structures for local participation in decision-making. However, politics between elites and villages need to be carefully understood to minimise barriers to full participation (Gurung and DeCoursey 2000, Jamal and Getz 1995).

Extensive literature describes the problems of deforestation, degradation of natural habitats, soil erosion, pollution, litter, disruption to wildlife, damage to vegetation that have all taken their toll in Nepal (Raj, McNeely 1995, MacLellan, Dieke and Thapa 2000, Chand 2000) and to a lesser extent in Mustang (Shackley 1994:17-29 and 1996, Marullo 1996, Gurung 1998, Gurung
and DeCoursey 2000). Given the small numbers of tourists and shorter time that the area has been receiving visitors, Mustang has not experienced so much environmental damage as other areas. Deforestation occurred before Mustang opened to tourism. The Khampas who were resisting the Chinese invasion of Tibet concentrated in Upper Mustang during the 1960s and 1970s and can be blamed for some of the deforestation that occurred. Peissel (1967) gives details of the impact of the Khampas and attitude of local people to these rebel forces, who often depleted the resources of villages that were already poor and had little surplus. There have been reforestation projects since the 1980s, and since the 1990s, development of micro hydro-electricity stations in villages along the Kali Gandaki (Thapa 1992). Limited use of solar energy is evident in Lo Manthang. However, when exploited for short-term gain, attitudes towards natural environment can change. Problems of deforestation and indiscriminate construction of lodges along the Annapurna Circuit are examples.

Unsightly new buildings adversely altering the landscape, built in an inappropriate style and using unsuitable building materials has occurred in the Annapurna and other areas of Nepal. Care is needed in planning and obtaining permission for new buildings and alterations. Traditional lodges and other old style buildings in Mustang could be used and altered from the inside to provide accommodation that provides a link with the past (Shackley 1996:447-462). Care is needed to maintain old monasteries that are falling into disrepair.

The WTO (1983) stated that there was no reason to believe that rural communities are systematically in favour of tourism, as many see it as a source of disturbance and the cause of too many changes in local habits and customs. However, Banskota (1998) comments on how tourism has benefited areas like Namche Bazaar, Ghandruk and Langtang and how in many remote areas, without the development of "mountain" tourism, these areas would not have benefited from tourism. He suggests that the "bad" of tourism is sometimes over-emphasised. Where mountain tourism is practised, it is bound to bring change and these needs to be distinguished from sustained negative impacts. Banskota suggests that in the long term, impacts on mountain communities have been largely positive and in many remote areas, without tourism, there are few alternatives to improve well being.

3 PLANNING PROCESS

There are several models for community-based tourism planning and a number of management theories have been applied to tourism development (Blank 1989, Gunn 2002, Murphy 1995, Jamal and Getz 1995, Selin and Beason 1991). Arguments for participation include efficiency, effectiveness, self-reliance, coverage, sustainability and equity. Obstacles can be operational or administrative. This can occur where there is over-centralised planning or control, inadequate delivery, lack of local co-ordination, irrelevant project content and lack of efficient local structures. Inexperience, leadership and
organisation skills may be lacking. There may be cultural and social barriers. There might be a culture of dependence or of silence, when people are accustomed to leaving decisions and control to local elites (Bob 1998:4). Mustang society has been essentially feudal until recently, although there is a tradition of community organisation via headmen. Since 1960, the Village Development Committee Act and development of the panchayat system of democracy have paved the way for local participation.

i) Objectives

"The ultimate goal of high-value tourism in Upper Mustang should be to significantly and substantially improve the living standards of the people" (Sharma 2000). Sharma suggests that the emphasis should be on pursuing a participatory approach in setting up and strengthening local institutions, training people in relevant skills, preserving and maintaining cultural heritage, improving schools, provision of health and sanitation facilities and the development of renewable energy. In addition, Shackley (1994) states that a primary objective in any tourism management strategy is to preserve the uniqueness in such a way that the government and local people can derive economic benefit from tourism without the associated social, cultural and environmental problems.

Banskota (1998) highlights the need to minimise leakage of income earned from tourism and to increase the welfare of the larger mountain community. Experience in Nepal shows that benefits have been concentrated among a small percentage of local people. Studies initiated by ICIMOD indicate that mountain tourism has to be an integral part of local community development.

Protected areas should not be uninhabited wildernesses, set aside for wildlife. Building good relations between communities and protected areas is critical for success (Oviedo and Brown 1999:97). The emphasis for protected areas should be on protecting working landscapes as places where people live and work. Working landscapes can be valuable models of how to integrate biodiversity conservation and sustainable use of natural resources and development in these areas should be appropriate in type and scale to the essential qualities of the area and benefit to the local community (Phillips 1999:205-207). Support for establishing a protected area has to come from local people and they need to see benefit in being part of an area identified nationally and internationally, as one with special and distinct qualities that merit special efforts to maintain it social fabric and economic viability (Lucas 1992:99).

