

# Chapter 13

## Tourism and Livelihood in the Mountains

### Regional Overview and the Experience of Nepal

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#### 13.1 Introduction

In the last decades of the twentieth century, tourism has emerged as the most dynamic and most rapidly growing industry worldwide. In 1998 the receipts from international tourism amounted to 440 billion US dollars. The average annual growth rate of international tourism receipts worldwide was 7.9% between 1989 and 1998 (WTO 1999). The share of the South Asian region in international tourism receipts is less than one per cent. Yet, the South Asian region registered the highest average annual growth rate of 9.1% between 1989 and 1998. Mountain tourism is estimated to account for about 15-20% of the global tourist industry involving some US\$ 70-90 billion per year (Mountain Agenda 1999). This potential of tourism has naturally attracted the attention of many mountain economies, including those of the Hindu Kush-Himalayas.

The case for the promotion of tourism in poor mountain economies is made on several grounds. At the macro-level the most obvious, and often the first cited ground, is the earning of foreign exchange to strengthen the import capacities of the economies to support the development process. Tourism almost everywhere is credited with a significant expansion in direct employment in the service sector related to hospitality

and the travel trade and indirect employment in related sectors. Thus, generation of income and employment through tourism is an important reason for the promotion of tourism. Tourism can also have multiplier effects on the economy and create backward and forward linkages in the production system. This has the potential to contribute to diversification of the production system from one based on subsistence needs to one based on specialisation and exchange. In situations where remoteness and inaccessibility as well as diversity in the natural and cultural landscape often act as constraints to development, tourism can build on these very constraints and turn them into comparative advantages. Remoteness and inaccessibility make destinations more attractive. The diverse natural and cultural landscapes are tourism resources in themselves. Tourism is an in situ export. The consumption of tourism resources may, but need not necessarily, exhaust or impair the quantity or quality of the resource. Increasing concern with sustainable development in recent years has brought the issue of environmental, economic, and social development of destination areas to the centre stage of the tourism-development debate. In poor mountain economies, tourism is increasingly seen as a development intervention; an effort to induce certain desirable changes or change processes in the environment, society, and economy—changes that are generally construed as development. Naturally questions are being asked about the impact of tourism on the environment, economy, and culture; about the beneficiaries of tourism; and about the extent to which tourism can be a sustainable vehicle of local environmental, economic, and community development.

This paper explores some of these aspects in the context of the Hindu Kush-Himalayan (HKH) mountains, in general, and in the context of Nepal in particular. First, a review of the trends and patterns of mountain tourism in some parts of the region is presented. The subsequent section looks at the mountain context and its implications for tourism. The third section presents the specific experience of mountain tourism in Nepal, in terms of both its characteristics and its implications for mountain communities. The fourth section presents two innovative cases in Nepal that attempt to link tourism with aspects of sustainable livelihoods and local development. The final section presents some tentative conclusions emerging from Nepal's experiences that are of relevance to the HKH mountain region in general.

### **13.2 Patterns and Trends**

Among the HKH countries, China is the only country that appears in the world's top forty international tourism destinations, ranking fifth worldwide, with 24 million arrivals in 1998. In terms of revenue from international tourism, both China and India appear in the list of the top 40 with earnings of \$12,500 million and \$3,159 million respectively (WTO 1999). In the HKH region, consisting of the contiguous mountainous districts in Afghanistan, Pakistan, India, Nepal, Bhutan, Bangladesh, China, and Myanmar, international tourism is important only in a few cases. Nepal (422,000 in 1997), Bhutan (5,400 in 1997), Ladakh and Sikkim in India (16,000 in 1997 and 12,000 in 1993 respectively), and the Tibetan Autonomous region of

China (33,000 in 1997) are important destinations for foreign tourists. India received around 2.29 million international tourists in 1996. The destination of a majority of tourists was not the mountain regions. Himachal Pradesh received only about 12,000 international tourists in 1993. Similarly, Pakistan received about 380,000 international tourists in 1995, only about a quarter of this number are believed to have visited mountain areas. North-eastern India and the Chittagong Hill Tracts of Bangladesh receive only a small proportion of the total international tourists visiting these regions. Myanmar is estimated to have received about 250,000 tourists in 1996/97, but only a small proportion actually visit mountain areas.

In the bigger countries of the HKH, such as China, India, and Pakistan, domestic tourism is important in terms of both volume and revenue. Although data for mountain areas are not available, the volume of domestic tourists in China is believed to be in excess of 300 million. In Pakistan, domestic tourists were estimated at 43 million in 1995. In a small state like Himachal Pradesh in India, there were 1.5 million domestic tourists in 1993, mainly to district headquarters. The Uttar Pradesh hills receive 15 million domestic tourists. Over 95% of the tourists to Himachal and the UP hills are domestic. The situation in mountainous parts of Pakistan, such as the North-West frontier province (NWFP) and Northern Areas is not too dissimilar.

Statistics available on the growth rate of tourism in the above countries/regions show, with a few exceptions, an increasing trend. In Nepal, the UP hills, Himachal Pradesh, and the HKH region of China, the average annual growth rate in the last decade has remained at slightly less than 10%. But international tourism is a very sensitive industry. The critical importance of a conducive political and economic environment for tourism is emphasised by the decline in tourism since the 1980s in Kashmir as a result of militancy, and a dramatic drop in tourist numbers in Myanmar in 1989, Tibet in 1989, and Ladakh in 1990.

The tourism database for the HKH countries is poor and leaves much to be desired. The revenues generated from international and domestic tourism are mostly based on guess estimates. International tourism earns 3.7% of the GDP of Nepal and accounted for about 18% of the total foreign exchange earnings in 1997. In Bhutan, earnings from international tourism accounted for two per cent of the GDP in 1997. In Pakistan tourism is the ninth largest foreign exchange earner. In the UP hills and Himachal Pradesh in India, tourism and related sectors are estimated to account for nearly 20% of the state's GDP. From the perspective of revenue generation, the contribution of tourism has been important, and there seems to be enormous scope for its growth in the HKH region. It is an important consideration for economies in which pressure on the resource base is already high and diversification of traditional production systems and new income and employment opportunities are needed.

Mountain tourism refers to all tourism activities (such as trekking, mountaineering, adventure tourism, cultural tourism, resort tourism, pilgrimage, and others) for which the mountains have a comparative advantage. ICIMOD studies undertaken in some

mountain regions of India, Nepal, Pakistan, and the Tibetan region of China show the importance of different types of tourism and tourism products in different regions (Sreedhar 1995, Banskota and Sharma 1995, Al Zalaly and Nazeer 1995, Sharma 1996, Tashi, 1999). In the UP hills and Himachal Pradesh in India, pilgrimage, resort tourism, and trekking/ mountaineering are the main tourism pursuits. In terms of numbers, domestic pilgrimage is by far the most important. The UP hills alone attract over a million domestic pilgrims each year. Trekking is popular among international tourists who comprise a very small proportion of total tourists. In Nepal, city-based sight-seeing and cultural tourism in the Kathmandu Valley are the main activities for international tourists. Trekking and mountaineering are the other important activities. In the NWFP and Northern Areas in Pakistan domestic resort tourism is predominant. Trekking and mountaineering are important pursuits for international tourists, mainly in the Northern Areas. Cultural tourism is by far the most important type of tourism in Tibet. Trekking and mountaineering are other emerging activities. In Bhutan, guided trekking is emerging as an important pursuit, although culture has remained the strongest attraction for visitors to Bhutan.

The HKH situation suggests that tourism impacts can be determined to a great extent by the nature and type of tourism. Table 13.1 presents a general picture of the implications of different types of tourism on the environment, economy, and society of rural mountain areas in the HKH. Trekking and mountaineering have the potential to earn more money for rural areas than other forms of tourism. Nevertheless, the environmental implications of this form of tourism can be serious. The implications of different types of tourism are not absolute and are influenced by the policy approach to tourism pursued by the state.

