

Introduction and Study Methodology

Mountain tourism in Nepal has brought both positive and negative changes to the areas where it is practiced. These changes include improvements in the economy, and in the social and cultural life of the communities. Negative impacts have also occurred, however, and these have been both direct and indirect. More-over, the impacts have been enormous. If properly guided, tourism development in mountain areas can help alleviate poverty and conserve the fragile mountain environment.

Effective mountain tourism development (MTD) requires intervention on several levels simultaneously. Previous studies carried out by CREST for ICMOD have identified several important issues in the context of MTD:

- A major problem in mountain tourism is the result of a lack of vision and appreciation of the value of the natural resources essential for tourism development. This lack of vision has led to unsustainable tourist practices in certain areas.
- The conditions under which tourism could be made to play a role in mountain development and the policy environment conducive to such a role remain unexplored.
- In general there has been no spontaneous impact of tourism on the major development concerns in the mountains; namely, poverty alleviation, environmental conservation and regeneration, and empowerment of local communities. Therefore, deliberate efforts and programmatic interventions need to be made to link tourism to these concerns.
- Mountain tourism has been entirely demand-led and largely un-planned and un-managed (ad hoc), promotion, information, transport, and services have

INTRODUCTION

Mountain Tourism in Nepal has brought both positive and negative changes in mountain areas where it is practised. These changes are manifested in nature and environment, in the economy, and in the social and cultural patterns of mountain people. Although negative impacts have also occurred, by and large evidence indicates that positive changes outweigh negative ones. Moreover, the potential for developing tourism in mountain areas is enormous. If properly guided, tourism development in mountain areas can help alleviate poverty and conserve the fragile mountain environment.

However, mountain tourism development (MTD) requires intervention on several fronts simultaneously. Previous studies carried out by CREST for ICIMOD have identified several important issues in the context of MTD.

- A major problem in mountain tourism is the result of a lack of vision and appreciation of the value of the natural resources essential for tourism development. This lack of vision has led to unsustainable tourism practices in mountain areas.
- The conditions under which tourism could be made to play a role in mountain development and the policy environment conducive to such a role remain unexplored.
- In general there has been no spontaneous impact of tourism on the major development concerns in the mountains; namely, poverty alleviation, environmental care and regeneration, and empowerment of local communities. Therefore, deliberate efforts and programmatic interventions needed to be made to link tourism to these concerns.
- Mountain tourism has been entirely demand-led and supply-side planning and management (attraction, promotion, information transport, and services) have been completely ignored.
- This situation has resulted in poor links between mountain tourism and the economic base of mountain areas, resulting in a substantial amount of income from tourism accruing to local communities leaking out of the area.
- Mountain tourism has so far only relied on trekking tourism and there is scope and need to develop new tourism products based on the natural and cultural resources. There is an urgent need to develop and diversify mountain tourism to benefit a wider mountain community.
- A felt need to make the different actors in the tourism policy-programme-action continuum aware and sensitive to the issues of sustainable mountain tourism was perceived.

Based on the findings of the previous studies, thematic areas have been identified in which broadening the knowledge, awareness, and sensitisation with respect to sustainable mountain tourism were required. Some of these areas have been described below.

- Operationlisation of the considerations of carrying capacity in the local context
- Elucidation of the environmental, socioeconomic, and related impacts and implications of tourism and approaches to mitigating negative effects
- A process of participatory planning and the development of institutions for tourism in local areas and communities to manage the same
- Identification of the needs of human resource development at different levels in order to maximise the benefits from mountain tourism
- Development of materials and modules incorporating the above for the training of personnel at different levels of the tourism policy-programme-action continuum.

In other words, institutions at different levels, especially at local level where consumption takes place, are urgently required.

OBJECTIVES

As stated in the terms of reference, the main objectives of the present study are as follow.

- To broaden the understanding of the impact and implications of different types of mountain tourism on different eco-zones
- To use the outputs generated to develop training modules and materials on mountain tourism for policy-makers, programme managers, and the local community

CASE STUDY AREAS

To achieve the above objectives the study has been carried out in two phases. In the first phase, micro case studies to understand in detail the carrying capacity issues and their implications for Mountain Community Development (MCD) and MTD in the context of Himalayan Environmental Resources (HER) or natural resources were discussed. In the second phase, the training manual was to be developed after the first phase study had been completed. The micro case studies were carried out in three areas; namely, Upper Mustang, Phewa Lake Side, and Syaphrubesi.