The motives of eco-tourists are often different from those of "mainstream" tourists. To satisfy this, eco-tourism needs to be designed differently. Eco-tourists attach more importance on the wilderness, wildlife, parks, nature, culture and maybe more physical or active experiences. The environmental goals will be similar for the eco-tourist as for the park manager, but use by
tourists will always have the potential to degrade the environment through overuse, damaging behaviour, unplanned access and inappropriate usage levels. Visitor satisfaction correlates not so much with the density of use or numbers, but with the quality of the environment, adequate facilities and the accuracy of expectations. Provision of pre-trip information, good transport, scheduled access and use limits, visitor education and enforcement of rules are listed as important factors (Eagles 1999:145-147).

Benefits from tourism should go to the community as well as individuals who are in direct receipt of tourism revenues. Developments that could benefit the community would not only benefit local people, but would have indirect benefits to tourism development in the area. For example, improvements in education should address concerns raised that local culture is being eroded, by teaching children Tibetan and about their local history and customs as part of their standard curriculum. Attendance at schools could be improved by setting up centralised boarding schools. Local teachers should be trained to address concern that children are being taught by outsiders, with little understanding of local religion and heritage. The work being done to develop the monastic school in Lo Manthang should be built upon, extending education opportunities more widely. This should include training for lodge management and other tourism services. With improved education, this will provide better opportunities to improve living standards. In addition, local people would be in a better position to be able to provide tourism services rather than having to depend on outsiders providing these services. Adult literacy classes should be made available, especially for women who usually have much less opportunity for education. This can be used to improve education about hygiene.

Improved health care, providing more health posts and education on hygiene and sanitation, as well as providing benefit to local people, also less directly benefits tourists. In particular, hygiene is important where services are being provided to tourists.

Investment in alternative forms of energy use is vital. There will be higher demands from tourism for energy for cooking, heating and lighting. This should provide more incentive to invest in appropriate solar panels which can better withstand the cold temperatures in the winter and to extend the use of hydro-electricity. The provision of electricity from small hydroelectric stations is still limited, with some villages without power and many with insufficient electricity to provide lighting. Electricity in some form would be needed to power computers, providing access to communication by email and the means to market tourism services more directly.

Improvements to the quality of drinking water and sanitation would not only benefit local people, but tourists too. Improvements to irrigation would be needed to improve agricultural productivity, enabling more produce to be sold to tourists as well as improving the diet of local people.
Money used to restore the monasteries in the region, as well as enhancing the religious life of local people, can be seen to be maintaining the very assets that attract tourists to the area.

ii) Participation

There is extensive literature on community-based participation in tourism development planning, as this is key to sustainable tourism development (for example Scheyvens 2002, Cole 1997, Din 1997, Hall 1998, Jannssen, Kiers and Nijkamp 1995, Roo 1991). Participation is a vital component of sustainable development generally and eco-tourism specifically. Community participation at the planning stage ensures that local people can identify problems and form their attitudes. By being involved in planning activities and allocation of resources, they can control and manage tourism development on their terms, ensuring its sustainability. Local involvement is essential at the implementation stage in terms of management and in participating in the benefits, both individually and collectively and is a necessary component of sustainable development generally and eco-tourism specifically (Drake 1991:132).

For tourism to be accurately described as community based, it must have the support and participation of local people. International agencies and governments often think that they know better about sustainable development, but to be successful, community-based tourism has to be owned and supported by local people, with the initiative coming from the local community itself and not passed down from central government or NGOs (Travel & Tourism Occasional Paper 2000:100). Local people need to be informed and consulted on key issues at all stages in their development and involved in decision-making about project design and implementation. This leads to greater efficiency, effectiveness, self-reliance, coverage, sustainability and equity. It provides opportunities for local people to become educated about the purpose and benefits of the development, increasing their support. Where project managers (who are often outsiders) are seen to be listening, this can engender trust, confidence and support. Involvement of local people also legitimises the decision-making process, reinforcing the accountability of project managers.

Power is an "ability to impose one's will or advance one's own initiative" and collaboration can overcome power imbalances by involving all of the stakeholders (Swarbrooke 1999:125). It is necessary to appreciate how power relations alter results and sometimes, collaboration efforts may preclude collaboration (Reed 1997:567).