The policy approach to tourism followed by the state in the HKH countries varies a great deal. The approaches of Nepal and Bhutan define the range of variations. Nepal for the most part, and almost by default, has encouraged 'mass tourism', mainly through private sector initiatives. While there have been some innovations and different approaches are being tried on an area basis, tourism has by and large remained demand driven. In contrast, Bhutan has opted for a policy of 'low volume, high yield' tourism regulated by pricing. Bhutan's concern has clearly been for the conservation of the country's pristine environmental and cultural heritage. In India and Pakistan the role of state-run organisations promoting tourism is important in both planning and development as also in operation of tourism facilities in mountain areas, although the private sector is emerging in important urban areas. In Tibet the regulatory role of the state tourism bureau is important, although increasingly, private travel agencies are playing a role in the development of tourism. In Myanmar the government's emphasis has been on promoting cultural tourism for the most part and tourism in the mountains remains limited (Philip and Mercer 1999).

The policy and approaches pursued with respect to mountain tourism in the HKH countries reveal that, with some exceptions, notably in Nepal and Bhutan, there is no policy perspective on mountain-specific tourism activities. The main types of

Table 13.1: Types of tourism and implications for environment, economy and society in rural mountain areas

Trekking/ Mountaineering	Resort Tourism	Cultural Tourism	Pilgrimage Tourism
<p><u>Environmental</u></p> <ul style="list-style-type: none"> <li>• Forest degradation due to increased demand for fuel-wood along trails</li> <li>• Trail degradation along heavily used trails</li> <li>• Pollution in and around campsites, wanton disposal of degradable and non-degradable waste</li> <li>• Contamination of creeks, rivers and water sources, pollution of soils and glaciers at high altitudes</li> </ul> <p><u>Economic</u></p> <ul style="list-style-type: none"> <li>• Direct income to rural households operating lodges, or using mules/yaks for transporting provisions, or those engaged in portering during the tourist season</li> <li>• Some impact on production regime due to tourist demand</li> <li>• Inflation and dependency</li> <li>• Growth of central settlements</li> </ul> <p><u>Social/cultural</u></p> <ul style="list-style-type: none"> <li>• Demonstration effect</li> <li>• Cultural awareness</li> </ul>	<p><u>Environmental</u></p> <ul style="list-style-type: none"> <li>• Land use problems brought about by sprawling growth of resorts</li> <li>• Deforestation/forest degradation due to demand for fuelwood and timber</li> <li>• Soil instability and slope failures due to heavy construction along slopes</li> <li>• Discharge of untreated sewage and solid waste along slopes and rivers</li> <li>• Traffic congestion, noise and vehicular pollution along popular resorts</li> </ul> <p><u>Economic</u></p> <ul style="list-style-type: none"> <li>• Some income to rural households due to demand for local agricultural and livestock produce</li> <li>• Some local employment during the tourist season</li> </ul> <p><u>Social/cultural</u></p> <ul style="list-style-type: none"> <li>• Demonstration effect</li> <li>• Social aberrations/problems resulting from unscrupulous tourists and resort operators</li> </ul>	<p><u>Environmental</u></p> <ul style="list-style-type: none"> <li>• Most cultural tourists confined to, or based in major settlements or urban areas with historic, cultural monuments and relics so little direct impact on the environment except for tourist litter generated in these sites</li> </ul> <p><u>Economic</u></p> <ul style="list-style-type: none"> <li>• Some income to rural households from the sale of local handicrafts and other souvenirs</li> <li>• Employment and income due to the revival of traditional crafts caused by the demand from tourists</li> </ul> <p><u>Social/cultural</u></p> <ul style="list-style-type: none"> <li>• Commercialisation of art, culture and religious symbols</li> <li>• Theft of cultural, religious artifacts and black marketing</li> <li>• Breakdown of cultural inhibitions and erosion of cultural base</li> <li>• Awareness of social and cultural heritage</li> <li>• Openness to new ideas</li> </ul>	<p><u>Environmental</u></p> <ul style="list-style-type: none"> <li>• Heavy concentration of pilgrims during particular periods creating problems of waste disposal, pollution and congestion; heavy demand for fuelwood during these periods</li> <li>• Many pilgrim sites in biologically sensitive fragile environments</li> <li>• High pressure on basic infrastructure during pilgrimage season</li> </ul> <p><u>Economic</u></p> <ul style="list-style-type: none"> <li>• Traditional pilgrimage based on frugal living that exerted little pressure on local economies</li> <li>• easy access to many pilgrimage sites resulting in unscrupulous 'mass' tourism and high dependence on imports</li> <li>• Some income to local households from the sale of local handicrafts</li> </ul> <p><u>Social/cultural</u></p> <ul style="list-style-type: none"> <li>• Commercialisation of religious rituals and symbolism</li> <li>• Continuity and maintenance of religious traditions</li> </ul>

tourism and tourism products in these countries and regions show that there is little innovation and diversity in the way the tourism product is fashioned, nurtured, and marketed. There is insufficient emphasis on the HKH environmental resources as tourism products that need to be conserved and marketed. While sustainable tourism is often invoked as the main objective of policies, attempts to integrate the environmental, economic, and social aspects of sustainability are few. Policies lack a clear perception regarding the role that different actors are expected to play in the promotion of tourism that does little harm to the environment and is of benefit to the community. The need to bring together all the stakeholders in planning for tourism is not felt. There seems to be a general belief that tourism development will spontaneously benefit local communities. ICIMOD studies in India, Nepal, and Pakistan show that tourism in itself does not spontaneously induce such linkages or influence the three cardinal concerns in the economic development of mountain areas, namely, poverty alleviation, environmental regeneration, and empowerment of local communities, unless there are strategic interventions to encourage such processes and linkages.

### **13.3 The Mountain Context and Implications for Tourism**

Mountain areas, as distinct from other physiographic units, have certain objective conditions or 'specificities' (Jodha 1991): inaccessibility, fragility, diversity, 'niche' or comparative advantage, and marginality. These conditions add a critical dimension to tourism in the mountains and call for particular ways of responding to them (Table 13.2).

*Inaccessibility* has, in the past, restricted the external linkages of mountain economies. Subsistence activities and emphasis on high-value, low-bulk products have been the adaptive responses to it. Mountain tourism activities, which thrive on relative inaccessibility such as trekking, mountaineering, and other forms of nature-based adventure tourism, can provide new forms of adaptation to conditions of inaccessibility. These also generate employment in transportation and encourage the establishment of infrastructure. In this respect the development of local capabilities and support systems becomes important because tourism often leads to dependency on outside sources. Tourism itself is usually a seasonal activity. Inaccessibility in particular seasons and remoteness can contribute to seasonality. For isolated remote areas with a limited resource base tourism may also provide scope for improvements in living standards that would not be possible otherwise. In so doing, tourism also opens up otherwise closed and isolated communities and exposes them to the vagaries of the market and the demonstration effect of tourists.

