

Introduction

Introduction

Tourism continues to play an increasingly significant role in the Nepalese economy. The panoramic natural beauty found in the mountain environments, with their different ecosystems and habitats, and Nepal's rich cultural heritage have been the major sources for attracting an increasing number of tourists from all over the world. Altogether 334,353 tourists visited Nepal in 1992, out of which nearly 11 per cent visited for trekking and mountaineering purposes. The remainder were conventional tourists who spent most of their time in Kathmandu. Nepal earned an equivalent of Rs 5,016.9 million in foreign exchange in 1992 from this sector, representing about 20 per cent of the country's total foreign exchange earnings. The contribution of this sector to employment generation has also been substantial as it creates direct, indirect, and induced employment as well as income through its backward and forward linkages with other sectors of the economy.

Tourism may have witnessed a high growth rate over the past decades, but the growth has occurred more in terms of tourist numbers (demand driven) than in any substantial qualitative changes in this sector (supply components). For example, the average length of tourist stay per trip has remained virtually stagnant over the last 20 years, and there has been no significant improvement in real per capita tourist expenditure during this period.

More alarmingly, there has been a high level of import leakage, with no indication of this leakage decreasing. Recent evidence further reveals that Nepal's capacity to realise the full benefits from tourism are below optimum, primarily because of the overall low level of development in the country, including import substitution industries. The scope for enlarging the tourism sector to generate more income and employment is believed to be enormous. The natural beauty of Nepal, especially in the northern half of the country which possesses many natural wonders, has not been subject to development. Tourism development in these 'niche' of natural wonders can generate income and employment to mitigate the rampant poverty of such areas. Proper planning can help link mountain development with tourism development, and the scope for providing income and employment in the mountain areas can be greatly enhanced.

There is, however, a need to exercise caution in the development of the fragile environments of the hills and mountains. Although trekking and mountaineering tourism have had visible positive effects in terms of employment and income generation, tourism has also generated negative effects that are fairly serious in some areas. Many lessons have been learned from tourism activities in the hill and mountain areas; thus, past mistakes should not be repeated while developing new areas for trekking and mountaineering tourism. The benefits resulting from tourism have also not spread widely due to poor planning of tourism development. In order to realise greater benefits from tourism and to minimise its negative effects in the mountain areas, it is necessary to see mountain areas in terms of their different environmental resources and their economic value.

The main reason for the low returns from tourism in the mountain areas has been due to an under-valuing of the environmental resources that the mountains harbour. Many of these resources are unique and have no substitute, so that, theoretically, the scarcity value of such resources should be fairly high. Another related problem is the lack of integration of mountain development and mountain tourism. Tourism development in the mountain areas should not be undertaken in isolation from mountain development. Mountain tourism is but one important dimension of overall mountain development. Given that the mountain environment is endowed with unique resources, it should be conserved for future generations. Hence, environmental conservation has to be the guiding philosophy of overall mountain development, including trekking, mountaineering, and other forms of development.

It is also necessary to diversify tourism to new areas to ensure environmental conservation. This strategy will promote more income, employment, and better distribution of income. The development of new areas will, however, depend primarily on the strength of the forces that operate on the supply side, even though the demand side continues to be important. A destination like Sagarmatha National Park is selected by tourists primarily because it has the world's highest mountain, for which there is no substitute. The desire to observe or climb the world's tallest mountain and come in contact with the unique local Sherpa culture have been the primary reasons for a large number of tourists to this Khumbu region, and local people have responded to the needs of these tourists. The Annapurna area has unique panoramic features, is relatively accessible from Kathmandu, and the area has a rich, vibrant Gurung and Thakali culture. Tourism development in this area has occurred here too because of the local people's ability to respond to tourist needs. Langtang National Park has excellent views of the Himalayan peaks, is easily accessible

from Kathmandu, and offers a full trekking circuit that can be undertaken in about a week's time. Here, too, tourism development has occurred with local people responding to the tourists' needs. Stated differently, tourism development in the above areas has been primarily demand driven.

The concern of this study is not with the overall tourism sector but with trekking and mountaineering tourism, or what is referred to as mountain tourism in this report.