Participation is a dynamic process-based mechanism for resolving planning issues and community leadership is drawn from a number of power-bases. Resistance can sometimes come from political leaders, local businesses, residents, environmentalists and public agents (Reed 1997:568-9). Key players in the community need to be identified: groups, organisations and individuals.
that have the most power. Care is needed not to assume that a community will necessarily share a purpose or identity, as it will be made up of many interest groups: elites, owners, renters, young, old, employers, workers, those employed by others or self-employed, wealthy, poor, those from the main ethnic community and ethnic minorities, men and women. Where there is reliance on coalition between private and public individuals or agencies, this can hide how one individual or organisation can have a disproportionate influence (Reed 1997:567). Conflict is more likely than consensus in many situations, as community leaders are often self-appointed or may represent a small section of the community (Swarbrooke 1999:125). Where there is reliance on local authorities or local government to act as an arbiter or neutral agent, care is needed as they will have their own agendas and may be in the best position to get their way. Local politics and the intervention of individuals have been seen to thwart plans for development in Mustang (Shackley 1996:447-462).

Since 1962 with the development of the Panchayat system in Nepal, there has been a structure for community participation in planning (Sinha 1972, Ojha and Adhikari 1984, Pant 1989). This system was developed to set up a partyless democracy, decentralising and transferring power to people directly, “taking institutions to the people” to enable mass participation. It was popularised in the “Go to the Village” campaign (Sinha 1972), with local Panchayats made responsible for local development. Village Assemblies would formulate plans, with each citizen able to submit their ideas.

ACAP has gone a long way in working with local people in Mustang, but weakness in the Village Assemblies means that local people’s influence is severely restricted. Panchayats need to be strengthened and given legal powers, rights, duties and funds. They are not given any positive supervision or guidance from the centre and often interest groups are able to block implementation of plans (Pant 1989). Empowerment only occurs when the government is prepared to act on the voice of local communities.

The Small Farmer Development Programme (“SFDP”) was set up in 1975 to give credit and other services to groups of smallholders and landless people, who make small monthly repayments on their loans. “Barefoot economists” or para-professionals have been seen to be successful in providing low-cost services to assist local people in organising themselves into groups to take advantage of the SFDP (Scott 1989). Small farmers, landless rural workers and artisans are motivated to form organisations or groups of their own around an income-generating activity, based on groups’ plans and actions, supported by credit and supervised by “extension” staff. Government agencies select and investigate areas where the scheme might be run, while local people are organised into small groups, typically with 15 - 20 members who accept joint liability. Activities can be on an individual basis, but the emphasis is on joint activities where common interests are shared. The organiser does not come from the
local community and the objective is to make the participants self-reliant in planning and implementing development programmes. The role of the para-professional is to act as a catalyst, facilitating the group's access to resources for development and to develop awareness in the groups, building up the strength and organisational base of groups of rural poor. As they become increasingly independent, gaining experience and confidence, they rely less on the organiser. Horizontal links between groups exist, coordinated by Inter-Group Co-ordination Committees.

In 1993 the Mustang Tourism Development Co-operative was set up, with members representing each village to look into upgrading lodges using capital from grants coming from visa revenues. At the time, lack of funding, lack of support from ACAP and lack of political power meant that nothing was done (Shackley 1994:17-29). Community based tourism development seeks to increase institutions designed to enhance local participation (Brohman 1996:60), although in this case, can be seen not to have been very successful.

Lack of success in implementing projects is likely to have generated disillusion with the effectiveness of the participation process. Trust will need to be rebuilt and given the constraints imposed by the government, this will be difficult. Investigation should be made into the possibility of setting up groups with a view to seeking credit from the SFDP, as this might be more outside of the constraints of government largesse and might be a more likely source of funding.

Where community-based tourism initiatives are successful, this is usually the result of a partnership between local people, the government, international agencies and often private enterprise, perhaps comprising of tour operators or other tourism providers who are often important in bringing knowledge of the market and marketing skills (Travel & Tourism Occasional Paper 2000:115).

iii) Information

Information needs to be gathered about the economic, social and political background of the area, natural and cultural features, organisations, activities, facilities, existing visitor use, visitor numbers, distribution over time and space, attitudes, assessment of tourism potentials, constraints, opportunities, sources of support and opposition. This will include information about local communities, numbers of people, how they make their living, and assets: monasteries, lodges, teahouses, health posts, schools, caves etc. Assessment will be needed on the number of people that can be accommodated in lodges, space for camping, buildings that might be used for alternative uses, land that might be extended for agricultural cultivation, irrigation, location of water supplies and energy sources. This information can then be used to propose ideas that can be investigated to assess options that can be developed.
"Zoning" involves mapping levels of sensitivity, to separate possible conflicting human activities. Sensitive areas should have lower use and smaller numbers of visitors, whilst less sensitive areas could tolerate a higher level of use. Lo Manthang might be seen as a centre that could withstand a greater number of visitors than for example, a small hamlet like Lo Gekar, where few tourists could be comfortably accommodated without pressure on the limited camping space available and to avoid a perception of over-crowding.