*Fragility* of mountain environments is a consequence of the slope, altitude, geology, soil, and vegetation conditions. Fragility denotes poor carrying capacities and vulnerability of resources to rapid, and often irreversible, degradation in conditions of intense use. Increased rates of erosion, landslides, loss of endemic flora and fauna, and biodiversity are examples of such degradation. The adaptive response involved

Table 13.2: Objective conditions in mountain areas and their implications for tourism

Mountain Specificities	Primary Attributes	Adaptation Characteristics	Implications for Mountain Tourism
1. Inaccessibility	Remoteness Restricted external linkage Isolation from markets Insular economies, cultures	Self-sufficiency and self-provisioning (subsistence) Small-scale production of high-value, low-bulk goods	Nature and culture based on high-value tourism; trekking, mountaineering, and other forms of adventure tourism Portage/mule transportation Induce activities that take advantage of relative inaccessibility Need to develop local capability and support systems
2. Fragility	Vulnerability of resources to rapid and often irreversible degradation with intense use	Use of indigenous knowledge for resource conservation and recycling Ethno-engineering;	Wilderness as niche for tourism Promotion of employment through environmentally regenerative activities Conservation by non-use in biodiversity hotspots Determination of limits to acceptable change/carrying capacity Emphasis on local resource-centered production system technologies
3. Diversity	Diverse resources and environmental situation Large-scale micro-variations in physical/biological attributes Interdependence of production bases	Transhumance practices; diverse upland-lowland farming and production systems Multiple, micro-niche opportunities	Use of micro-environment for harnessing specific comparative advantages Linkage of tourism with agro-pastoral systems and resource management regimes Focus on multi-dimensional institutions/technology options (eg. micro-hydro, solar, and other renewable technologies) Employment and market potential of traditional activities (eg. carpet weaving, traditional handicrafts, etc)
4. Niche	Attractions for exploration Small-scale specialisations Location/area specific comparative advantages in resources/production activities	Traditional emphasis on activities that are mostly of an extractive nature such as mining, logging, hydroelectricity	Harnessing of major and minor production niches linked to tourist demands (e.g., Area-specific development of horticulture and vegetable production; environmentally friendly small-scale extractive and processing activities, sustainable collection/processing of NTFPs) Promotion of high-value production skills or ethnicity and culture-specific crafts for the tourism market Development of hub tourism based on natural and cultural niches
5. Marginality	Limited resources and production of one's own Minimal consideration of areas/people by mainstream decision-makers Unequal terms of exchange	Exploitation of resource potentials by core areas/population; use of marginal areas; dependency	Promotion of participatory decision-making and community-based tourism Safeguard and regulate resource use with mandatory resource re-investment (e.g., ploughing a proportion of tourism revenues into destination areas/regions) Development of participatory institutions at the local level for regulating, monitoring tourism impacts and promoting tourism for local economic, environmental, social, and cultural development Training and human resource development to cater to tourists' needs at the local level

Source: Adapted from Jodha (1991) and Sharma (1994)

the use/innovation of production processes based on natural resources emphasising their conservation and recycling . Fragile environments tend also to be sensitive to scale, i.e., particular activities can be undertaken up to a certain limit only. The type and scale of tourism in such environments need to be sensitive to the physical and biological characteristics and processes of the area. Fragility of mountain environments is in itself a tourism asset and it should be protected. Emphasis on conservation, on activities that contribute to environmental regeneration, and identification of important environmental factors and the limits to acceptable change are needed while promoting mountain tourism.

**Diversity** is manifest in a range of micro-environmental variations and the growth of interdependent production bases. Development of diverse farming and production systems at different altitudes is an adaptation to the diversity of mountain environments. Mountain tourism can be used to improve the linkages with these production systems and resource management regimes. Diversity also provides opportunities for harnessing specific comparative advantages in tourism from rafting down rivers, to cultural tourism in dense settlements, to trekking and mountaineering at higher altitudes. Diversity also calls for institutional arrangements and innovative technologies to suit diverse mountain conditions. Tourism-induced demand can be a catalyst in the development of these activities.

An outcome of diversity is the relative or absolute comparative advantage or ‘niche’ afforded by particular locations and areas for small-scale specialisation. Traditionally such niches have been exploited for a limited range of activities such as mining, logging, and hydroelectricity generation. Mountains provide specific niches for many tourism activities. Harnessing production niches linked to mountain tourism, and promotion of skills in ethnic and culture-specific handicrafts for the tourism market are some of the opportunities that are generated by mountain tourism. But to be sustainable, the niche can be only be exploited within the limits of the carrying capacity.

Mountains have been neglected in terms of development priorities and have always been considered ‘marginal’ entities both economically and politically. Increased dependency, unequal terms of exchange, and gradual loss of autonomy over resource use or decision-making are manifestations of marginality. Mountain tourism in such a context has to be commensurate with a process of decentralised decision-making, resource reinvestment, and creation of conditions through which mountain areas and people become net beneficiaries of such development. This calls for strengthening of participatory, local institutions to promote the kind of tourism that contributes to local environmental, economic, and social development. Local-level formal and informal institutions can act as defenders of community interests, as mechanisms for mobilising local resource, and as sources for promotion of the interests of the poor and disadvantaged groups that are often by-passed by the development process. The implication of ‘marginality’ is therefore fundamental to the promotion of mountain tourism since it entails complementary restructuring of the relationship between the mountains and the plains. The sensitivity with which tourism is practised in mountain

environments and the extent to which it is responsive to mountain conditions determine the role that tourism can play in promoting sustainable livelihoods in the mountains.

### 13.4 Mountain Tourism: The Case of Nepal

The case of Nepal is an illustration of the impacts of tourism on mountain environments and livelihoods and of the responses induced. Nepal is one of the countries in the HKH in which tourism has grown rapidly (Table 13.3). Between 1962 and 1997 the number of tourists visiting Nepal grew from a little over 6,000 to nearly 422,000 with an average annual growth rate of 12.9%. In 1996/97 tourism earned 115.9 million US dollars, accounted for 17.6% of all foreign exchange earnings, and made up 3.2% of the GDP (MOF 1999). In 1997 the average income per day per visitor was 38.3 US dollars and the average length of stay per visitor was 10.5 days. The average length of stay per visitor has remained more or

Table 13.3: Growth of tourism in Nepal (1966-1997)

Year	Number	Average Annual Growth Rate
1966	12567	-
1970	45970	38.3
1975	92440	15.0
1980	162897	12.0
1985	180989	2.1
1990	254885	7.1
1995	363395	7.3
1997	421857	7.7

Source: Department of Tourism/HMG, Nepal Tourism Statistics, different dates.

less stable over the last decade, although there has been a steady growth in numbers. Fluctuations notwithstanding, the proportion of tourists visiting Nepal with the express purpose of trekking and mountaineering has risen from around 0.1% in 1966 to 11.8% in 1980, 15.7% in 1990 and 21.7% in 1997 (Table 13.4). In spite of marked seasonality, mountain tourism has evolved as a significant niche in the tourism sector. February through April and September through November are the two main seasons. In 1997, about 79% of the trekkers and mountaineers came in these two seasons. Europe accounts for around 50% of all trekkers and mountaineers coming to Nepal. Over one third come from the UK, Germany, France, and the Netherlands. In recent years the proportion of those coming from Japan and Australia has been increasing.

All the three most frequented trekking regions in Nepal (Annapurna, Everest, and Langtang-Helambu) are part of a National Park or Conservation Area. Eighty-eight per cent of all trekkers in 1997 visited these regions. Among these the Annapurna trek accounts for about 59%, the Everest trek 20%, and the Langtang trek 9% of all trekkers. This pattern has more or less been maintained for almost a decade and a half (Table 13.5).

#### Mountain tourism and its implications for mountain communities

The growth of tourism in Nepal has had an impact on the natural and socioeconomic environment of mountain communities in several ways, both positive and negative

Table 13.4: Proportion of tourists by purpose of visit (1966-1997)

Year	Pleasure & Holiday	Trekking & Mountaineering	Business	Official	Other
1966	87.2	0.1	2.6	7.2	2.9
1970	91.1	1.2	2	3.3	2.4
1975	75.9	13.6	5.3	4.6	0.6
1980	80.2	11.8	3.4	2.9	1.7
1985	70.8	15.9	5.8	5.1	2.4
1990	63.5	15.7	4.6	10.4	5.8
1995	50.4	23.3	6	5.5	14.8
1996	53.2	22.6	6.4	5.1	12.7
1997	59.1	21.7	6.5	5.7	7.0

Source: Department of Tourism. Nepal Tourism Statistics, different dates.

