

INTRODUCTION

Background to the Study

The importance of employment in the off-farm sector has emerged from a recognition of the limitation of the farm sector to fully and productively employ the growing labour force. Studies have shown the technical possibility of employing more labour by more intensive cultivation than that currently practised in crop production in many developing countries (Ishikawa 1978, Berry and Cline 1979). Nevertheless, even if such technical possibilities are achieved, the per capita cultivated land in the hills and mountains of Nepal is too low (0.11 ha) to allow full absorption of the labour force, which is increasing by about 100,000 annually. Moreover, the seasonal variation in the intensity of agricultural work is quite pronounced in Nepal, thus giving rise to seasonal unemployment.

This study on mountain off-farm employment is an attempt to analyse the underlying factors inducing or inhibiting the growth of remunerative off-farm employment (OFE). The first phase of the study reviewed available information at the macro-level. The study identified some prominent and potential off-farm activities, in terms of employment generation, and explored their linkages. One of the potential and prominent activities identified was mountain tourism.

The present investigation comprises the second phase of the study. It is basically a case study of the impact and implications of mountain tourism in the Jomsom and Marpha Village Development Committees (VDCs) of Mustang District.

The objective of this study is to examine the employment and income potentials of trekking tourism and to analyse the factors that help or hinder the long-term sustainability of activities associated with tourism. More specifically, the objectives are to assess the critical issues and options concerning tourism-related, off-farm employment in the study area and to develop guidelines for the promotion of environmentally-sound and sustainable OFE activities associated with mountain tourism.

Selection of Study Area

The Marpha-Jomsom VDCs in Mustang District were selected for the case study because of several reasons. The area is the major destination of trekking tourists in Nepal. It is not accessible by motorable road. The growth in tourism has brought about visible economic changes in the area. Tourism has brought about a series of activities that have provided new and novel off-farm employment opportunities. At the same time, the effects of trekking tourism, particularly on environmental resources, are emerging as an important concern.

Approach and Methodology

Both primary and secondary information have been used in the case study. Primary information was collected from household and enterprise level surveys of the study area. A field survey was conducted during November-December of 1991, and the reference period of the study was November 1990 to October 1991.

The purpose of the household survey was to prepare a socioeconomic profile and to estimate the proportion of the work force employed in various off-farm employment activities and the contribution of these activities to the household economy.

The purpose of the enterprise level survey was to investigate the major off-farm activities of the study area in terms of their linkages, potentials, problems, and prospects. Detailed discussions and interviews with key informants provided many insights. The key informants included community leaders, village chiefs (*Mukhiya*) and elders, local school teachers, entrepreneurs, business men, government officials, and tourists visiting the study area. Community leaders, village chiefs, and local school teachers were interviewed to collect information on off-farm activities, their resource base, issues of environmental degradation, farming systems, cropping calendars, and community programmes. Government officials were consulted on the government's programme and policies and assessments of community opinions. Entrepreneurs and business men were interviewed, mostly to identify the problems and prospects of off-farm activities at the farm level. Tourists were also interviewed in Marpha-Jomsom VDC to share their experiences, and their perceptions on the problems and potentials of the area.

Household Selection

The households were selected by using two stage selection procedures. Four villages; Jomsom, Thini, Marpha, and Syang were selected purposively as the first stage sampling units from the Marpha-Jomsom VDCs on the basis of information collected from local informants.

In the second stage, a list of household heads was prepared within the selected villages, together with the estimated size of their landholdings. The households were grouped into marginal, small, medium, and large categories according to the size of landholdings. Finally, a total of 55 households were selected randomly, so that the proportion of the sample to the population in each group remained more or less equal. One household was dropped from the final analysis because of incomplete information on some key variables.

Enterprise Selection

In selecting the enterprises, an inventory of existing enterprises in the study area was prepared, and these enterprises were grouped by type of industry. Twenty per cent of the enterprises in each group were selected and the owners/managers of the selected enterprises interviewed. In cases where the number of enterprises in a given industry was less than 10 but more than one, then two enterprises were interviewed.

Organisation of the Study

The study is organised into four substantive chapters. The following chapter presents the regional setting and the socioeconomic as well as the resource profile of the study area. Chapter Three presents an inventory of existing off-farm activities and provides an analysis of the labour demand situation, as well as the contribution of off-farm employment to household income. Chapter Four provides an investigation of major off-farm activities in terms of the specifics of their management, technology, marketing, and extension and support services. The final chapter summarises the critical issues and options with respect to the development of mountain tourism in the Jomsom-Marpha area in the form of guidelines for future development.