

Rural tourism in the Seraj Valley of Himachal Pradesh

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Contents

Section A: The Strategic Environment

1. Constraints to sustainable development in Seraj valley
 - a. Seraj's economy
 - b. Role of the Government
 - c. Civil society initiatives
 - d. Environmental issues
 - e. Politics of tourism
2. Use of the Internet for socio-economic development
3. Conclusion

Section B: Discussion and Proposed Solutions

1. Problem of definition
2. The weaknesses of established tourist centres in Himachal Pradesh
3. Economic attraction of rural tourism industry
4. Need for strategic planning
5. Setting objectives
6. Involving the local people: participation
7. Revenues from tourism
 - i. Accommodation and meals
 - ii. Products and services
8. Training
9. Marketing
10. Managerial challenge
11. Formation of industry association
12. Conclusion

Management summary

Strategic tourism development planning in the Seraj Valley, in Himachal Pradesh is necessary in order to ensure sustainable development in a fragile environment, but also to ensure that local people are able to benefit from tourism in their region.

The paper briefly reviews the adverse forces acting on mountain people, addresses lack of financing and suggests a number of possible ways that local communities might be able to earn money from tourism directly. It also covers the need for state intervention and support to a livelihood strategy that should be treated as a distinct category within tourism. Consideration is made of the impact of tourism and pitfalls that need to be avoided.

Recommendations

Recommendations on what needs to be included in a planning process and details on the following are covered:

1. Objectives - improve living standards of people, minimise leakage of income, eco-tourism, sharing the benefits;
2. Participation of local people - community-based, advantages of participation, Panchayat system;
3. Information - what the region has to offer tourist;
4. Revenues - ways to earn money from tourism: visa, concession fees, royalties, admission fees, local taxes, goods and services - accommodation, food, trekking, pony trekking, mountaineering, special interest tours, local guides tours, lodges and tea houses, handicrafts, bakery, cheese-making, entertainment, music, dances, festivals, events, guide books and information.
5. Training;
6. Marketing;
7. Planning and implementation - government agreement on ways of earning income from tourism, visa, tourist season, accommodation, planning permission, taxes, monitoring.
8. Conclusion - key issues: participation, funding/earning income and planning tourism development.

Abbreviations used and brief explanations

CBOs	Community based organisations
CSSM	Child Survival and Safe Motherhood (programme)
GHNP	The Great Himalayan National Park
NTFP	Non timber forest produce, the most valuable being herbs, tree barks, roots, and fruits. Throughout hilly regions of India, NTFP constitutes a major part of cash income of local communities.
NGOs	Non-governmental organisations. The Government of India, at the behest of Planning Commission, took a policy decision in 1991 to implement majority of welfare educational, training, and developmental programmes through the NGOs. This led to an abnormal growth in registration of NGOs throughout India, so much so that today an estimated 1 million NGOs are registered, majority with dubious credentials. Many NGOs were floated by retired government officials, and many are indirectly controlled by government officials as well. This has destroyed the community-based character of CBOs and given a bad name to the organisational form. However, there are many excellent NGOs, doing commendable work; but these are few.
PRIs	Panchayati Raj Institutions. These comprise of Gram Panchayats (Village Councils), a number of Gram Panchayats (village councils) come under Panchayat Samitee (Block Committee), and finally the Zila Parishad/ Panchayat (the District Council). Elections are held every five years, and 33% seats are reserved for women. The PRIs constitute the local self government in India.
PWD	The Public Works Department. Established by the British around 1880s, every state PWD has a network of inspection bungalows that are well maintained but remain grossly under-utilised.
SHGs	Self Help Groups. Three Ministries of the Government of India are engaged in SHG formation to implement their respective sectoral programmes. These are Department of Women and Child Development (Ministry of HRD), the Ministry of Rural Development through promotion of Development of Women and Children in Rural Areas (DWCRA) groups, and another programme known as Swarna Jayanti Gram Swarojgar Yojana (SGSY) that seeks to promote self-employment through provision of loans and grants. The Ministry of Environment and Forestry also has a programme of Joint Forest Management through community based Self Help Groups. All three have caused huge resource waste, and few success stories.
SGRY	Translates as "total rural employment" programme
USP	Unique selling proposition

A note on Government programmes

Health The Ministry of Health and Family Welfare is implementing Reproductive and Child Health (RCH) Programme. The programme was launched in 1996, following the International Conference on Population and Development, Cairo, 1995). Along with RCH programme, the Ministry has Child Survival and Safe Motherhood programme, immunisation programme, and Information, Education, and Communication (IEC) programme. These are "officially" supposed to be implemented through Panchayats, but have been implemented by the Ministry directly, in a highly centralised manner. Consequently, rural communities do not even know about these programmes.

Rural Development The Ministry of Rural Development has been implementing some of world's largest poverty alleviation programmes that cover wage support through Employment Assurance Scheme, livelihood support through Integrated Rural Development Programme (now renamed as SGSY), Housing (Indira Awas Yojana), Sanitation (Central Rural Sanitation Programme), water (Accelerated Rural Water Supply Programme), Rural roads, community roads, schools, women's self help groups, etc. In 1980s, it was observed that only 15% of the programme funds actually reach the people. With the passing of 73rd Amendment, establishing a three-tier local self-government, the Ministry decided to implement the programmes through PRIs, but no state government has transferred departmental powers to the PRIs.