Table 13.5: Number of trekking permits issued from 1980-1997 by route

Year	Everest Trek	Helambu, Langtang	Annapurna, Manang, Jomsom	Other	Controlled Area	Total
1980	5836	4113	14332	3179	---	27460
1985	8347	4610	18960	813	---	32730
1990	11314	7826	36361	6591	---	62092
1991	11862	9603	39107	5198	---	65770
1992	12325	9457	42553	7104	---	71439
1993	12475	9187	39764	6547	1646	69619
1994	13461	8167	44733	8879	1625	76865
1995	14997	8427	50012	9458	1893	84787
1996	16921	7687	52399	9849	2089	88945
1997	18179 (19.9)	8201 (9.0)	54078 (59.1)	9220 (10.1)	1847 (2.0)	91525 (100)

Source: Department of Tourism (1997)

(Bjonness 1980, Furer-Haimendorf 1984, Fisher 1990, Gurung 1991, Sharma 1992, Byers and Banskota 1993, Stevens 1993, Banskota and Sharma 1995, Nepal 1997, Rogers 1997). Noteworthy among these impacts are the environmental impacts of the demand for fuelwood and timber, pollution and generation of garbage, land-use changes, nature of tourism employment and income, and the effects on society and culture.

## Fuelwood demand and deforestation

Among the environmental impacts of tourism, deforestation or degradation of forests caused by the demand for fuelwood generated by tourists has attracted the most attention. Bjønness estimated a firewood consumption of 4.5 kg per person per day for group trekkers in the Everest region in 1980 and noted significant forest clearance along trekking routes. In 1989, ERL had estimated that the percentage of trekkers' demand for fuelwood over local needs was 85.2% in the Sagarmatha (Mt. Everest) National Park area, 18% in the Langtang region, and 4.7% in the Annapurna region, although the intensity differed from location to location (ERL 1989).

Recent studies have noted that the number of trekkers alone does not portray the intensity of impact adequately. The styles of trekking — group or individual — and the ratio of porter/guide per trekker have implications for the consumption of fuelwood as a result of tourism. Surveys in the Sagarmatha and Langtang regions by Watanabe (1997) have revealed that the ratio of porter/guide per group trekker was 1: 1.85 and 1: 3.14 respectively, while the same ratio for an individual trekker was 1: 0.23 and 1: 0.32 respectively. Applying these ratios for a total of 91,525 trekkers in 1997 (44% of which were individual trekkers), the total number of visitors (i.e., trekkers as well as porters, guides) to the different trekking regions comes to 200,000 annually (Table 13.6). Assuming a fuelwood consumption of 2 kg per visitor per day (which is on the low side), and an average trek duration of 10 days, the total consumption of fuelwood by trekkers and porters/guides in 1997 was 4,000 metric tonnes.

Table 13.6: Styles of trekking and total number of visitors in trekking areas, 1997

Trekking Regions	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Individual Trekkers	Group Trekkers	Total No. of Trekkers	Porters/ Guides Accompanying Individual Trekkers <sup>1)</sup>	Porter/ Guides Accompanying Group Trekkers <sup>2)</sup>	Total No. of Porter/Guides Accompanying Trekkers (4) + (5)	Total Number of Visitors (3) + (6)
Everest	7,189 (39.6)	10,900 (60.4)	18,179 (100.0)	1,653	20,311	21,984	40,163
Langtang-Helambu	5,401 (65.9)	2,800 (34.1)	8,201 (100.0)	1,728	8,792	10,520	18,721
Annapurna	25,646 (47.4)	28,432 (52.6)	54,078 (100.0)	5,898	52,432	58,330	112,408
Other	1,752 (15.8)	9,315 (84.2)	11,067 (100.0)	402	17,232	17,634	28,701
Total	39,988 (43.7)	51,537 (56.3)	91,525 (100.00)	9,681	98,787	108,468	199,993

Source: Department of Tourism, Individual and Group Trekkers — data from Nepal Tourism Statistics 1997

- 1) Porter, guide per individual trekker is 0.23 for Everest and 0.32 for Langtang according to Watanabe (1997). The ratios for the Annapurna and other areas have been assumed to be similar to that of the Everest region.
- 2) Following Watanabe, the ratio is 1.85 for the Everest region and 3.14 for the Langtang region. The ratios for the Annapurna and other regions have been assumed to be similar to that of the Everest region.

A lodge survey in the Everest region carried out by Mattle in 1997 indicated that a total of 9.2 metric tonnes of fuelwood is consumed daily by the lodges in the Everest region with an average of 43 kg per lodge per day (Nepal 1999). Consumption of fuelwood by lodges was found to account for 24% of all fuelwood consumption in the Sagarmatha National Park area. The broad picture seems to be that, in spite of the requirement for the use of alternative fuel by group trekkers, the consumption of fuelwood is still considerable in all trekking areas. Evidence about the actual extent of deforestation, however, has remained controversial. Nepal indicates that repeat photography in some areas in the Everest region shows that forest cover along some trail locations has improved.

### **Lodge construction and settlement growth**

The demand for timber has also been rising along all major trekking routes, mainly for the construction of hotels and lodges. In Namche Bazaar in the Everest region, for example, the first 'hotel' came up in 1971. By 1978 there were 17 hotels operating. In 1991 there were 83 hotels operating and another eight under construction (Stevens 1993). Nepal (1999) shows that in ten selected settlements in the Everest region there were 220 lodges with a total bed capacity of 3,908 in 1997. In the Langtang area the first hotel was built before 1975, by 1980 five more were built, and by 1994 the total number of hotels was around 38 (Watanabe 1997). Records from the ACAP in Jomsom show that in Lower Mustang, between Ghasa and Muktinath, there were 92 hotels operating in early 1997. In the Annapurna area as a whole, Nepal (1999) shows that there were 476 lodges with a total of 6,800 beds around 1995. For the same period, the density of lodges per kilometre of trail was estimated to be 2.0 for the Everest region and 1.6 for the Annapurna area. The amount of lodges built has also had an impact on settlements. Along the Everest trail alone 20 settlements have been identified as having either emerged or grown directly as a result of tourism, and these include settlements that emerged earlier on solely because of tourism, or temporary settlements that became permanent as a result of tourism, or settlements that have recently had lodges located in them like these. Forty-three settlements have been identified in the Annapurna region (Nepal 1999).

### **Generation of garbage**

Although most of the data on garbage are anecdotal, garbage generated by tourists has implications for the rural environment. Sagarmatha Pollution Control Committee (SPCC), which has been operative in the region since 1993, provides reliable data on the problem of garbage in the Everest region. In 1997, SPCC data show collection of 243 tonnes of trekking-related garbage in the Everest region, of which 28% was bio-nondegradable. Certain trail sections, for example around Namche, have a greater concentration of garbage than others. In the Everest region as a whole, Nepal (1999) reports 1.9 tonnes of garbage per kilometre of trail. According to SPCC, the 840 mountain expeditions that visited the Everest region between 1979 and 1988 were responsible for 422 tonnes of disposable garbage, 141 tonnes of bio-nondegradable

garbage, and 207 tonnes of oxygen cylinders. Data from SPCC suggest that the volume of garbage has not been declining, and that the proportion of bio-nondegradable garbage has been increasing. This has serious implications for the environment, and the higher the altitude the more serious it becomes. The garbage problem seems to be less severe in the Annapurna region, but even here the problem of litter is becoming more serious with each passing year. Failure to collect garbage along trails and from camping sites also contributes to pollution of local water sources, springs, and rivers. Lodge owners dump human waste directly into rivers and streams causing water pollution.