Kathmandu is an inevitable stopover for virtually all tourists (excluding Indians) visiting Nepal, because it has the only international airport. Factors deterring tourism, such as pollution, dirtiness, congestion, the difficulty of quick and easy access to other parts of the country from Kathmandu at short notice, and many others, are becoming critical issues that are certain to affect the future development of this sector. The development of trekking and mountaineering tourism in new areas of the country could relieve some of this pressure on the capital to help the industry grow as well as to mitigate rural poverty.

Although the overall growth of tourism will affect mountain tourism, the development of this sector will depend on many other factors as well. At present, the overall policy and an institutional framework for mountain development and mountain tourism are totally lacking in Nepal. Even considering mountain tourism in isolation from mountain development, policy and institutional weaknesses and failures are paramount. The problem is compounded by market failure as well, when private parties pursuing income and employment neglect the concern for preserving the mountain environment. The result has been a deteriorating trend in the quality of the environment, both in Kathmandu and in the popular mountain areas.

Problem Statement

Mountain and trekking tourism has played a significant role in transforming a few rural communities in certain areas of the country, notably the Sagarmatha, Annapurna, and Langtang regions, by diversifying local economies from a below-subsistence farming and herding system to a tourism-based economy in the last 20 years or so. However, these areas are sensitive micro-ecosystems, with meagre tolerance of stress and limited carrying capacity. Aggressive tourism activities in such areas, without proper mountain resource management, i.e., supply side management, have created serious environmental problems.

The benefits derived from mountain tourism have also been wanting. Benefits have been realised primarily in terms of income and employment but more significant benefits, based on the value of the environmental resources, remain to be realised. The concentration of tourists in some mountain pockets, the seasonal nature of mountain tourism, and lack of integration of tourism with the local economy are important issues that warrant concern about the distribution of benefits from tourism.

The economy and environment of the mountain areas need to be developed in a well-integrated manner. The mountain environment cannot be expected to sustain the continuous growth of tourism. The capacity of the environment to sustain economic development in the mountains has to be better understood. The complementary nature of environment and investment has to be studied and planned.

Remedial actions and a code of conduct have been formulated, but the fact that negative impacts, or excess stress, on the carrying capacity continues to occur indicates the failure of existing policies or their ineffective enforcement. Furthermore, in some mountain areas visited by the tourists, tourism management is entirely absent. This has not helped local people to realise greater benefits from tourism, nor has the effects on the environment been monitored. Thus, effective policy and institutional frameworks are necessary, to conserve the environment as well as to promote income and employment in such areas.

Integrating tourism and local community development will also require institutional development at the local grassroots' level. Presently, there are no such institutions at the national and local level. The role of such institutions and the ways and means to make such institutions viable and sustainable need to be explored.

What stands out from the above discussions are the following issues.

1. Tourism development in mountain areas is essential to alleviate poverty by providing income and employment to local communities.
2. New methods are needed to reduce overcrowding in old areas and to promote tourism in new areas.
3. The potential in developing tourism in new areas cannot rely on demand-induced tourism alone; supply-managed tourism should play the leading role. Supply-managed tourism is also likely to promote other sectors of the local economy.

4. Institutional and organisational aspects of strengthening the capability of local people and the community need to be identified and assessed.
5. Finally, policies have to be conducive to promoting tourism investment from the point of view of the environment so as to strengthen linkages between tourism and local community development.

Objectives of the Study

The study's specific objectives are given below.

1. To carry out an extensive review of the literature related to tourism, in general, and mountain and trekking tourism in Nepal in particular.
2. To identify and assess the impact of trekking and mountaineering tourism on the local environment, income, and employment.
3. To examine policies related to trekking and mountaineering tourism and to assess the implication of policies on tourism, economy, and environment.
4. To identify and analyse the main problems in mountain tourism development in the context of mountain environment.

Organisation of the Study

Following the introductory chapter, Chapter 2 presents an overview of tourism in Nepal. Macro-trends in the tourism sector are analysed and assessed. Chapter 3 focusses on mountain tourism. It describes the types of mountain tourism activities and the areas where such activities are conducted. In Nepal, mountain tourism occurs chiefly in protected areas; hence, this chapter briefly discusses the mountain protected areas and reviews the major conflicts in these protected areas, noting the revenue generated by mountain environmental resources. Chapter 4 assesses the major impact resulting from tourism in the mountain areas and Chapter 5 assesses tourism policy and institutions in Nepal. The overall problem related to mountain environment and tourism are identified and analysed in Chapter 6.