SECTION A: THE STRATEGIC ENVIRONMENT

1. Constraints to sustainable development in Seraj valley

(a) Seraj's economy

Mountain people in the Seraj valley are generally poor (30% BPL households; mean land holding is around 0.5 of a hectare). Agricultural productivity is low due to the non-irrigated hilly terrain, growing a single crop. Manufacturing industries are unsustainable because of the cost of transporting raw materials from the plains and urban markets are far. Local handicraft industries have declined and many skills are dying out. Local products can't compete with cheaper factory-made utensils, garments, packaged food, etc. "Gharats," that used to provide a decent livelihood are idle because factory milled flour is cheaper. Traditional building materials have given way to industrial materials such as cement, steel, and bricks. These materials are neither sustainable nor cost-effective as local construction workers do not have proper training in their use. Production of fruits and vegetables in small farms is declining because educated young men and women do not want to work in the fields and want white-collar jobs instead, preferably government jobs. Even mountain tourism is essentially controlled by urban-based systems: outsiders own hotels and campsites. Local people have limited involvement in lowly paid services, working as porters, waiters, low-level managers and drivers, etc. Even the

guides come from outside. The majority of mountain people live on subsistence farming and the poor quality of training keeps them trapped in marginal activities.

(b) Role of the Government

The thirty nine ministries of the Government of India have hundreds of programmes, for economic development, poverty alleviation, education and mass literacy, promotion of science and technology in rural areas, empowerment of the weaker sections, healthcare, child care, care of the senior citizens, and natural resource management (including conservation of water, forest, land, and the environment). These programmes target individuals, households, communities, habitat and the environment. In majority of cases, programme funds and other resources are transferred to the local state governments who in turn, administer the programmes through an elaborate network of bureaucracy and frequently through NGOs (see Chart 1).

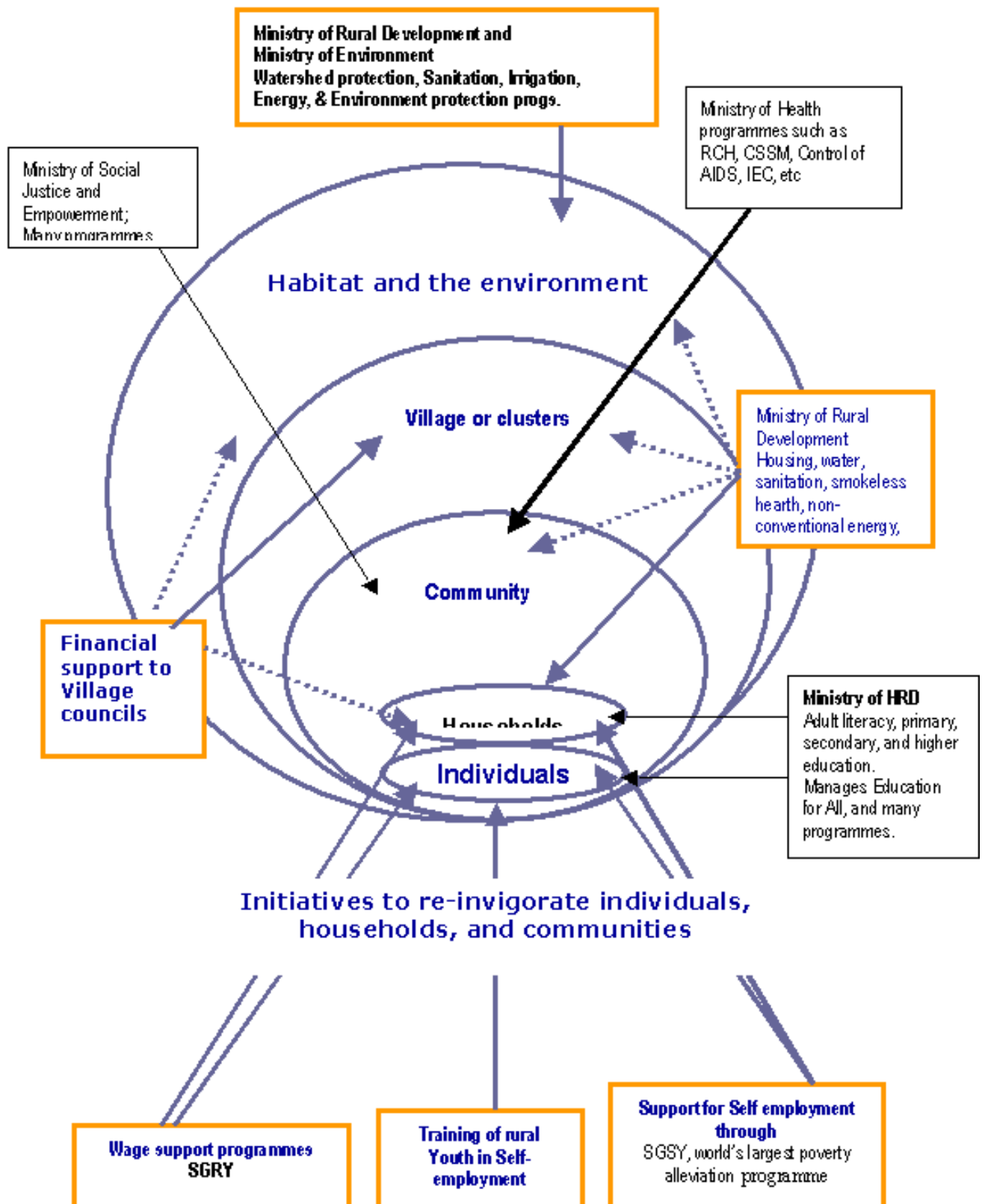
Impact assessment studies conducted over the last three years reveal that whilst these departments have been consistently achieving physical and financial targets in Himachal Pradesh:

- i. the number of households below the poverty line is going up;
- ii. environment degradation has assumed alarming proportion;
- iii. sanitation and health programmes are generally ineffective evidenced from the high incidence of worm infestation and consequent high incidence of anaemia among women and children;
- iv. around 12,000 women's self help groups were formed between 1999-2002 in five districts, but few have succeeded in empowering women;
- v. People's empowerment through the three-tier Panchayats (local self-government) is non-functional. With little or no financial powers, the PRIs work as implementing agency of state government departments.