### **Land-use changes**

Economic opportunities created by tourism have had an impact on land use along the main trails. This impact has mainly been brought about by changes in cropping pattern and crops, encroachment on forests and public land, and changes in settlement patterns. Cultivation of fruit, potatoes, and other vegetable crops has increased. In some cases there has been a decline in traditional agricultural practices and relative neglect of livestock and pastures (Baumgartner et al. 1978, Banskota and Sharma 1995). Encroachment on forests to build lodges has been observed in areas such as Ghorepani in the Annapurna region. A significant aspect of tourism that has caused changes in land use is the growth of new and expansion of old settlements. Rogers (1997) reports that at least 11 of the 38 settlements along the Everest trail from Junbesi to Namche showed significant impacts from tourism, while 12 other settlements were moderately adapted. Rustic natural trails linking villages along the main trails have been transformed into strings of lodges. In many cases, vernacular architecture and aesthetics associated with traditional villages are gradually replaced by modern cement and concrete structures. Trail degradation and consequent soil erosion, vegetation loss, and slope instability have been noted along heavily used trails (Nepal 1997). Trails that are shared by mule caravans have been subjected to even more severe erosion than other trekking trails.

### ***Employment and income***

The direct contribution of mountain tourism to employment in Nepal has been estimated to be between 465,000 to 931,000 days of work per year in terms of trekking support staff (for 1986) (Banskota and Sharma 1995). Similar estimates for 1996 show the direct employment contribution of tourism to employment of porters to be between 1.2 to 2.5 million days (Table 13.7). Assuming an average wage of 150 NRs per day, the turnover from portering comes to between 180 and 375 million rupees per year (i.e., between 3US\$.2 to 6.7 million at 1996 exchange rates). This does not include employment in the travel trade, hotels, lodges, restaurants, and transport as well as the employment multiplier in other sectors of the economy.

Banskota and Sharma (1997) have estimated the total earnings from tourism in the Annapurna region on the basis of sample data from Ghandruk and Ghorepani and ACAP revenues from trekking permits. They estimate a total of NRs 246 million or

**Table 13.7: Estimates of direct days of employment generated by mountain tourism in Nepal**

Year	Group Trekkers			Individual Trekkers			Total Employment Generated (Days)	
	Total Number	Employment Generated (Days)		Total Number	Employment Generated (Days)		High	Low
		High	Low		High	Low		
1986	19829	793160	396580	13780	137800	68900	930960	465480
1996	52478	2099120	1049560	36467	364670	182335	2463790	1231895

US\$ 3.8 million accrued from tourism in the region, of which about 26% was lodge-related earning. Earnings from lodges constitute a major component of tourism earnings. In the Khumbu area, a popular lodge can gross as much as \$10,000 a year. Households from within the region operate over 90% of the Khumbu lodges (Stevens 1993, Rogers 1997). Women play a key role in the operation of lodges and many employ between one to four non-family helpers. Earnings from lodge-related portering are also considerable as most of the items have to be brought from outside. Many lodge owners in the Annapurna and Everest areas are locals. Nepal (1999) estimates the direct employment from tourism to be around 16,000 in the Everest region and about 50,000 in the Annapurna region. Since tourism is a seasonal activity, these figures do not mean much unless expressed in the number of days' work or years or in terms of the degree of dependency on tourism income and employment. Studies indicate that there is a considerable leakage of income from tourism (as much as 68% in the Ghandruk area) (Banskota and Sharma 1997). Paudel (1998) estimates that only 23% of the income from tourism is spent in local products and services.

Mountain tourism also generates direct revenue for the government from mountaineering royalties, trekking peak fees, trekking permit fees, park entrance fees, and so on. Chitwan National Park in the Terai earns the biggest proportion of revenue from the park entrance fee. These fees yielded over three million US dollars in the mountain areas of Nepal in 1995 (Table 13.8). The Annapurna area generates around 50% of the revenue. The trekking permit fee accounted for the largest share of revenue from mountain tourism in Nepal. The trek permit for the Annapurna area (not including Upper Mustang) goes to Annapurna Conservation Area activities in the region. The government has recently waived the need for trekking permits for areas other than the Annapurna Conservation Area and restricted areas such as Upper Mustang.

### **Society and culture**

Tourism has far-reaching implications for the society and culture of mountain areas. Remoteness and inaccessibility have shielded mountain communities for centuries. Consequently, over the years the process of adaptation and change has been a slow

Table 13.8: Tourism revenue by area, 1995

Area/ Region	Mountaineering Royalty <sup>1</sup>		Trekking Peak Fee <sup>2</sup>		Trek Permit Fee <sup>3</sup>		Park Entrance Fee <sup>4</sup>		Total	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
Annapurna	29,500	5.2	20,100	13.4	1,088,120	78.1	618,583	34.0	1,756,303	44.6
Khumbu	383,000	67.0	96,450	64.3	149,970	10.8	239,700	13.2	869,120	22.1
Langtang	5,500	1.0	6,750	4.5	42,135	3.0	97,515	5.4	151,900	3.9
Others	153,500	26.8	26,700	17.8	113,510	8.1	863,294*	47.4	1,157,004	29.4
Total	571,500 (14.5)	100.0	150,000 (3.8)	100.0	1,393,735 (35.4)	100.0	1,819,092 (46.2)	100.0	3,934,327 (100.0)	100.0

Source: Table adapted from Gurung, Paper presented to the Japan Himalayan Club, 30<sup>th</sup> Anniversary, January, 1998.

1. Nepal Tourism Statistics, 1995. Area breakdown by mountain ranges
2. NMA Parbat, ICM '97 Special Issue. Based on trekking permits issued in 1995. Revenue breakdown is tentative based on US\$ 5.00 per week for Langtang and US\$10.00 (two weeks) for other areas. A total of 588,000 US dollars was realised from trekking permits to Upper Mustang in 1995. Excluded are the high fee and low-volume areas of Manaslu and Dolpo because of lack of data.
3. DNPWL, Annual Progress Report 2052/53, Tables 3 & 4; and ACAP source

\* The Chitwan National Park in the Terai realises a very large proportion of this amount.

process. Tourism has the potential for accelerating this change process. Still, it is just one of the many factors making inroads into the secluded lifestyles and cultures of mountain communities. The norms of behaviour and patterns of consumption of tourists can have a seductive impact on society, particularly among the young. These impacts may result in the decline of local cultural practices and institutions, commercialisation of art, loss of symbolism from cultural events, theft of cultural and religious objects and artefacts, and a thriving black market. Openness to new ideas and opportunities, realisation of the 'worth' of their cultural and religious heritage, and pride in the upkeep and maintenance of one's own unique heritage are some of the positive effects of tourism on culture as seen from examples in Nepal (Sharma 1995). Tourism has contributed to the renewal and revival of old skills in stone, wood, and bronze work in the Kathmandu Valley. Revival of festivals such the 'Mani Rimdu' in Namche indicates a renewed interest of communities in their own cultures, whatever the motivations. The Sherpas of the Khumbu have demonstrated not only the economically invigorating effects of tourism and the 'revitalisation' of culture, but also the problems of cultural 'restructuring', of trying to search for an identity that can integrate the traditional norms, values, and ways of life with the demands and needs of the modern world.

A more serious socioeconomic impact of tourism is the increasing social tensions resulting from the distribution of benefits from tourism. Rising inflation, limited economic opportunities for poor people, and lack of mechanisms to facilitate a better distribution of tourism benefits, discrimination in employment (Sherpa vis-a-vis non Sherpa), and even in providing lodging (Nepali vis-a-vis 'foreign' tourist) are some of the reasons for increasing social tensions. In some cases, tourism has also induced

out-migration of the young. Paudel (1998) reports that in the Ghandruk area in the Annapurna region the income earned from tourism has induced/educated young boys and girls to migrate to Japan, Hongkong, Western Europe, and the Gulf countries in search of job opportunities.