iv) Revenues

The visa acts as an entry fee. Few places charge fees reflecting the true amount that tourists would be willing to pay (Sherman and Dixon 1991:109). There is a need to know more about how much tourists' willingness to pay (Swarbrooke 1999:31). For example, Rwanda charges $250 for entry to a part of the national park to see gorillas, which does not deter visitors. In Bhutan, tourism revenues are very high due to the requirement for each tourist to spend US$200 per day. This is made possible by the artificially high cost of accommodation and services that are tourism-related. Managed properly, such revenues can be channeled more directly to local people.

Although the National Parks and Wildlife Conservation Act 1973 was amended to allow 30-50% of locally generated revenues to be retained by for development, this was never effectively implemented in practice (Nepal 2000). ACAP's attempts to reclaim tourism revenues from the government has had very limited success and it is unlikely that the government would be willing to give up much of its share of the revenues from the visa. Whilst maximising government revenues reduces leakage of tourism revenues to outside of the country, Mustang sees less than 5% of these revenues. Some compromise will be needed to provide local people in Mustang the opportunity to earn incomes directly from tourism. Both approaches could be taken, with the government continuing to levy a visa charge, some of which should be returned for development in Mustang, but supplemented by alternative forms of income.

Tourists should pay for their use of environmental resources, including the full costs associated with maintaining the environment. (Burns & Holden 1995:224; Fyall and Garrod 1997:51-68). In 1988, ICIMOD (International Centre for Integrated Mountain Development) highlighted how returns from mountain tourism are low due to undervaluing of environmental resources. Price elasticity is usually high on the tourist's agenda, but tourists seeking "alternative" or "nature" tourism are usually more willing to pay, price elasticity being lower. By targeting this segment of the market, a higher price could be charged. Factors such as the quality of resources as valued by tourists, associated with the degree of crowding and exploitation, need to be taken into account. The more crowded the resources; fewer consumers may be willing to pay to stay in the area (Lanza and Pigliaru 2000:92). Conversely, the less crowded an area, the more appeal it can hold for those looking for high
quality. Shackley (1996) argues that the 30% fall in visitor numbers to Nepal during 1993-94 was a result of bad publicity on perceived overcrowding on trekking routes.

Other ways of earning income from tourism need to be considered. Income could be earned through concession fees charged to tour companies who bring in tourists. Royalties are charged to film in the area and could be extended to items like guidebooks or even souvenir T-shirts. Local taxes could be levied on all forms of accommodation, going directly to the community. Admission fees to enter monasteries are charged at 100Rs (80p), but for some monasteries, a more realistic figure might be higher. Hiring local guides could be made a prerequisite for tour companies coming into the region. Excursions and treks using horses would provide opportunities for earning money from their hire. Local people in Mustang should be able to offer their services as porters or providing pack animals for treks coming into the area, organised from Jomsom and Kagbeni from where the treks start. Tourism development should bring an increase in the range of choices open to local people to earn income, rather than dependence on one form of income that relies on the political will of the government.

v) Products and services

a) Accommodation

Camping currently provides the only form of accommodation for tourists in Mustang. Shackley (1996:447-462) recommended upgrading lodges that are located in most of the villages for use as basic accommodation for tourists. She suggested 10% of a 20$ charge should go to the community's fund, advocating a ban on camping, which would otherwise undermine the use of lodges.

It should not be difficult to improve the quality of lodges to a basic level at minimal cost. Nepal (2000) cites dissatisfaction from tourists with the use of tents due to the wind and heat. Shelter from the wind would enhance comfort levels. Following Shackley's recommendations, tourists could use their own sleeping bags; bring their cooks, cooking equipment and food. Small groups of tourists could be offered basic accommodation in this way.

However, accommodation in existing lodges would be limited and without alternative accommodation, there would be the risk of overcrowding in the peak season. It would not be advisable to ban the option for camping, but camping fees could be raised from the current 40-180Rs ($0.30-$2). Most camping grounds are close to lodges or houses where it is possible to use the kitchen and dining room. A small charge is made for this ($3-6/room/day).