Although the specific issues to be addressed are presented in the respective case studies, the main focus of these studies is on general background, tourism assets, and an assessment of environmental, economic, and social impacts and implications. An attempt is made to operationalise the carrying capacity concept at the local level and identify gaps in the action plans already developed for the areas (Lomanthang and Phewa Lake) and make recommendations.

Syaphrubesi

Syaphrubesi is a small-tourism dependent village within the buffer zone of the Langtang National Park (LNP). LNP is strategically very important from the point of view of tourism

compared to other National Parks and Protected Areas in Nepal. LNP is accessible by motor vehicle and lies directly north of Kathmandu. Many visitors to Nepal who do not have many days at their disposal can quickly make a trip to LNP and enjoy the grandeur of the Himalayas as well as the other natural features found in other mountain areas. Additionally, there is a tourism project 'Partnership for Quality Tourism (PQT)' that has just recently been completed in Syaphrubesi. The main goal of this project was to improve the quality of tourism. Training was provided to lodge owners during early 1995 on a variety of issues related to hospitality, account keeping, food preparation, cleanliness, and so on. As a result Syaphrubesi has been transformed from a shabby-looking, village to a cleaner mountain village (personal observation). This case study assesses the successes made by QTP in Syaphrubesi and tries to determine whether or not they will be sustainable.

METHODOLOGY

Sustainable Development

Environmental sustainability (ES) implies sustainable levels of both production (sources) and consumption (sinks). The priority of development should be improvement in human well-being – poverty reduction; increased literacy; and reduced hunger, disease, and inequality. However, these goals cannot be achieved unless ES is the baseline. Although environmental sustainability continues to be a major issue of this debate, there is increasing consensus that, besides environmental sustainability, economic and social or institutional sustainabilities are also important in achieving sustainable development. The very life support system has to remain intact to improve the well-being of the people. However, it is the people who need to take the action and, hence, environmental sustainability without the involvement of the people is not meaningful. It has been realised that improving the well-being of human beings cannot be seen in isolation from the maintenance of a clean and healthy environment and without improving social relationships between individuals.

There are four kinds of capital; namely, natural, human, physical (or man-made), and social. ES requires a definition of natural capital and its maintenance. Natural capital is defined as the stock of environmentally-induced assets which provide a flow of useful goods and services, and sustainability implies the maintenance of these assets. Economics has paid little attention to natural and social capital, and today it is becoming more and more evident that the limiting factor to economic development is natural capital, which has become scarce.

Environmental Sustainability

The definition of ES has to be based on the maintenance of natural capital, hence the input/output rule (source and sink). Thus, on the output side, waste emission from a project or action being considered should be kept within the assimilative capacity of the

local environment, without unacceptable degradation of its future waste absorptive capacity or other important services. On the input side, harvest rates of renewable resource inputs should be within the regenerative capacities of the natural system that generates them. Both these principles also provide the scale of the environment, and economic activities should not expand beyond the scale of the environment, as dictated by the input and output rules.

The scale of the human economy has exceeded the regenerative and assimilative capacities of the environment. Both sources and sink functions are becoming more limited than ever before. Economic growth cannot be considered to be infinite as it is a function of throughput. Throughput, or the flow of materials and energy from the environment for use by human beings, is then returned to the environmental sinks and wastes (Goodland 1995, Munasigne and Shearer 1995). Throughput growth translates into increased rates of resource extraction and pollution, and this scale has exceeded environmental capacities. Human activities have become unsustainable as populations are living off inherited and finite capital, and the losses are not being taken into account. Hence, with regard to environmental sustainability it is essential to:

- encourage growth of natural capital by reducing the current level of exploitation;
- relieve pressure on natural capital by expanding cultivated natural capital; and
- increase the end-use efficiency of products and extend the life cycle, durability, and recyclability of products in order to improve overall efficiency.