One of the positive impacts of tourism has been the development of infrastructure. As tourist flow increases, infrastructure for hospitality tends to grow. There is an improvement in access or access facilities. Gradually, there is a growth of travel and tourism information, communication, finance, and some health infrastructure. All important tourist destinations and convergence points have grown along major trekking routes in Nepal.

This brief review of the implications of tourism on aspects of the environment, economy, and society reveals that economic and social benefits of tourism are limited to settlements that are strategically located and population groups that already have some resources to take advantage of tourism opportunities. The role that tourism has played in changing the face of areas such as the Khumbu, or some parts of the Annapurna, has by all accounts been spectacular. Nevertheless the processes observed are extensive leakage of tourism income, limited spread effect and beneficiaries from tourism, and poor linkages of tourism with the productive sectors of the economy. The tourism-development nexus does not always seem to be a positive one. Policy and programme interventions seem to be called for in linking tourism with aspects of sustainable rural livelihoods.

Two examples from Nepal, one almost on a regional scale and the other on a micro, village scale demonstrate how programme interventions, government induced or community-based, can make a difference in linking tourism with the overall development concerns in the mountains.

### **13.5 Linking Tourism and Local Development: Two Experiences From Nepal**

#### **The Annapurna Conservation Area Project (ACAP)**

Although the environmental, sociocultural, and economic problems associated with mountain tourism have been conspicuous since the 1970s, the response to these problems from the government as well as non-government agencies in Nepal is of relatively recent origin. The Annapurna Conservation Area project has been one of the first among such responses.

The Annapurna region, covering about 7,600 sq.km (60 Village Development Committees in 5 districts) is a region of unique biodiversity and culture in central-western Nepal. Altitudinally it ranges from a little over 1,800m in the Kali Gandaki gorge to the lofty heights of the Annapurna (8091m) and Dhaulagiri (8151m). The economy of the region is basically a subsistence one with 90% of the energy needed coming from natural forests. There is considerable variation in land use and systems

of resource management. The population of the area is about 120,000, consisting of eleven ethnic groups. Some of the ethnic groups, such as the Gurung and the Magar peoples, have distinguished themselves as Gorkha soldiers in the British Army, while others, such as the Thakali people, are known for their business acumen.

Annapurna is one of the most geographically and culturally diverse areas and is the most popular tourist destination in Nepal. In 1997 over 54,000 trekkers visited the area. Trekking tourism here started in the late sixties, but along with some positive effects a number of problems emerged. Trekking was unregulated. There was no monitoring nor positive programme intervention. There was a great degree of seasonality (over 60% of trekkers arrived between October-November and March-April) and also traffic bottlenecks in strategic locations. As the annual flow of trekkers to the Annapurna grew steadily, forest habitats began to show signs of degradation, pollution along trekking routes began to be more visible, and local cultures became susceptible to external influences. The delicate ecological balance began to show signs of growing imbalance. The unregulated nature of tourism led to cut-throat competition among owners of hotels and lodges, resulting in undercutting of prices. Attention to quality of services was rare. There was no human resource management of the supply side and no efforts to train and develop. Infrastructural development to meet the basic necessities of the local population for drinking water, sanitation, education, basic health services, reforestation, and environmental care were lacking and these services neglected. There was a growing need to manage tourism in such a way that the concerns for environmental conservation and the economic, social, cultural, and organisational needs of local people were addressed simultaneously.

### ***ACAP activities and programmes***

The Annapurna Conservation Area Project (ACAP) was a response to this need. Under the King Mahendra Trust for Nature Conservation (KMTNC), a non-government, non-profit organisation set up in 1982, ACAP went into operation in 1986, although the Annapurna Conservation Area was officially gazetted only in 1992. The concept of a Conservation Area is based on the recognition of indigenous settlements and land use. Both traditional and, later, adapted land-use practices are seen as compatible with protected area objectives as long as they do not compromise the goals of conservation. Resource management is based on local participation. Traditional resource management systems and tenurial arrangements are respected. In addition, communities are given the right to manage forests, pastures, and the commons. The idea is to look at environmental protection, conservation, and development as interdependent and interlinked objectives (Stevens 1997). The function of ACAP is to provide advisory services and act as a liaison between local villagers and government agencies. ACAP provides resources but the programme priorities and implementation of programmes depend on representative local committees. The ACAP is therefore a conservation as well as a development agency. ACAP's perceived role is that of a facilitator and local initiatives, plans, and contributions are complemented by technical and other inputs from the project.

Tourism is seen as generator of revenue to fund conservation and development efforts. ACAP activities rest on the principle of multiple use in which farming, forestry, biodiversity, local development, and tourism are undertaken jointly and simultaneously by avoiding possible conflicts (Gurung and de Coursey 1994). ACAP programmes aim to improve the quality of life of the local people by assisting them in various ways and by providing local communities with appropriate and relevant skills, and knowledge. ACAP has therefore relied heavily on the nurturing or creation of local institutions and on providing them with a basis for sustainability.

Conservation, development, and resource management in the ACAP are based on a system of land-use and management zones. The area is divided into five zones. In the wilderness zone, the principles of nature protection are practised strictly. In the protected forest/seasonal grazing zone, regulations for sustainable forest use are enforced. In the intensive use zone, which has settlements as well as agricultural lands in the valleys and on the lower slopes, the emphasis is on agricultural extension, rural development, conservation education, and tourism development. These are also the areas through which major tourist trails pass. The anthropological/biotic study areas in the northern part of the conservation area have been identified as a separate zone. Finally, the special management zone includes areas that have been most heavily affected by tourism development and which need special attention.

Resource management at the local level is based on a grass roots' approach through which most of the development initiatives are taken by local management committees. Conservation and Development Committees (CDC) have been formed as the main local institutions responsible for policy and programme formulation related to natural resource management and community development programmes at the local level. Consisting of 15 members (9 of whom are elected, 3 are reserved for women and members of the disadvantaged groups, and the rest are ex officio), the CDC meets once a month and makes decisions about important community matters related to natural resource use, conservation, and development. In large areas, sub-CDCs are formed in line with traditional institutional patterns of property ownership, sharing of pastures, and so on (Thakali 1997). Other Committees, such as Mothers' Groups, Lodge Management Committees, Campsite Management Committees, Electricity Management Committees, Kerosene Depot Committees, and so on, are formed in consultation with CDCs. The ACAP staff support local institutions, provide technical and other expertise, and help the local bodies to conceive and implement conservation and development programmes. ACAP programme activities include forest conservation, promotion, and propagation of alternative energy, conservation education, tourist awareness programmes, eco-tourism, women's development, and a variety of community development activities.

Community development activities include setting up health posts, trail repairs, school construction and repair, tree planting, and drinking water programmes. Mothers' Groups have been formed to undertake some of these activities and to deal with undesirable trends in mountain societies by such actions as prohibition of

gambling and drinking in public. Training of local manpower on aspects of conservation, development, and tourism is an essential component of ACAP activities. A minimum impact code has also been developed by ACAP to motivate international tourists. The activities of ACAP are funded partially by the entry fee (presently NRs 1,000 per trekker, \$1= NRs 68.40) to the conservation area collected from tourists. Within the overall framework of ACAP, area-specific projects have been undertaken to manage mountain tourism and to deal with some of its negative implications in a proactive manner.

### ***Assessment of the ACAP Experience***

ACAP's achievement as a conservation and development initiative anchored to tourism lies in its demonstration that tourism can also be seen as a development intervention. The features that distinguish ACAP's operations — emphasis on local participation in the planning and management of conservation and development, reliance on local-level institutions in managing local resources, promotion of conservation education, and awareness and human resource development at the local level – show that with sensitive interventions tourism can help bring about local environmental and community development. Efforts to copy some of these major features of ACAP are already underway through KMTNC in the Manaslu area in Northern Gorkha and under different auspices in the Makalu Barun area.