In short, government's plans, programmes and projects have not had the desired impact on the quality of life of the people or on the sustainability of the habitat and the environment. It is unlikely to show any dramatic result in the near future because neither the Panchayats (due to the absence of skills to manage development projects), nor the state government departments, which are organised sectorally and work without proper co-ordination or integration of inter-related activities/programmes, can effectively manage convergence of programmes and achieve synergy at community level.

Chart 1 Programmes for the poor

(the chart plots some of the main programmes of a few Ministries of the Government of India and their main focus of effort)



(c) Civil society initiatives

Civil society organisations, especially in Himachal Pradesh, have also organised themselves sectorally. Some are engaged in healthcare, others in education, or in the protection of the environment. None has been able to offer a viable "Meso-structure" (between macro structures of local state government and micro-structures of the Panchayats) that would integrate heterogeneous programmes and create a powerful synergy at community level.

Their failure stems from critical weaknesses:

1. Few have managerial skills and almost none have exposure of the business environment. They seek to compensate for this with enthusiasm and ideological commitment, which is not enough in the present complex and dynamic world.
2. Few are able to oversee a project through its complete life cycle because of dependence on donors. Very few in Himachal Pradesh have succeeded in promoting a genuine community based initiative where the community has invested capital, howsoever meagre, to show its commitment. The majority of DWCRA and Self Help Groups are cash guzzlers and few are cash-cows).
3. Whilst India is not short of donors, each donor has its own agenda, focus and limited area of concern that frequently influences project design.

These limitations have relegated civil society organisations to the level of "contractors of development" or, worse still, "implementers of external agendas." Consequently, few are able to push through innovative solutions to the problem of integrated and sustainable development.

The critical dependence on donors has also resulted in the emergence of a class of NGOs that thrives on its networking with donor agencies. These NGOs give an impression of being community based when in actual fact they are tightly controlled and managed by family members akin to a private limited company. Government's policy of implementing many initiatives through the NGOs has actually distilled the critical difference between "community based" organisations and family controlled "NGOs". There are an estimated one million NGOs in India, and a majority is "family owned". These NGOs have done the greatest harm to the civil society initiatives in India.

(d) Environmental issues

Rural households depend on the NTFP for augmenting income (per household income in target GPs ranges between Rs 10-20,000 per annum from the NTFP). Their traditional rights: grazing, Fuel, fodder, hunting, collection of herbs, access to timber for construction and for making agricultural tools and equipment, and religious rights, have been extensively recorded under forest

settlements, especially Anderson Forest Settlement 1886). These communities also have elaborate rituals and rites, evolved over centuries that protect the forests. It has been observed that forests that are deity forests (dev vans) are in better condition as compared to those that are government controlled "protected forests."

The proposal to convert these forests into "park" (or exclusive eco-zones) known as the Great Himalayan National Park (GHNP) was deliberated over for two decades (1970-1990), and formal notification under the Forest Conservation Act 1972 came into force in 2001. This notification abrogated all traditional rights of local communities. Even entry without permit is an offence under the Act. The notification was brought about without the consent of local communities by the Ministry of Environment and Forestry. 65% of land area of Himachal Pradesh comes under forest land which is controlled from Delhi by the Ministry of Environment and Forestry. Local communities have virtually no control over their most important natural resource. Over the last two years, active resistance against the notification has been building up.

The target communities for this tourism development project are located on the periphery of GHNP:

"It is widely acknowledged that successful implementation of conservation programmes can only be guaranteed on long term basis when there is consent for and approval by indigenous peoples among others, because their cultures, knowledge and territories contribute to the building of comprehensive protected areas. There is often commonality of objectives between protected areas and the need of indigenous peoples to protect their lands, territories and resources from external threats." (Recommendation 5.24; World Parks Congress, Durban, 2003).

Himachal has four major rivers (Bias, Sutluj, Ravi, and Parbati), on each of which some of the largest hydro-electric projects are being established (total estimated Hydel capacity in HP: 20000 MW). Rivers have dried up because water has been diverted through channels to power stations; mountains are collapsing because of pressure of reservoirs on fragile mountains. Although engineering solutions to these problems exist, they have been ignored by project authorities due to cost. Parbati hydro-electric project is being constructed in the core zones of the National Parks. The same Ministry of Environment that established these forests as parks and excluded local communities from entering these areas, has granted exclusive rights to private and public project authorities for building roads, dams, and administrative facilities.

There are around 1500 tributaries of these four rivers, many originating from glaciers, of which around 1200 have been properly surveyed. The estimated discharge at the point where pollution starts, where habitation is located, is

around 1500 litres per second per tributary. If even a fraction of this asset were sold as bottled drinking water, this would make many mountain communities economically self-sufficient. On the other hand, streams around every tourist centre have become highly polluted and failure of the Government's sanitation programme has further compounded the problem.

(e) Politics of tourism

Officially, the Ministry of Tourism has yet to define "rural tourism". The SEDEM team has been in contact with officials of the Ministry of Tourism since February 2002, but as yet no policy decision has emerged. The Ministry has promoted "heritage tourism," "religious tourism," "eco-tourism," etc, without any strategic focus or direction. Taking the cue from the Ministry, the Tourism Department of Himachal Pradesh has been actively seeking inward investment in large resorts and facilities, without the required strategic consideration of conservation, opening up of remote areas, capacity building and enhancing the stake of mountain communities.