Environmental sustainability seeks to improve human welfare by protecting the sources of raw materials used for human needs and ensuring that the sinks for human wastes are not exceeded. All human economic subsystems must be kept within the scale of the overall ecosystems. This means that, on the sink side, all waste emissions must be within the assimilative capacity of the environment and, on the source side, harvesting rates of renewable resources must be kept within regenerative rates. Economic and social sustainabilities thus depend on environmental sustainability. What is needed in the face of uncertainty and risk is to use the precautionary principle – be conservative and exercise prudence.

Economic Sustainability

Economic sustainability can be defined as maintenance of capital: *“the amount one can consume during a period and still be as well off at the end of the period.”* However, when environmental, human, and social capital are also considered, this definition of capital provided by Hicks needs to be extrapolated upon (Goodland 1995). Clean air, forests, soils, and so on are forms of natural capital which can deteriorate. Life-supporting systems are shrinking as economic growth expands. The life support system and nature’s sink functions are finite and cannot expand with economic growth. As a result, the scale of the environment in terms of life support and its sink function is finite and this needs to be taken into account. Economics has a tremendous difficulty in evaluating

natural capital, intangibles, and inter-generational and common access resources. The precautionary principle should be used routinely and should err on the side of caution in the face of uncertainty and risk. Today this definition would have to incorporate a much wider definition of capital-beyond human-made capital- and should be able to brace all three forms of capital (natural, social, and human).

Man-made capital is not independent of natural capital. The issue is whether the extra productivity in man-made capital outweighs the extra natural capital used in the production of man-made capital. To say man-made capital is more productive than natural capital, i.e., environment, is to ignore the multiple functions of the environment. Life support and waste assimilative functions are not substitutable. Hence, improvement in living standards can only be achieved by increasing natural capital. Development and environment (natural capital) are thus to be viewed as complementing assets in order to ensure economic sustainability, especially in the early stages of development. Although the degree to which man-made capital can be a substitute for natural capital and vice versa (or between development and the environment) tends to increase with the level of development, they can be substituted for each other only up to a limit and only for certain environmental functions. Hence the need to identify the limiting factors to economic sustainability and the scope for dealing with them through management and technology become important.

A short-time horizon and, hence, a high discount rate is another central issue of concern for economic sustainability. A high discount rate discourages investment with long-term benefits (forestry projects) and promotes projects with greater short-run benefits but long-term costs. The implications of a high discount rate on sustainability are obvious, given the fact that policy planners rely on the discount rate as a policy tool for two dissimilar needs; namely, scale of investment as well as selection of most profitable projects (allocation). While lowering of investment is desirable for environmental projects, it is often based on the rate of return on sustainable use of capital. A poverty alleviation strategy is the key to encouraging sustainability, as it encourages policy-makers to discount less on future returns relative to present returns. Failure to grant property rights over resources is another limiting factor that has led to a short time horizon. The above issues underlying economic sustainability call for integrating economic and environmental policy actions in the decision-making process at different levels. Policy-makers, at the very least, need to be aware of these issues.

Social Sustainability

Social capital is created by establishing new relationships between individuals to facilitate collective action. Shared learning, the devolution of responsibility and mutual trust; the establishment of rules; how activities are undertaken, monitored, and enforced; and so on are forms of social capital. Social capital seeks to improve the ability of a community to make decisions, widen their choices, and improve their capabilities. Social capital implies the need for voluntary collective action and is, thus, about societal laws and

regulations and the willingness of the society to obey them; and this can include coercion, delegation of authority, representation and voting, and direct participation. The different forms of collective decision-making by societies are through participatory institutions where individuals act not in their self interests but in the interests of their community. Participatory institutions play an important role in social capital formation. How to promote and how to accumulate collective decision-making, public action, institutional capability, political participation, and leadership through all the intangible attributes of social capital, become important components. While people have good ideas about how to accumulate the other three forms of capital, there is lack of knowledge about accumulating and developing social capital. It is being increasingly realised that development programmes, including those related to resource conservation, need to address the diverse needs of local communities and individual experiences in order to achieve sustainability and self-reliance. The need to reduce poverty, promote employment, and bring about social integration to build civil society has already been formalised through an international consensus (World Summit on Social Development 1995). Like all other capital, social capital also depreciates and requires maintenance and replenishment through participation and is necessary for social sustainability.