It would be wrong to assume that ACAP activities are operational and successful to the same extent and with the same intensity throughout the ACAP area. Factors that have influenced success include the extent to which local institutions have been proactive, qualities of leadership and cohesiveness of the local community, the location of the settlement vis-a-vis the trekking route, the extent of benefits derived from tourism by the broader community, linkages of tourism with the local production regime, the nature of support from ACAP, and the ability of ACAP officials to motivate people. The experience of ACAP suggests that, in commensurate conditions, non-government organisations can play the role of a facilitator in bringing about conservation and development effectively. ACAP, to a great extent, also shows that local people can shift from positions of hostility and distrust to participation, responsibility, and enthusiasm (Stevens 1997).

A preliminary assessment of the environmental, economic, and social dimensions of the tourism carrying capacity in the Ghandruk area in the Annapurna undertaken through ICIMOD auspices suggests that there has been an improvement in the overall carrying capacity of the area, although the sustainability of such positive changes is far from assured (Banskota and Sharma 1995b). Conservation education, adoption of technologies that are efficient to use, and introduction of renewable energy technologies such as the micro-hydro have eased the problems of fuelwood demand and consequent environmental degradation considerably. Large-scale adaptations of new energy technologies would be possible only if poorer households could afford such technologies, and this is not the case at present. Use of alternative energy

technologies is limited to lodges, while other households continue using fuelwood. The economic dimension of carrying capacity appears to be the most problematic and this is because of the weak linkages of tourism with the local production system and rather restricted sharing of benefits. However, the scope that exists in terms of increasing economic opportunities remains to be fully exploited. The linkages of tourism with the agricultural, horticultural, and livestock sectors remain weak. Opportunities for diversifying the tourism product exist, but have not been adequately addressed. The social dimension of carrying capacity appears to be the most robust in the sense that local institutions have been supported and strengthened and social capital has been enhanced. The situation in the Annapurna area clearly reveals that ACAP activities have the potential to strengthen the linkages of tourism with aspects of local community development. However, this linkage needs to be seen in areas that affect the economic life of the poorer households. It is only then that the tourism-development nexus can be sustainable.

### **Village tourism in Sirubari\***

Unlike the Annapurna Conservation Area Project, which is a regional exercise in relating tourism to conservation and development, the 'Village Tourism in Sirubari', a hill village south of the Annapurna region, may be considered a micro-exercise in making tourism relevant to local economic and environmental development. ACAP was a reactive response to the growth of demand-driven tourism. Village tourism in Sirubari is a proactive initiative in tourism managed from the supply side. Although it is too early to assess the Sirubari experience, the concept and the process and its economic, environmental, and social implications are of interest in looking at sustainable tourism in the rural mountains.

The concept of village tourism is one of 'home stay' or 'paying guest' with an emphasis on interacting and living with the host community. It offers the visitor an opportunity to experience first hand the culture, customs, and daily life of the host household and the community. Some trekking is involved but the village experience — natural, social, and cultural — is the main tourism product. The guests stay in groups of two to five in assigned households where arrangements for accommodation, meals, snacks, and so on are made. It is a complete family atmosphere. The management of the supply component through a participatory institution, broad-based sharing of benefits, and a new approach to visitor satisfaction are other unique features of the Sirubari model of village tourism.

The initiative began in Sirubari, a predominantly Gurung village on a ridge about four hours' trek from the nearest road-head along the Pokhara-Sunauli road. The village is located at an altitude of about 1,700m. From the highest point one can see great Himalayan peaks such as Annapurna, Machhapuchhare, and Dhaulagiri. The

\* The information on Sirubari Village Tourism is based on an ICIMOD study, 'Village Tourism in Sirubari. Implications for Sustainability' by Banskota and Sharma (1999).

village has a rich Gurung heritage. Most of the Gurung households rely on remittances and pensions, mostly from army service. The non-monsoon season is the best time to visit the village as monsoon rains make the trek rather difficult and also long.

The idea was that of a retired army captain who approached the government for support to develop village tourism in Sirubari. Contacts with an Australian expatriate tour operator proved fruitful. After the identification of Sirubari as the site for promoting village tourism, a Tourism Development and Management Committee (TDMC) was established in the village with the village development committee (VDC) chair as its head. At the same time, the expatriate and his associates formed a company to take over the sole responsibility of promoting and marketing village tourism in Sirubari. The company is called Nepal Village Resorts (NVR). Detailed contractual arrangements were made specifying the obligations and responsibilities—including operating procedures and fees — of the two parties. The TDMC represents the Mothers' Group, Fathers' Group, the Youth Club, and other members chosen through consensus among villagers; the tenure is two years. The TDMC has developed its own rules and procedures and decides about the upkeep of guest rooms, sanitation and hygiene, assignment of guest room accommodation on a rotational basis, type and quality of meals and snacks, as well as arrangements for welcoming the guests, sight-seeing, and cultural programmes. Even before the TDMC, the village had an active Mothers' Group and Youth Club. The Mothers' Group raised funds by organising cultural programmes to welcome or bid farewell to army men who came on home leave. The Mothers' Group has provided money for quite a few local development projects.

With the signing of the agreement with NVR, interested and willing families from the central village began establishing guest room accommodation in consultation with the TDMC. The TDMC set minimum standards for guest rooms. The conditions for participation in guest room accommodation include the construction of permanent structures for toilets and bathrooms, cleanliness, specified minimum provisions in rooms, and security guarantees for visitors. The TDMC carries out monitoring of accommodation and other facilities regularly. The NVR has the responsibility of ensuring that the guests abide by the code of conduct; and this basically seeks to respect local traditions in clothing and behaviour. NVR promotes and markets village tourism through a network of international travel agents. They also have a site on the world-wide web. All visitor groups are booked through the NVR Kathmandu office. The guests are provided with a full round-trip package from Pokhara to Pokhara with no extra liabilities. This avoids the need for payment of bills by visitors in the village. It also gives a sense of being part of the host family. The TDMC is given prior notice by telephone for arrangement of porters, guides, a welcome ceremony, and cultural programmes.

The visitors' arrival in the village is a memorable affair. A procession welcomes the guests with much fanfare and traditional music and dance. The guests are assigned to host families with whom they stay for the next two days. The guests have Nepali

meals with the host family but an afternoon snack is organised jointly in a traditional round-house in the centre of the village. The two days are spent visiting the natural and scenic sites around the village. The main natural attractions are the hill top about two hours' walk uphill to view the Himalayan peaks, the prize-winning, approximately 500 ha of community forest, and the serene higher pastures. Among other attractions is the village itself with about 146 households, the Buddhist Monastery, and the Shiva temple. In the evening a cultural programme is organised in the 'Tourist Building' (constructed with support from the government and funds raised by the Mothers' Group, the Youth Group, and from tourism fees).

International tariff rates vary according to the number of tourists per package. A rate of US\$ 230 (for 3 nights, 4 days) is charged for a single person. For a group of between 10-20 guests, the charge is \$145 per guest. Following the agreement between TDMC and NVR, a lump sum of NRs 1,700 per guest (\$25) (for a two-night stay) is provided to TDMC. Of this amount NRs 1,000 goes to the guest-room owner. The remaining amount goes to the TDMC and part of it is used to meet the cost of the welcome ceremony, porters, and gifts for the guests. So far, 50 families in the village have opened up their homes to accommodate visitors, but only 18 have entertained guests so far.

Village tourism in Sirubari started in April 1997. By November 1999, a total of 278 international tourists had visited Sirubari, mostly from Europe. Most of the visitors are above 40 years of age. Meanwhile Sirubari has also been attracting quite a few domestic tourists. Thus far, 421 domestic visitors have visited the area mainly from surrounding districts to observe its model nursery and community forest. The TDMC is planning to introduce set tariff rates for domestic visitors also.