In the name of "heritage tourism", failed former maharajas have received grants to maintain their palaces, which hardly contributes to tourism development (for example the Paragpur case). In the name of "eco-tourism", all sorts of people have been given exclusive concessions by the Department of Forestry. In religious centres, the entrenched lobby of priests, local politicians and traders operate dharamshalas, hotels and resorts and corner grants from the government in the name of "religious tourism".

A number of firms claim to be based in the countryside with services provided from converted farms, campsites, hotels and resorts. However, bookings, accommodation, food, water, transportation, guide services are all directly or indirectly performed by urban-based agents who have no stake in training nor skill development of local communities.

There is nothing esoteric or too complex in tourism that people in local communities cannot learn and deliver, as well or better than these outside firms. Local communities have the greatest stake in preservation of mountains. However, the government appears to have abdicated its responsibility to nurture the wealth creation potential of local communities.

2. Use of the Internet for socioeconomic development

Despite India's dominant position in the global IT industry, use of the Internet is yet to penetrate at village level. Although it is the Himachal Pradesh state governments' policy to wire each village panchayat, the process has not even started. A few mountain tour operators in the valley are using the Internet for servicing customers, as are a few NGOs. This powerful technology could be integrated into rural tourism.

Many products and services in the valley could be directly marketed through the Internet. A wide range of expertise and experience can be shared through the Internet, cutting down on the time required for information collection and dissemination. Every village Panchayat has a telephone exchange and many private telephony service providers provide WLL lines that can be used for www connectivity. Major search engines like Yahoo, Google, that are used by an estimated 57% surfers have home pages in Indian languages. The cost of hardware has come down dramatically. A powerful system for use in rural tourism marketing and training can be installed for around Rs 30,000.

3. Conclusion

Three powerful forces shackle mountain communities in a vice-like grip: market forces, the government and the need for environment protection. Market forces have made small and marginal farming non-sustainable and many rural assets have become redundant. The government has been implementing hundreds of programmes that have made little impact on the quality of life of local communities. On the other hand, conservation acts have driven mountain people to desperation, threatening the very survival of these communities. The power of the Internet has yet to be harnessed and could provide a valuable tool to local communities.

Local communities are the trustees of the mountains and can provide tourism services as well as outsiders from the commercial sector. However they remain outside any discussions on tourism and "rural tourism" has not even been defined. If these communities are trained properly, their wealth creating potential can be unleashed and they can provide a sustainable alternative to resorts and large hotel complexes.

SECTION B: DISCUSSION AND PROPOSED SOLUTIONS

1. Problem of definition

"Rural tourism", "agrotourism", "green tourism" and "eco-tourism", are terms requiring explanation and give rise to different concepts, the meaning of which is a source of disagreement between those involved in tourism development whether they are planners or businessmen, bureaucrats, forestry officials, financiers or political pressure groups. Literature on the subject, including those from the European Community, gives two main definitions:

- Either based on the percentage of tourism revenue which benefits the rural community. A distinction is made between tourism in the countryside, "rural tourism" and "agrotourism" Each of these categories is a derivative of the subsequent one, forming concentric circles. It is quantified according to the percentage of revenue benefiting the population as a whole or, in the third case, farmers in particular.

- Or it is based on the various constituent elements of supply. Tourism is termed "rural tourism" when rural culture is a key component of the product on offer. Depending on the primary activity component of this product, the terms used might be "agri-tourism", "green tourism", gastronomic, equestrian, religious, hunting, historical, & cultural tourism and so on.

Community based rural tourism in a specifically Indian context should focus on:

- a. Trusteeship of local communities,
- b. Use of individual and community owned assets, and
- c. Expansion in choices of rural livelihoods.

The idea should be to create, preserve, and enhance the stake of local communities over locations for common good, and not for the benefit of any individual or firm. "Rural tourism shall encompass all the activities that cater to tourists - national and international - through facilities that are owned, managed, and serviced by members of a gram Panchayats, and run essentially as a community based initiative" (Shrivastava and Singh 2001).

2. Why local communities and households should run rural tourism?

Local communities are the trustees of the mountains and natural resources and have the greatest stake in preserving these resources. However, they are the weakest stakeholders when it comes to revenue generation from these resources. Therefore, in the Himachal context, rural tourism must seek to strengthen local communities as key stakeholders. Otherwise, urban-based systems would continue to exploit rural locations and natural resources for the benefit of a small group of people.

3. The weaknesses of established tourist centres in Himachal Pradesh

Tourism activities revolving around large holiday home developments, big hotels, golf courses or ski resorts are difficult to integrate into the concept of rural tourism and sustainability. Urban-based operators of rural tourism have caused distorted development through a primitive acquisitive capitalism, which exploits local people, over-exploits natural resources, and monopolises control over locations that should be held in trust by local communities. There is marginalisation and uprooting of local people. In many religious towns of Himachal Pradesh, this form of conventional tourism has led to unplanned and ugly growth, commercialism, pollution and a sharp escalation in petty crime and harassment.

Urban-based operators frequently use the state machinery to acquire large tracts of lands in the name of rural/environmental tourism, when actually it is

little more than property speculation. Tourism has caused immense problems for many local communities.

The distinguishing feature of rural tourism should be in its focus on giving visitors personalised contact, a taste of the physical and human environment of the countryside and, as far as possible, to allow visitors to participate in the activities, traditions and lifestyles of local people. There is a strong cultural and educational element in this form of leisure tourism. Studies conducted on this subject show that the majority of enthusiasts of rural tourism, who are mainly from the middle or upper classes, attach great significance to local values and to the local cultural identity.