There needs to be a number of camping sites available and alternative buildings providing basic shelter during periods of high demand, further
extending the accommodation available. During school holidays, it may be possible to use school buildings, providing income to the schools as well as accommodation. Limited accommodation might be possible on a home stay basis. Among visitors from developed countries, this is not typically regarded as highly favoured, probably remaining a minority interest (Harrison 1992:30), but for some visitors, this can be seen as an interesting experience and should survive as an alternative to more organised forms of accommodation. Cleanliness will be important, even if the accommodation is very basic. Checks will be needed to ensure standards are maintained.

To avoid overbooking, Shackley suggested bookings should be made in advance from a Mustang tourist office located in Kathmandu. Telecommunications in Upper Mustang are still limited or non-existent in some villages, but use of WLL-lines ("wireless in a local loop"), would allow the use of mobile telephones within limited areas in mountainous regions and has been very successful in areas of the Indian Himalayas. Portable generators can provide back-up power and used to provide power for recharging batteries and powering computers. The use of the internet and email would provide the means for booking and communicating directly with tourists.

Any additional building would need to be planned and controlled very carefully and existing buildings should be used wherever possible. The very character of the villages and their architecture is a major draw to the area, so local people will need to understand the need to preserve the integrity of their environment. A process should be set up where authorisation is needed from ACAP for permission to build or alter existing buildings. ACAP will need to have the authority to act upon transgressors. This would help to avoid problems of uncontrolled construction that has blighted the Everest and Annapurna areas.

b) Food

This is brought in by tour groups and cooked by their own cooks. There is little food available for purchase by tour groups and until June, locally grown vegetables are in limited supply or not yet ready and a surplus of vegetables needs to be produced that can be sold to tourists. This will involve improvements to agriculture. It is difficult in mountainous districts to market agricultural produce without roads, but with the extension of the road from Lo Manthang, this may make transporting produce easier. With an assured market, this should encourage production of a wider range of vegetables such as garlic, onions, potatoes and other vegetables.

Investigation should be made on extending irrigation channels to enlarge the area of land to cultivate vegetables and fruit. More effective management of water can lead to increased agricultural production, which would not only improve the diet of local people, but also provide another means of earning income. Some produce might be preserved or pickled and training might need
to be provided to teach people how to do this. Fruit and many vegetables can be successfully dried and preserved, extending the availability of these products.

In Lo Manthang where visitors spend a few days, local restaurants could be set up to provide simple meals. Shackley suggested that cooks accompanying tour groups could use kitchens in the lodges. These are used by tours camping beside lodges or large houses, but particularly in Lo Manthang and larger villages where there would be more demand, it should be possible for lodges to serve meals to tourists. Breakfast could be provided, with simple meals for lunch and dinner. Some food prepared for tourists would probably have to be imported, given the limitations of local produce and taste. Tsampa, a barley mix with water, resembling a thick paste is the staple diet of local people and probably would not be particularly relished by foreign visitors. Imported food would represent a leakage to the outside, but could be brought in by locals who then can earn some profit selling to tour groups rather than tours groups buying everything outside the area and having to carry it.

c) Trekking

Banskota (1998) suggested "new tourism products that are integrated within the local economy must be developed". He proposed a "mini-tourism hub" with a variety of products and activities developed at some distance, one or two days away from the "hub" where services would flow from the "hub". He suggests that by developing new and varied products and through marketing, it should be possible to increase the number of nights spent at the "hub centre". These services and products would need to be environmentally friendly and of high quality in order to encourage people to stay for longer.

One of the main motives to go to Mustang is trekking, with tourists following the Kali Gandaki to Lo Manthang. Depending on the length of their stay, visits can be made to the areas east and west of Lo Manthang, before returning by a variation of the same route out or by detouring and returning via a few other villages.

More variation of routes should be offered, to encourage repeat visits to the region and disperse tourism more widely, enabling some of the more isolated areas the opportunity to benefit from tourism. This could increase the number of visitor nights spent in the area, which in turn would increase the viability of developing local activities. Possibilities might include exploring the source of the Kali Gandaki, which rises near the border, north of Lo Manthang; for a wilderness experience, trekking to Lake Damodar; nature treks and cultural treks.