The impact of tourism on the environment, society, and economy of Sirubari has not been felt to any great extent as yet, mainly because of the low volume of tourists. Still it is fairly clear that the TDMC has been able to build on the community's social capital (rich heritage, homogenous community, developed social infrastructure, active local organisation, and TDMC itself). The ICIMOD study shows that the degree of participation and leadership and the decision-making process have been the key elements in initiating village tourism. The need for training in housekeeping and food preparation is already felt. There is enough scope for expanding household participation in village tourism as tourist volumes increase. Economically, tourism has to increase incomes and employment to be viable and has to develop linkages with the local production system. The baseline survey in Sirubari shows that, in the circumstances, the benefits from tourism have been broad based. About 68% of the total food expenses for tourists go to imports from outside and 28% are reported to come from their own production. As tourist numbers rise, the potential for local production linkages will rise also and needs to be nurtured. It was found that, on an average, an amount of NRs 22,400 per bed was invested in Sirubari. Over half of the investment was incurred in constructing toilets and bathrooms. Sirubari is an exceptional village by Nepalese standards of income. But the study also shows that

the present level of investment for developing guest rooms is within the reach of an average rural household if comfortable lending terms are offered. From an environmental perspective, village tourism has made the community aware of cleanliness and good sanitation, even among those who do not have guest accommodation. However, as tourist numbers rise, the demand for fuelwood will increase and so will the urgency to introduce affordable, renewable energy options and efficient technologies.

The bottom line for successful tourism is visitor satisfaction. Overall, visitors to Sirubari perceived that they had obtained satisfaction that was worth the money. Areas identified as needing improvement were the quality of transport to the road head and the quality of food.

The Sirubari experience shows that the community has been able to capitalise on the different stocks of natural, social, financial, and human capital at its disposal, evolve an indigenous institution, and link it up with a promotion and marketing agency. The challenge of increasing visitor flow, of creating viable links with local development, and of diversifying the tourism product to increase visitor stay remain, but, at the micro-level, it is an innovative beginning. Learning from the Sirubari experience, NVR, in partnership with local communities, is introducing a similar programme in Lamjung district. Exploratory work is also being undertaken in Palpa and Solukhumbu districts.

### **13.6 Conclusions: Lessons from Nepal's Experience**

In mountain areas of the HKH, tourism appears to be one of the options for improving rural living standards. But the benefits of tourism, as is seen in Nepal and elsewhere, may not flow spontaneously in directions that are desirable. Interventions are therefore called for to make tourism relevant to the three interrelated concerns of mountain development: alleviation of poverty, conservation of the environment, and empowerment of local communities. For rural mountain communities, tourism has to be seen essentially as a development intervention. It is in this respect that the lessons from the experiences noted above may have relevance in other areas.

#### **Increased sharing of tourism benefits**

Poverty remains an endemic feature of mountain areas. Poverty can be reduced only by creating conditions for the provision of secure livelihoods. Sustainable tourism has therefore to emphasise the host population's environment, economy, society, and culture. Strengthening the tourism-development nexus by bringing about increased sharing of tourism benefits appears the only way of addressing poverty. The experience of the Annapurna project shows that the benefits of tourism that are shared most stem from three processes: building of infrastructure (better trails, drinking water, health and education facilities, communication, and so on), forward and backward linkages with the production regime, and human resource development at the local level. The benefits of tourism can be shared widely, to the extent that these

processes are strengthened. In the Annapurna area, as elsewhere in Nepal, the main income from trekking tourism is derived from lodges. Yet, lodges generate limited employment opportunities. The Sirubari experience suggests that broader benefit sharing may be possible through community-based tourism. There is, therefore, a need to explore the potential of different tourism products in improving income and employment opportunities at local levels.

### **Strengthening linkages with the local production base**

The importance of strengthening the linkages of tourism with the local production base cannot be overemphasised. If more of the tourist needs and demands are met through local/regional production, a greater share of tourism revenue accrues to the locality or the region. Tourism development has to be conceived not as the development of one particular sector but as an integrated exercise in developing critical sectors, environment being one of the most important, on which tourism depends. Both the Annapurna and Sirubari experiences reveal that the linkage aspect has been the weakest. Broad-based sharing of tourism benefits is also facilitated and promoted if linkages with the local production base increase.

### **Training and manpower development**

The Annapurna experience shows that training and manpower development at the local level may be the most sustainable contribution for realising the benefits of tourism. This requires discrete identification of the training and manpower needs in terms of real opportunities and requirements. Training also serves as a confidence building measure for local communities. Training in lodge management, cooking, housekeeping, and local guiding skills related to culture and nature are found to link well with local employment opportunities.

### **Sharing revenue for environmental conservation and community development**

Environment is not only the resource par excellence for tourism, but it is also the one most threatened by tourism. Tourism can be a means of generating funds for environmental conservation and protection. Sustainable tourism entails periodic reinvestment in the tourism plant. This would require the creation of mechanisms that would allow sharing of revenue from mountain tourism with localities and regions that are tourist destinations. This is where the Annapurna experience has been innovative. The total amount realised from the entry fee to Annapurna Conservation Area goes to the ACAP endowment, and through it to the CDCs on the basis of the programmes developed at local levels and local contributions envisaged. Such a process of resource reinvestment in tourist areas makes a larger community the beneficiaries of tourism through better sanitation, health, education, and environmental awareness. This contributes to making tourism relevant to local development. Environmental conservation also calls for the introduction of alternative energy technologies. Such technologies and systems can be affordable for households only

when tourism increases incomes. The issue of linkage therefore becomes important for environmental conservation.

### **Institution building and participatory planning of tourism and development**

The Annapurna and the Sirubari experience highlight the importance of institution building at the local level in the whole process of linking tourism with local environmental, economic, and community development. Institutions become forums through which the local communities are empowered. Broad representation, local leadership and trust, transparency in decision-making, complementarity with existing institutions, and a resource base, external or internal, appear to be the key to the sustainability of such institutions. Local institutions can also be the most viable forum for participatory planning (meaning a planning process in which all the stakeholders are able to play a role in the planning and prioritisation of activities and in their implementation and monitoring) of tourism at the local level.

### **Supply side planning**

Nepal's mountain tourism, it has been noted above, has remained demand driven. This perceived demand has been limited to adventure tourism in general and trekking tourism in particular. Diversification of the mountain tourism product has been lacking. Moreover, demand driven initiatives, particularly in the case of tourism, tend to be extractive. This is where the case of Sirubari is instructive. Planning destinations, supply side management, building external linkages in terms of marketing, and the attempt to define potential clients and creating a demand are all novel features of the Sirubari experience. Tourism markets change with changes in income, age, and other characteristics of tourists. While the lure of Nepal's mountains, as the trekkers' paradise, will hopefully endure, the need for innovative diversification of the tourism product is important if tourism is to provide a sustainable option for livelihoods in the mountains.

### **Recognising the comparative advantages of stakeholders**

The Annapurna and Sirubari cases also indicate the comparative advantages that different actors have in promoting tourism and local development. Globalisation and privatisation notwithstanding, the state has a strategic role to play in orienting tourism to desirable directions. The government's role lies in creating a policy environment conducive to the growth of desirable types of tourism in specific contexts, developing and enforcing regulations and standards in tune with the carrying capacity, infrastructural development, establishing a system of judicious sharing of tourism revenues, manpower development, and tourism promotion in the international market. The non-government agencies generally have the comparative advantage of organising and mobilising communities, acting as facilitating agents, and introducing participatory planning of tourism at the local level. Local community organisations can be important players in planning tourism at the local level, in monitoring tourism

impacts and initiating mitigating actions, and in taking the initiative for community-based tourism. The private sector is most effective in providing services and in running service establishments. A key feature in managing sustainable tourism is to remain proactive or to understand and develop programmes to deal with problems before they reach crisis proportions. Understanding visitor perceptions is important in this respect. This is an area that has not received sufficient attention in Nepal.

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