In the formation of social capital, three processes appear crucial; namely, social experiment, social innovation, and social learning. Projects and programmes need to be treated as experiments which aim to test the viability of development options. Social experiment recognises that the process of development has to be found from within a given society but can vary across societies. Enough time has to be given for the experiment to work so that the society is able to deal with unpredictable options. This process inspires the society to set the stage for social innovations (Banuri et al. 1994).

Social innovations are experiments carried out by the society, within the context of their own values, traditions, and norms, which, in turn, enable them to develop their own solutions to emerging problems. Social innovations must also embody the principles of diversity, space, transparency, accountability, and equity. Finally, social learning requires that the society should take direct responsibility for the design and implementation of programmes and should also be allowed to set the conditions under which the activities are expected to proceed (empowerment).

Carrying Capacity

At the heart of sustainability lies carrying capacity. Carrying capacity is a complex terminology and, for operational purposes, could be defined as the 'maximum use of natural and cultural resources by the community and tourism of a given geographical area for Mountain Community Development (MCD) and mountain tourism development (MTD) without adverse impacts on the sociocultural, economic, or biophysical environments' (Figure 1). In other words, carrying capacity can be simplified to consist of three interrelated dimensions; namely, the environment, the economy, and the social and institutional aspects. However, there are difficulties in operationalising this concept and simplification becomes essential; hence, a critical