Many of these options are available via Nepalese tour agents, but those advertised by western agencies tend to be much more limited, typically
offering one or two standard routes. Use of the internet could make information about these options easier to access.

d) Pony trekking

Horses can be hired for a day's excursion to nearby villages of Garphu and Nyphu and the surrounding area east of Lo Manthang. Pony trekking and itineraries on horseback could include a trek or few days' exploration in more remote areas. Information on these possibilities needs to be made more readily available and should be more widely marketed.

e) Mountaineering

More ambitious wilderness treks or mountaineering could be offered. Many of the mountains of 5,000 metres and higher in the area have never been climbed and do not even have names.

f) Special interest tours

Tours might follow specific themes. There are monasteries scattered throughout the region. Most contain frescoes in varying condition, thankas and other items of interest. Monasteries usually have a caretaker, if not inhabited by monks and these guardians could provide access. Vernacular architecture, festivals and indigenous art could also form interesting subjects for special interest tours. Bird watching and nature tours would be possible options. The region is described as "cold desert" and is very dry and eroded, with sparse bushes and plantations of recent bhote pipal and bais species trees. Given its isolation, several rare species of animals such as the blue sheep and snow leopard and lynx can be found here. Of the 77 species of birds native to Nepal that live above 12,000 feet, 15 are only found in this region.

g) Local guided tours

The liaison officer system has just been suspended, but a similar requirement might be appropriate in requiring a local guide to accompany each group, who would need to be knowledgeable about the area. Otherwise, local guides could be trained, and based in the villages they can give visitors a knowledgeable guided tour of the village and local monastery. In and around Lo Manthang, where there are many places of interest to visit, guides would be useful in explaining not only the sights, but also about festivals and local culture.

h) Lodges, tea houses

As well as providing accommodation and meals to tourists, who then would not need to depend on bringing all of their provisions, lodges should also be able to provide laundry and washing facilities. In particular in Lo Manthang, when
tourists may stay more than one night, this would be useful. Emphasis would be needed on using natural means of heating water, which in warmer months might include use of solar energy, or camping shower bags, made of heavy-weight plastic left in the sun to heat up. Local people would need to be educated about the disposal of soapy water and dangers of pollution.

i) Handicrafts

Villagers might easily produce a wide range of items on a small scale. Villagers in the Annapurna and Everest trekking regions knit brightly coloured hats, gloves and socks forming useful and attractive souvenirs. Attractive felt boots are traditionally worn in the area and would make attractive souvenirs. Jewellery in the traditional style, using semi-precious stones found locally, would also make stylish souvenirs. Demand would not be so high, so souvenirs produced would not be mass-produced, which could degrade their worth.

j) Bread and cheese

Bread and cakes are popular with tourists, as is seen in the teahouses in other trekking areas of Nepal. These could be made in the teahouses and lodges and in Lo Manthang demand might justify a small bakery being developed. With improvements in the use of water and the quality of pastureland, investigation should be made whether there is scope for making cheese from goat’s milk.

k) Entertainment

There are two video screens in Lo Manthang. An additional screen could be set up in the school to show films to tourists. This could be seen to be successful in Manang, on the Annapurna Circuit, where trekkers spend a couple of nights to acclimatise and appreciate the entertainment. The video equipment could be available for use by the school, benefiting the school with some or all of the income from showing films to tourists going to the school. There are documentaries about Mustang and Lo Manthang that could be shown, increasing understanding and awareness about the region.

l) Music and dances

A community hall or somewhere to meet and dance could allow for the possibility of learning about and participating in local dances and music. This would provide benefit to local people as well as providing the opportunity for interaction between local people and tourists.

m) Festivals and events

There are several festivals throughout the year in Mustang and Lo Manthang (Sonam Pe Losar new year’s celebration in mid-February, Sakaluka in late
February, Tempa Chirim, or "Teje" in May, Saka Dawa from mid-May to mid-June and Yartung in late August). If too many tourists visit when there are festivals, this might risk the festival losing value or cease to appear so authentic, but based on relatively small numbers and since some of the festivals fall outside the main visitor season, the risk of this is not so great.

Some charge could be made as a contribution towards the upkeep of costumes and would cover the price of a seat, rather than standing or sitting on the ground. In particular, information should be available about the meaning and significance of the event and to ensure that tourists behave sensitively at these occasions. Little explanation was available about the annual Teje Festival or on the meaning of the dances that are performed. With more information, tourists would be better able to interpret and respect what they are seeing, rather than become bored. If anything, religious tourism can have positive effects on local people (Shackley 1999:107-109). Attending festivals can enhance visitors' motivations as by implication, with the visitor seeking education, novelty, cultural enrichment and socialisation (Crompton and McKay 1997:429).

n) Guide-books and information

There are a few travel books written about the region and one brief trekking guide (Gibbons and Pritchard-Jones 1997), which describes a route rather than giving much detail about the history and what can be seen in the area. Entries in general guidebooks about trekking in Nepal devote a few pages on Mustang. A guidebook explaining the culture and places to see that could be purchased in and outside of Mustang would be useful and make a good souvenir if presented in the right way. Royalties from this should go to local people via the community fund.

vi) Training

"Capacity-building" in the form of training will be needed in several areas. Already some training has been provided by ACAP for people running lodges and teahouses. Ongoing training would help to ensure that standards are maintained. Language skills will be important, in particular English, as this tends to be the second language if not first of most tourists. Basic literacy skills will be important, along with training in hygiene and catering.