4. Economic attraction of rural tourism industry

The powerful economic potential of rural tourism can be found in both the supply side and the demand side. The few well-qualified young people continue to leave rural areas, resulting in serious economic, social and cultural stagnation. Rural communities are becoming aware that they must develop local resources into income generating activities that are sustainable and offer defendable competitive advantage. Careful planning of a range of tourism products that can be offered to each specific segment of the market is essential. On the demand side, demand has in recent years grown among city-dwellers for recreational and leisure activities in the countryside, leading to the development of a wide range of tourism products within the Himalayas. Demand is heterogeneous, with each type of consumer needing to be offered a specific type of tourism, which needs to be identified, developed, packaged, priced and promoted.

5. Need for strategic planning

Obstacles to strategic planning tend to be operational or administrative. They 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, lack of leadership and organisation skills can be major problems. There may be cultural and social barriers. There may be a culture of dependence or of silence, when people are accustomed to leaving decisions and control to local elites or expect government to do things, which should ideally be done by community Self Help Groups. Seraj society has been essentially democratic and there is a tradition of community organisation in the Panchayats. With the 73rd Amendment, the PRIs have paved the way for institutionalized local participative planning and micro planning.

6. Setting objectives

Shrivastava and Singh (2001) have advocated that rural tourism should be community based and participatory. It should be used as an integrative

mechanism for strengthening local institutions, training people in relevant skills, preserving and maintaining cultural heritage, improving schools, promoting cleanliness, provision of health and sanitation facilities, creation of "NO-WASTE villages, and the development of renewable sources of energy. "The ultimate goal of tourism in Seraj should be to significantly and substantially improve the quality of life of the people" (Shrivastava and Singh: 2001).

Lessons can be learned from the experiences of tourism development in other mountain areas. In 1994, Myra Shackley writing about Nepal advocated that a primary objective in any tourism management strategy should 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 in 1998 highlighted the need to minimise the leakage of income earned from tourism and to increase the welfare of the larger mountain community. Nepalese experience shows that benefits tend to be concentrated only among a small number of people. Studies initiated by ICIMOD indicate that mountain tourism has to be an integral part of local community development.

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 not only benefit local people, but would benefit tourism development in the area. For example, improvements in education should address concerns raised that local culture is being eroded by teaching children about their local history and customs as part of their standard curriculum. The quality of teaching could be improved by setting up a group of retired businessmen and educationalists to oversee the performance of teachers. The curriculum should be expanded to include rural tourism management and the role of integrated rural tourism services as a key strategy in sustainable development. Adult literacy, through the Continuing Education programme should be made available especially to women who usually have much less opportunity for education. Educated women lay great stress on their children's education. With improved education, local people would be in a better position to provide tourism services rather than having to depend on outsiders providing these services. Better health care with more health posts and education on hygiene and sanitation, as well as benefiting local people, also directly benefits tourists. In particular, hygiene is important where services are being provided to tourists.

Investment in basic infrastructure is necessary: energy, water, sanitation and health. This not only benefits local communities directly, but also provides benefit to tourists visiting the region. For example, investment in alternative forms of energy would be needed to meet higher demands from tourism for energy for cooking, heating and lighting. Street lighting is grossly inadequate in remote villages. It is technologically feasible and economically viable to have low capacity hydal sets installed in Gharats to generate sufficient electricity

for heating and lighting. Effective waste disposal could mean that the streams that supply pure glacial water could be used for drinking and cooking, cutting out the need to import bottled water. Watershed protection schemes will improve availability of water and create conditions to expand asset utilisation through nurseries, water bodies, and forests. A well-managed watershed can restore bio-diversity, prevent soil erosion and enhance conditions for healthy growth of fauna (Shrivastava 2001a).

Nodal agency implementing rural tourism project should seek to integrate the following programmes of the central government:

Rural roads	Prime Minister Grameen Sarak Yojana (PMGSY)
Sanitation	Central Rural Sanitation Programme (CRSP)
Other infrastructure	Jawahar Gram Samriddhi Yojana (JGSY)
Electricity	IREDA for innovative sources of energy
Water supply	Accelerated Rural Water Supply Programme (ARWSP)
Healthcare services	Revitalisation of Sub-centres, PHC, CHC, etc.
Communication	Revitalisation of telecom services in the area to make them reliable and improvement of Post and Telegraph services in line with the policy of converting each post office into a hub for value added services such as Internet cafés and courier services, properly implemented in designated areas;

7. Involving the local people: participation

Arguments for participation are based on efficiency, effectiveness, self-reliance, coverage, sustainability and equity. There is extensive literature on community-based participation in tourism development planning, as this is key to sustainable tourism development.¹

¹For example, most recently the World Park Congress 2003, Scheyvens 2002, Hall 1998, Cole 1997, Din 1997, Jannssen, Kiers and Nijkamp 1995, Roo 1991.

Participation is a vital component of sustainable development generally and rural tourism specifically. Community participation at the planning stage ensures that local people can identify problems, form attitudes and control and manage tourism development on their own terms, ensuring its sustainability. For tourism to be accurately described as community based and sustainable, it must have the support and participation of local people. Participation provides opportunities for local people to become educated about the purpose and benefits of development. Where project managers (who are often outsiders) are seen to be listening, this can help to engender trust, confidence and

support. Involvement of local people also legitimises the decision-making process, reinforcing the accountability of project managers.

Women's participation is critical. At present women in Seraj work a 16 hour day on the farms, tending to cattle, cooking, cleaning, and looking after children and the elderly. This can be effectively reduced through more remunerative activities that would provide them with more time for personal development through community based activities, education and learning.