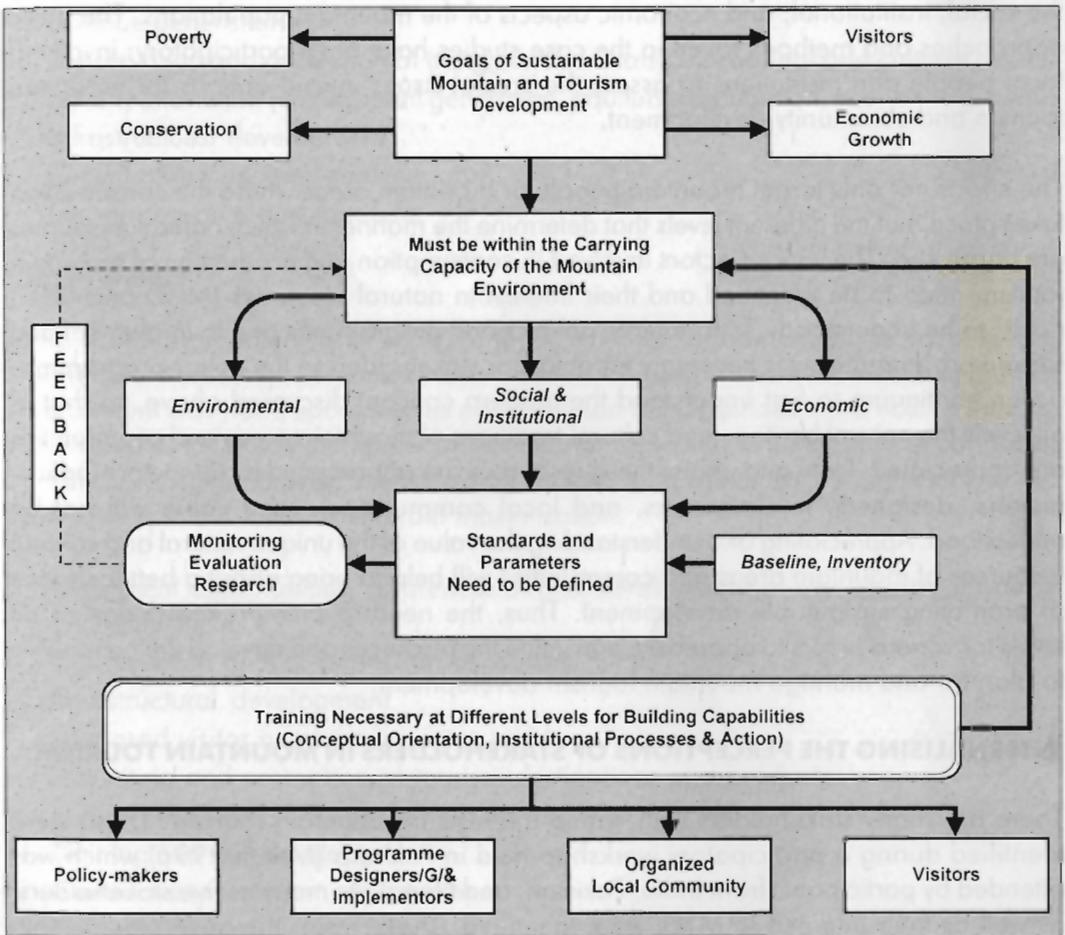


Figure 1: Essentials of the Carrying Capacity

factor approach is needed. The critical factors are meant to be crucial variables, the presence (success factors) or absence (failure factors) of which is vital for the attainment of at least one element or object of sustainability and which also affects other aspects of sustainability. Thus, critical factors are those which need to be changed from their current stage, or, alternatively, conserved or protected in their current state, in order to increase the carrying capacity of the environment on the basis of predetermined standards. Critical factors can have negative or positive effects on both community and tourism and hence on natural resources. Negative factors (failure factors) result in overall deterioration in the state of MCD, MTD, and natural resources, whereas positive factors (success factors) improve their current state. The basic idea is to identify the most critical environmental, economic, and social factors and evolve a range within which changes brought about in these aspects will have the potential of being acceptable to policy planners and the concerned community at large and also contribute to the comprehensive process of mountain development.

Since people are a major component in the mountain environment, carrying capacity goes beyond the confines of the natural environment and includes, among other things,

the social, institutional, and economic aspects of the mountain populations. The basic approaches and methods taken in the case studies have been participatory; involving local people and institutions to assess the crucial issues in and options for mountain tourism and community development.

The efforts not only target mountain people or mountain areas where the consumption takes place, but the different levels that determine the manner in which natural resources are harnessed. The various actors involved in consumption and production of mountain tourism need to be identified and their interest in natural resources (MCD and MTD) needs to be understood. To formulate policies and programmes and to implement and sustain programmes, it is necessary for actors or stakeholders in the policy-programme-action continuum to first understand the modern concept discussed above, so that at all levels the natural heritage and cultural traditions of mountain areas and communities are appreciated. Until and unless these resources are appreciated by the actors (policy-makers, designers, implementors, and local communities), their value will not be understood. Appreciating and understanding the value of the unique natural and cultural resources of mountain areas and communities will help to bring about a better chance of promoting sustainable development. Thus, the need to provide knowledge at all levels for various actors to appreciate and value the resources and develop their capability to plan for and manage mountain tourism development.

INTERNALISING THE PERCEPTIONS OF STAKEHOLDERS IN MOUNTAIN TOURISM

There are many stakeholders with varied interests in mountain tourism. These were identified during a participatory workshop held in Pokhara (March 1996) which was attended by participants from India, Pakistan, and Nepal. As many as five stakeholders, as well as their interests in MTD, were identified. These were: the government, both national and local; local and national entrepreneurs; NGOs and INGOs; local people and communities; and visitors. Each of these five major stakeholders has different interests in mountain tourism development, and their perceptions need to be internalised in the tourism policy-programme-action continuum. The major interests of each stakeholder were identified and factors that influence their interests were discussed.

Government

The interests of the government (national as well as local) were identified as maximisation of real tourism benefits for sustainable mountain development. It should be emphasised here that the word *real* is being used to capture a wide range of issues that falls within the purview of any government, e.g., security, law enforcement, conservation, and protection¹. In order to maximise real tourism benefits for sustainable mountain development, the following development aspects become important for the government:

1 The provision of these and similar services by the state is assumed in order to bring better focus to the study

- revenue generation,
- conservation and protection of (tangible and intangible) natural and cultural assets,
- poverty alleviation (employment generation, equitable distribution, economic growth),
- infrastructural development,
- decentralised decision-making, and
- human resource development.

Entrepreneurs

Some of the main interests of entrepreneurs, whether at the national or local levels, however, were the same, i.e., profit maximisation. Thus, in this context, mountain tourism development was not a spontaneous phenomenon but depended on a host of factors, in the absence of which entrepreneurs would not be willing to invest. In the context of the Hindu Kush-Himalayas, the following factors were identified as important to the stakeholders in the interests of profit maximisation.