Training in computer skills and use of the internet will be essential in order to maximise the use of this as a medium for informing and booking tourism services directly with local tour companies and accommodation providers.

It might be useful to provide training to ACAP managers in project management skills, tourism management and human resource management. Outside expertise should be used to help implement some of the projects. This may
come from Nepalese people from outside of the area or foreigners, who have experience in the areas that need to be developed.

Funding for training would be needed. ACAP might be able to fund some of this. Support will also be needed from the government, especially with regard to developing schooling in the area so that skills can be taught that will provide a basis for future development.

vii) Marketing

The biggest spenders on tourism are Americans, followed by Germans, British, Japanese, French and Italians (Travel & Tourism Occasional Paper 2000:91). This pattern is reflected in the numbers visiting Mustang and suggests that it is to these countries that marketing should be most productive.

Research shows that social changes are generating an older, more affluent, and adventurous and demanding breed of travellers than ever before (Travel & Tourism Occasional Paper 2000:94). Mintel's research on UK consumers in April 2000 estimated that the number of independent non-package holidays would outnumber packaged holidays by 2001 for the first time. This is because tourists are becoming more sophisticated and adventurous, but it is also due to the demographic trend for an ageing population. There are two emerging groups of travellers: young executive “thrill seekers” and “golden age” travellers, currently representing 27% of the UK travel population. This is an increasing trend, replicated in most developed countries.

Both groups share similar expectations from their holiday experiences. Almost 80% of people in both groups rated the feeling of experiencing a different culture as the most important factor of their trip abroad, compared with 29% of all holidaymakers (Travel & Tourism Occasional Paper 2000:112-113).

When surveyed on how much extra money UK consumers would be willing to spend to guarantee certain ethical conditions for their holiday, just over half said that they would be prepared to spend between 2 and 10% more if it was felt that there was a guarantee that the extra would go towards local environment preservation, support of local workers' wages and conditions or support to a local charity (Travel & Tourism Occasional Paper 2000:114). This has been echoed by similar studies in the US which suggests on average tourists would spend 8.5% more for travel services and products that produced by environmentally-responsible suppliers (Wright 1997, quoted in Travel and Tourism 2000).

Care is needed to ensure that the right information and image is presented about Upper Mustang. A guidebook would help to promote the area, making people aware of its existence. Use of the internet is vital. At relatively low cost, this can provide information about the country and how to visit. Targeting
special interest and trekking tour companies will still be necessary, but most important, would be the development of local Mustang tour companies set up in Pokhara and Kathmandu. These should make their services available via the internet, enabling tourists to book directly without having to go through a middleman, which can add 20-30% to the total cost of the trip. Comparing similar destinations, the remote and slightly unusual, Bhutan is by far the most expensive, with tours from the UK costing at least £2000, but more typically about £3,000 - 3,600 for about 20 days. By booking directly with local agents, the cost of visiting Mustang becomes more competitive.

vii) Planning and implementation

An overall plan should include what facilities are needed, how they should be set up or improved and indication of who should do what. Individual action plans may be integrated into the master plan and existing or new institutions may need to be developed to enable implementation. The plan for Mustang would list projects that need developing, which would need to be assigned resources: financing, equipment and people. Projects would need to be managed and co-ordinated by a project manager, probably ACAP and meetings with local people for on-going discussion and consultation will be needed.

Government support will be needed to co-ordinate economic activities, so that demand for resources can be met within the limits of the local environment's capacity. This requires integrated planning at not just the local but also regional and national levels (Briassoulis 2000:91-106). Governments have the difficult decision to make on how to best use natural resources, with the question as to whether they should be preserved intact or exploited for short-term profit (Sherman and Dixon 1991:89).

Once agreement is reached on objectives, a high level plan for Mustang would need to set out a strategy for tourism development in the region. This would include agreement with the government that:

- in addition to the visa, alternative ways of earning income by local people should be permitted. This could be under the control of VDCs (Village Development Committees) and be supervised by ACAP.
- a fixed proportion of visa revenues should be made available for community development in Mustang, overseen by ACAP who could act in a role similar to that of the "barefoot economists". This would provide the means for local people to bid for funding of community projects that they would like to develop. A consistent amount coming from the government would enable planning to extend beyond the current year. Savings schemes should be encouraged as a means of encouraging local development from income earned from tourism and other sources.
- time restrictions on the visa should be relaxed to encourage tourists to stay longer. Rather than charging $700 for 10 days, this could apply for
stays up to 30 days. It is unlikely that many people would stay longer than two to three weeks, given constraints on the time that most tourists have available, but this would give more time to explore other areas of Mustang and at the same time, spend more money. Alternatively, some means should be available to enable extending the term of the visa after arriving in the region more flexible.