Panchayats need to be strengthened and given legal powers, rights, duties and funds. They are not given any positive guidance from the centre and often interest groups are able to block the implementation of micro plans. Despite the efforts of individuals to modify the administrative rules and processes, to give more importance to panchayati Raj institutions and the use of gramsabha approved micro-plans for resource allocation, the rule of government departments continues. Even if the legislative assembly of the local state amends administrative rules, it has been observed that the state government bureaucracy still will not transfer powers. Empowerment only occurs when the government is prepared to act on the voice of local communities. This would require sustained advocacy to treat rural tourism as a distinct set of activities, as an emerging industry, involving mountain people. Therefore mountain people's institutions must be strengthened.

In Seraj it would be important to enhance the role of gram Panchayats, to reduce the role of local state and central governments and to enhance the participation of the private sector within an agreed agenda and shared concerns of the community.

8. Revenues from tourism

Currently the sources of revenue of Panchayats and other community-based organisations in Seraj are limited to grants and transfers of programme funds from the state government. The Indian government does not charge any additional visa fee for tourists to the area, nor does the neither local state nor Panchayats have a share in the revenue earned from normal visa fee.

There are few places that charge fees that reflect the true amount that tourists would be prepared to pay. Tourists need to pay for the use of environmental resources, including the full costs associated with maintaining the environment. In 1998 ICIMOD (International Centre for Integrated Mountain Development) highlighted how returns from mountain tourism are low due to this undervaluing of environmental resources. Price elasticity is usually high on the tourist's agenda, but tourists seeking alternatives such as "rural tourism" or "nature" tourism" is usually willing to pay more and their price elasticity tends to be lower. By targeting this segment of the market, a higher price could possibly be charged.

The quality of resources as valued by tourists frequently associated with the degree of crowding, need also to be taken into account. The more crowded the resources, the less willing consumers will be to pay to stay in the area. Conversely, the less crowded an area, the more appeal it can hold for those looking for high quality. In 1996, Shackley argued that the 30% fall in visitor numbers to Nepal during 1993-94 was a result of bad publicity on perceived overcrowding on trekking routes.

There are several other ways of earning income from tourism. Income might be earned through concession fees charged to tour companies who bring in tourists. Royalties could be charged to film in the area and extended to items like guidebooks or souvenirs and T-shirts. Local taxes could be levied on accommodation, which could then go directly to the community. Admission fees to enter temples, monasteries, and especially "dev vans" (deity forests) could be charged. Hiring local guides should be encouraged, or even could be made a pre-requisite for tour companies coming into the region. The hire of horses and ponies for riding or as pack animals to carry trekking gear could also form a source of income. Local people in Seraj should be able to run coffee shops, eateries, pubs, Internet cafés, left luggage depots, lost and found, etc. Guided tours could start from Banjar, the main market town in the Seraj valley. At present few of these options have been explored and none of the panchayats have on their agenda how to tax and regulate non-traditional activities of members of the gram sabha.

Tourism development should provide a range of choices open to local people to earn income, rather than continue their dependence on livelihoods, handed down to them by the government through its self-employment programmes (SGSY, SHGs, SGRY, etc). It should also allow gram Panchayats to raise revenue from local income generating activities. There are several ways that local communities would be able to earn income.

I) Accommodation and meals

Income from providing accommodation and meals to visitors should be a prime source of income, also providing employment. Campsites currently provide the only form of accommodation for tourists in Banjar and Bahu. Tour companies bring tents, beds, tables and toilets by trucks and run the camps. There are no campsites beyond Bahu, which is the most beautiful part of Seraj valley and from where GHNP starts. Four lodges with a total capacity of around 40 beds are located in Shoja, Gushaini, and Banjar, including one property owned by a European with around 10 beds. In addition, local banks are prepared to finance a 20-bed hotel. Shrivastava and Singh have suggested that such a hotel should transfer 10% of its revenue to the community's rural tourism fund and all campsites should be owned and managed by youth self-help groups. Outsiders should be prevented from leasing land to run campsites within the line starting from Bahu onwards and this has been already accepted by two Panchayats.

Many high-paying tourists do not like to stay in tents and campsites. Researchers cite dissatisfaction from tourists with the use of tents due to the rain, cold, wind and heat. There is an emerging trend in Seraj to let out rooms to tourists. "Raju's Cottage" is listed in the "Outlook" magazine as an "unforgettable experience" and has three rooms to rent, though entry is generally by invitation. This service is provided by Raju through his personal interest in green tourism. Others have constructed a few annexes where foreign tourists may stay. Standardisation and a system of quality checks would be needed in order to promote the region as a luxurious destination. 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 USP and would be a major draw to the area, so local people will need to understand the need to preserve the integrity of their built environment. A process should be set up where authorisation is needed from a select committee of the Panchayat comprising of planners, economists, local leaders, nodal NGOs, and local environmentalists to give permission to build or alter existing buildings. This committee will need to have the authority to act upon transgressors, which would help avoid problems of uncontrolled construction that has blighted Manali, Kullu, Shimla, Manikaran and other sites up to Keylong.

It should be possible to adapt some of the existing buildings to provide accommodation for tourists. Most homes in Gada Gushaini and Seraj are built to Kath-kuni style, which form large, usually under-utilised buildings that have value in being preserved. It should not be difficult to improve the quality of spare rooms to a basic level at minimal cost. It is estimated that 70-100 additional rooms could be sourced by the communities themselves, avoiding the high cost of new construction near to the park areas.

Nearly every Gram Panchayat has a "serai" (lodge) for visitors; many have well appointed suites in the inspection bungalows of the PWD and Forest Department. Some of these are heritage buildings but these assets remain grossly under-utilised and could be used to good purpose.

It has been suggested that homestay accommodation is not always highly favoured and may remain a minority interest (Harrison 1992). However, for some visitors, this can be seen as an interesting experience in itself and should be promoted as an alternative to more organised forms of accommodation. Cleanliness will be important and will need to be monitored to ensure standards are maintained, even if the accommodation is very basic.