- Investment opportunities, awareness of and development of new tourism products and diversification
- Conservation and/or protection of tourism assets
- Infrastructural development
- Increased visitor numbers or visitor nights
- Marketing and promotion of tourism destinations and products
- Support services
- Training and skill development
- Conducive investment opportunities
- Policy facilitation

NGOs/INGOs

NGOs and INGOs have played an important role in organizing poor people, building capabilities, mobilising local resources, conservation, and in poverty alleviation. As a result, the interest of NGOs and INGOs was identified as maximisation of tourism benefits at local level. In order to achieve this the issues listed here are necessary.

- Social mobilisation or organizational empowerment
- Generate awareness and capability (skill) to be self reliant
- Local resource mobilisation
- Community services
- Availability of credit

Local People

Local people become the centre of mountain tourism development. Unless the living conditions of the local people improve, the achievement of sustainable mountain tourism

development is unlikely. The interest of the local people is to **maximise tourism benefits locally** which requires that the following issues will also be addressed:

- conservation/protection of assets,
- employment and income generation,
- community development, and
- empowerment of local communities.

Visitors

All four of the above-mentioned stakeholders are on the supply side of tourism. Visitors complete the tourism picture by being on the demand side. The interest of the visitors is to **maximise satisfaction**, which becomes possible only if there are adequate facilities and the services are of good standard. There also has to be adequate infrastructural development and the cost should be reasonable.

The five stakeholders were further grouped into three in view of the training modules that had to be developed in the context of mountain community and mountain tourism development. The three groups are:

- i. **policy planners:** government, NGOs/INGOs, entrepreneurs;
- ii. **programme designers and implementors:** government, GOs/INGOs, entrepreneurs, CBOs; and
- iii. **CBOs:** local government, organized communities, and entrepreneurs.

No separate training module is required for the visitors, but their interest must be understood by the other stakeholders so that visitors are able to maximise satisfaction. Hence, three sets of training modules for the first three groups of stakeholders will be developed.

TRAINING NEEDS

The training needs to cover a wide variety of areas but, after extensive discussion, three broad areas of training were identified for each of the stakeholders. These broad areas of training are discussed below (see Figure 1).

Conceptual Orientation

A great deal of awareness building on the meaning and use of concepts at the policy and programme levels has become necessary. Much of the effort in conservation of natural and cultural assets begins by realising their values, as these are essential for developing a vision on sustainable mountain tourism development. As will be discussed later, the need to assess carrying capacity is essential in this exercise and carrying capacity, being as complex as it is, needs to be simplified and modified over time in light of management objectives. Certain attributes of nature are best preserved if they are left

untouched because they are extremely scarce. In short, there is still a great deal to learn about nature and, in many places, a great deal of damage has already been done. Therefore, prudence must be observed and planning and management must be carried out by setting reasonable standards, limits, and so on.

Institutional Process

Organizing local communities, designing rules and regulations, and enforcing them are important aspects of institutional development. Without institutions, the management of sustainable mountain tourism development is not possible. However, centralised institutions cannot fulfill the task of managing development at local levels. While central-level institutions are necessary for policy and programme formulations, these policy and programme formulations need to be sensitive to local needs. Institutional linkages and coordination become vital in programme implementation. Local institutions cannot be expected to carry out too many tasks just as central-level institutions cannot fulfill others. NGOs and INGOs have become an effective force at the local level. Hence, from crafting local institutions to developing coordination among institutions at different levels, all are important in the institutional process.

Actions

Finally, plans and programmes can be formulated, but history has shown that implementation in Nepal has been weak. Actions need to be effectively orchestrated within the context of needs, capacities, and resource endowments or the comparative advantages of local areas. Complementary actions for mountain community and tourism development become essential. Providing quality services to visitors, managing the natural and cultural assets, and developing new products are equally important in this matter. Linking actions to financial institutions, developing trained manpower, and developing guidelines are other attributes essential for successful implementation. Research, evaluation, and monitoring can provide valuable inputs to policy-makers and planners to guide sustainable mountain and tourism development.