- the tourist season might be extended by reducing the visa charge for off-season travel to the region (like in Bhutan). Visitors hardy enough to brave the colder months could be charged a much lower visa fee for travel between November and February.

Existing accommodation might not support many more tourists than currently visit, but careful set up of alternatives would mean more tourists could be supported. In Bhutan, several thousand visitors still come, despite the $160 - $200 per day that they have to spend in order to visit.

Income earned directly by local people should be subject to a tax on their profits, which would be used for the benefit of the local community. This would enable the individual to gain, but also those people not engaged in direct contact with tourists would also benefit. Income earned from tourism should provide benefit to everyone and not just a small minority. Each village has a community fund, administered by the VDCs and this fund should hold income earned directly by from tourism, as well as the fines and levies normally raised in the community. Grants or other revenues could be allocated to the village for special projects by ACAP. Village communities should be given the opportunity to bid for funding on projects that they want to develop. Projects might include improvements to schools, health services, water supplies, and alternative forms of energy, sanitation, restoration of monasteries and old buildings and assistance to the very poor. These will also help to support the further development of tourism, at the same time benefiting local communities.

Permission to build or alter existing buildings would need to be very tightly controlled. Any changes to the outside of buildings will need to be authorised by ACAP to ensure that indiscriminate development does not occur that might be detrimental to longer term tourism development.

Assuming that agreement is reached on the way that local people would be able to earn income directly from tourism and how they would be able to administer this, individual projects would need to be defined and implemented. This would include projects to develop accommodation, agricultural production and provision of meals, the types of products and services that can be offered to tourists: alternative routes and possible options for special interest tours. Rates for hire of horses and other services would need to be agreed and similar standards of service provided. Training in all
Aspects of tourism will be needed, including language skills, lodge management, cooking and guiding.

Translating the plan into action will need to be monitored and continuous assessment needed about how objectives are being met. There needs to be a continuing dialogue with local people to ensure that their needs are being met and where necessary, action taken to improve or amend the plan.

4 CONCLUSION

To implement any strategic tourism development plan in Mustang, the support of the government will be vital. The government has kept total control on not only the revenues from the visa, but even on the way that local people are restricted from earning income directly from tourism. In the long run, this will not be sustainable. Key to the success of tourism development in Mustang is the participation of local people and the buy-in of local communities who need to see benefits from tourism. The mechanisms for participation and empowerment of local people are vital. Women will need to be encouraged to take a more active role. The representation in local institutions tends to be low, often due to a lack of awareness and dominance by men. "Involvement of women is scant [because] the men take over. The women don't get their turn... Their lack of participation is due to the lack of opportunity ...Those who have been brought up traditionally think that women have no significance" (Panos Institute 2003:34). Already frustrated by a decade of being exploited and in seeing no benefit in tourism, local people will have little incentive to conserve the very assets that attract tourists. Permanently fossilised in a unique, traditional environment likened to Tibet of 50 years ago, these people have no opportunity to enjoy the things that people elsewhere in the country have access to. The depopulation of the region continues, with young people leaving for the cities as they see no opportunities in Mustang. Many tourists even if they come away having enjoyed their trekking experience and seeing a different and interesting culture, will come away disappointed in the way they see local people are treated.

The success of any development however, relies on funding. So far in the eleven years that Upper Mustang has been accessible to visitors, very little income has been earned from tourism in the region, despite the high cost of entry visas that were set up to limit the numbers of visitors. Only a very small proportion has been returned to Upper Mustang in the form of grants for community projects, which is inadequate for the development needed in the region. By extending the options that Mustang has to offer and providing alternative ways to earn income from tourism, the total revenues earned could be increased and made better use of. By releasing its hold on the collection of revenues from tourists, the government could continue to benefit, at the same time, allowing local people to benefit from tourism too.
Care is needed to ensure that any future tourism development in Upper Mustang is carefully planned in order to avoid destroying what attracts visitors to the region. However, tourism can reverse economic and cultural decline, regenerating areas where this is occurring and providing an alternative or additional source of income. When tourism is looked at from a “fair trade” perspective, it not only can help to rebuild the destination area’s economy, but can also help to revive and protect the cultural heritage of local communities.
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Notes to readers

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