Pricing could help to prevent overcrowding during peak seasons (April-July and October to January) and limit the number of budget tourists. To avoid overbooking, bookings should be made in advance through the Internet (direct marketing) or through the existing Himachal Pradesh Tourism Department offices in Delhi and Shimla.

Telecommunications in Seraj valley are good and the use of WLL-lines ("wireless in local loop") allows the use of mobile telephones within limited areas in mountainous regions. This has been very successful in Seraj valley.

Tourism could help to promote local farm production and cuisine, enabling farmers to develop an alternative way to generate income. Additional income could be earned by supplying food to restaurants, campsites and lodges. Other than a few dhabas offering tea, rice, dal and local vegetables, there are no restaurants beyond Bahu. (Here, there is a small tea-house that serves sandwiches, soft drinks, Chinese food and local snacks to budget tourists who stay there primarily for marijuana.) A well-planned network of tea/coffee houses, restaurants and public houses (pubs) or bars could be run by local households. The local alcoholic drink "lugri" could be sold in bars and pubs. In Seraj, local bakeries produce white bread and a range of items are sold through tea-shops such as cobs, rusks, cakes, sweet bread and a range of health food items. Seraj has its own unique local cuisine that can be promoted. Fruits, vegetables, cereals, milk and milk products are available locally.

Many villagers have taken to organic food production and many use vermiculture composting. Such innovative techniques will need to be more vigorously promoted to produce foods that are not only required by local people, but for tourists and for export to urban centres.

With an assured diversified market, farmers will have consistent demand that will allow them to diversify. This should encourage production of a wider range of high priced vegetables such as broccoli, asparagus, iceberg lettuce, etc, in addition to traditional ones like potato, garlic, ginger, cauliflower, spinach, etc. An experiment is already underway in Seraj.

Seraj valley is also famous for its apricots, plums, apples and pears. At present apricots are collected as NTFP and sold to apricot oil producers. Desiccated apricot and apricot seed oil, both high value items can be produced in Seraj. Plums grow in such abundance that much is thrown away or wasted. An attempt is being made to produce wine. If successful, full-scale commercial food processing projects such as jam-making and fruit preserves can be started as community-based initiatives.

Effective management of water and the watershed could increase agricultural, horticulture and fish production, increasing people's income and most importantly improving people's health with improved water and by integrating health and sanitation projects with these improvements.

ii) Products and services

Writing about tourism development in the Nepalese Himalayas, Banskota (1998) suggested the set up of "mini-tourism hubs" with a variety of products and

activities developed at some distance, one or two days away from the "hub", from which services would flow could provide a way to increase the number of nights spent at the "hub centre". Following from this idea, Gada Gushaini and Banjar could serve as "the hub" for taking up mountaineering and trekking in the GHNP. More ambitious wilderness treks or mountaineering could be offered. There are many mountains in the area have never been climbed nor even have names.

As well as providing accommodation and food, a number of tourism services could be developed in the area. These include trekking on foot and by horse, mountaineering and special interest tours. Horses could be hired for excursions to nearby valleys such as Jinjehli and the surrounding areas east of Gada Gushaini. Pony trekking and itineraries on horseback could include a few days' exploration in more remote areas.

Tours might follow specific themes. There are temples, ruins and village pathways scattered throughout the region. Vernacular architecture, festivals and indigenous art could also form interesting subjects for special interest tours. Bird watching and nature tours would be possible options. Rural tourism can encompass "cultural tourism" and "religious tourism". Seraj is famous for its festivals, temples and deity forests. Clear and precise information is needed so that tourists are better able to interpret and respect what they are seeing. Religious tourism can often have positive effects on local people, reviving declining traditions and giving people a sense of pride in their heritage.

Local guides, based in the villages, could be trained to give visitors guided tours of the village and temples, giving tourists an insight into local culture and history. Local communities could develop a number of products and services to sell to tourists. These could include local handicrafts; a wide range of items might be produced on a small scale for sale to tourists. A local carpet made of goat hair (called Shella) forms an exquisite hand made floor covering. Shella is currently only made to order; the skill is slowly dying out.

Local communities make many different items from the wild marijuana plant including slippers, ropes, massage oil for arthritic patients, cooking oil, sauces of various kinds, vegetables, pickles, etc. which could be widely marketed. Although Marijuana is rarely used as a psychotropic substance locally, careful marketing will need to disassociate the area from this as a reason to visit. Careful pricing should deter the budget traveler who might be more attracted to the area for this.

Other than Rahul Sankrityayan's travelogue, published around early 1950s, there are no serious books or guidebooks on the Seraj region. A few magazines such as "Outlook", and "India Today" and some newspapers like the "Tribune" and "Divya Himachal" have covered the Seraj valley as an interesting place to

visit. Therefore, there is need to prepare a professional guidebook, and launch a media campaign to promote the valley.

9. Training

The purpose of training is to:

- a. Equip people with skills needed to perform defined activities and tasks properly;
- b. Upgrade skills in line with changes that are taking place, particularly in the technological environment; and
- c. Provide a basic level of standard skills facilitating benchmarking and quality control.

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.

10. Marketing

The right information and image needs to be presented about Seraj; these are essential prerequisites towards powerful brand building. This would be facilitated with a guidebook, making people aware of the area. Use of the Internet is vital, as at relatively low cost, information about the area and how to visit can be provided. Americans, followed by Germans, British, Japanese, French and Italians are the biggest spenders on tourism, (Travel & Tourism Occasional Paper 2000:91), a pattern reflected in the numbers visiting Himachal Pradesh. This suggests that it is to these countries that marketing would be most productive. Targeting outside special interest and trekking tour companies would still be necessary, but most important would be the development of local Seraj tour companies set up in Banjar, Seraj, Gada Gushaini, Bahu, and small villages and towns of the valley. These should make their services available via the Internet, enabling tourists to book directly without having to go through urban- or foreign-based middlemen, which can add 20-30% to the total cost of the trip.

11. Managerial challenge

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 an empowered committee to ensure that indiscriminate development does not occur that might be detrimental to longer term tourism development.

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 and development of village infrastructure. 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 through its Panchayat should add to its corpus income earned directly 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 Central or State government. 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.

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. 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 have 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.

The managerial challenge lies in developing organisational systems and processes that would:

- a. enable communities to work with each other, with experts and with other organisations;
- b. help capacity building, especially in coordinating the demands of competing households and coalitions for resources and integrating activities so as to derive powerful synergy at community level; and
- c. help develop standards for quality that are enforced by the community itself.

This would necessitate cultural change. Just as business organisations can be classified under three generic types, (a) stagnant, (b) question mark, and (c) vigorous, so can the villages (see Shrivastava:2001b). Researchers have found that villages mimic economic organisations and can move from stagnancy to vigor and vice versa. Stagnant villages become vigorous through the presence

of a change agent. Many vigorous villages become stagnant because of failure to adjust to macro-economic structural changes. Not all villages will move from stagnancy to vigour overnight. Therefore, managers (and change agents) will have to work on a strategy to enable a culture change through training, capacity building, and demonstration effect.

12. Formation of industry association

Rural tourism is flourishing in Europe and North America, although the content is quite different from the one discussed here. A number of East European countries are vigorously promoting rural tourism as secondary livelihood strategy. Experiments are going on in Nepal. (Tara Gurung; email; September 2003). A researcher in the United Kingdom (Heredge 2003) has suggested a number of ideas for generating income in another Himalayan region. Some of these ideas would apply just as well in the Seraj and have been adopted in this paper.

The Seraj valley experiment has already started and is facing organisational and financing problems. The suggestions made here are applicable in many areas in the Himalayas, but will need substantial change in the approach of governments, banks and other venture capital firms. Typically, the general impression of banks and investors is that community based initiatives are amorphous and without direction, with too many people competing for control. Strategic coherence is missing and just a few people can end up creating a competitive advantage. From the government, there can be an impression that community-based initiatives are treated sometimes with benign disrespect; where "the government funds these because of social obligation, not because of any faith in the people or SHGs, or CBOs." This attitude needs to be changed through a full-scale demonstration that rural tourism is a viable and acceptable strategy for sustainable development in mountain areas.

Groups of community-based rural tourism participants should form regional, national and eventually global networks to push for policy reforms and recognition. This sort of platform will facilitate advocacy, the exchange of ideas and experience, helping to reduce the cost of learning and helping to develop capability to compete with large resort operators and hotel chains.

13. Conclusion

To implement the strategic rural tourism plan in mountain areas, the support of the government is vital. In a conference of top US executives in 1974 to frame the next 25-year strategy for growth, a question was asked, "What makes America great?" The unanimous answer was "the quality of its bureaucracy". Its bureaucracy internalises technological changes, listens and responds to experts

on new ways of doing old things, or new ways of doing new things. This has not happened in India.

The state government of Himachal Pradesh has kept total control on not only the financial flows from central government, but also has control over the external funds given to NGOs. Local people are excluded from many major grant-aided initiatives and are generally marginalised from earning income directly from tourism, which in the long run will not be sustainable. 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.

Key to the success of rural tourism development in Seraj and other mountain areas is the participation of local people based on the use of their assets and diversification of their livelihoods. Local communities need to see benefits from tourism. Therefore, creating a mechanism for participation and empowerment of local people are vital. Government support of this will be needed.

Although Seraj is accessible to visitors, very little income has been earned from tourism in the region. The state government has no money to even pay its employees salaries and the state debt stands at Rs 5000 per person and growing. The profligacy of the state government and misplaced ambitions of the central government need to be counteracted by a people who can demonstrate that sustainable development and development of alternative livelihoods are processes that can be effectively and efficiently be implemented through community based organisations.

Agreement is needed on objectives and only then can a high level plan be set up for strategic tourism development in the region. This would include agreement with the government that:

- Alternative ways of earning income by local people should be permitted. This could be under the control of village Panchayats;
- A variety of tourist accommodation should be considered to meet different demand in different locations, including some in sensitive areas;
- Careful attention must be given to setting up controls for planning permission to authorise further building or extension of existing buildings for tourist accommodation and should be controlled by village Panchayats, not remotely by a government department or Ministry in Shimla or Delhi;
- 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; powers of state and central governments in these regards

need to be reappraised. For example rural tourism should be Income Tax exempt and in this the Finance Ministry will have a major constructive role to play. An innovative system can even be introduced: 100% of assessed income tax or corporation tax could be directly given to the village Panchayats towards infrastructure development and maintenance.

- Village communities need access to financing and should be given the opportunity to bid for funding on projects that they want to develop. They should be encouraged to seek direct funding from national and international agencies. This would enhance leveraging skills of PRIs;
- Individual projects would need to be defined and implemented, including projects to develop accommodation, agricultural production and provision of meals. This would require a comprehensive strategic planning for managing various sectors, integration of cross-sectoral activities, establishing non-traditional value chains based on new value activities, and achieving synergy from heterogeneous activities, all geared towards improvement in the quality of life;
- Types of products and services that are to be available to tourists need agreement and set up: alternative routes and special interest tours, standardised rates for hire of horses and other services, consistent 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 to know 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.

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