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TOURISM AND SUSTAINABLE COMMUNITY DEVELOPMENT IN NEPAL

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Nepal, the developing country in South Asia is considered as a visual paradise which is situated between China in the North and India in the South. Tourism has been the major source of revenue in Nepal. Through small development in tourism sector, the country can benefit by generating foreign currency and employment opportunities, and hence contributing to overall development of the nation’s economy. The major source of revenue is tourism industry. Forty-two percent of total employments are created by tourism and they are totally depending in tourism for their livelihood. (employment in third countries are excluded)

The main aim of the thesis is to reflect the current profile of Tourism in Nepal, familiarized with sustainable local development and sustainable economic development and how the tourism can play a vital role for the nation’s development. Moreover, this thesis work reflects the theoretical concept of sustainable development in tourism industry.

The thesis deals with the secondary data, initially collected by the Ministry of Culture, Tourism and Civil Aviation of Nepal hence the research is secondary research. Moreover, in this thesis I have analyzed the statistical data to find the contribution made by tourism industry. To find the total contribution made by tourism industry, I have taken the revenue and total budget allocation in year 2010 and it shows the total income 329982000 US $ from tourism industry which is almost ten percent of government’s budget allocation in year 2010 with 3,6 billion US $.

Key words
Evolution of tourism in Nepal, economic development, impacts on the community, Nepal tourism, sustainability
ABSTRACT

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<table>
<thead>
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<th>Full Form</th>
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<tr>
<td>BAFTA</td>
<td>Baltic Free Trade Area</td>
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<tr>
<td>Brundtland Commission</td>
<td>World Commission on Environment and Development</td>
</tr>
<tr>
<td>CEFTA</td>
<td>Central European Free Trade Agreement</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FTAs</td>
<td>Free Trade Associations in Europe</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>MERIC</td>
<td>Missouri Economic Research and Information Centre</td>
</tr>
<tr>
<td>NA</td>
<td>Nepal Airlines</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>NTB</td>
<td>Nepal Tourism Board</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PATA</td>
<td>Pacific Asia Travel Association</td>
</tr>
<tr>
<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on trade and development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNEP</td>
<td>United Nations Environment Program</td>
</tr>
<tr>
<td>UNESCE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>WTO</td>
<td>World Tourism Organization</td>
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</table>
1 INTRODUCTION

The federal democratic republic of Nepal is a landlocked country in the Himalayas and shares the border with China in the north and India in the south. The land of Gorkhas is considered as the land of visual paradise with magnificent views of White Mountains and multi ethnic groups. The one who visit the mysterious land can find the diverse geography with low land and the mighty Himalayas and the unique culture. Nepal as being a multi linguistic country has more than ninety different languages spoken in the local community. The major religious groups are Hindus but there are sizeable population of Buddhists, Muslims and Christians as well.

Tourism has been the major source of revenue in Nepal. The country in the Kingdom in the Himalayas is known in an international arena as a prime tourist destination due to its natural beauty, unique culture and innumerable unique tourist destinations. Through small development of the tourism sector, the country can benefit by generating foreign currency and employment opportunities, and hence contributing to the overall development of the nation’s economy. (Christie 2008.)

The main aim of this thesis is to reflect the current profile of Tourism in Nepal, familiarized with sustainable local development and sustainable economic development and how the tourism can play a vital role for the nation’s development. Nepal as being a developing country in South Asia, the country has lots to do with tourism to get more revenue and get success in the developing process. Moreover, the thesis also deals with, what things the Government of Nepal must emphasize for the parallel development or what can be done in order to receive more and more domestic as well as international tourists. Nepal as one of the developing countries in South Asia is now receiving huge numbers of tourists. The thesis also tries to find the promotion method to receive more tourists in the future.
Tourism is vitally one of the most important factors of the world economy today accounting for more than ten percent of the global spending. Tourism has been the largest and fastest growing industry in the world so it is now further divided into small components depending upon the choice of people. Tourism is not only the source of foreign currency exchange; it is also the way of understanding the people and culture of the rest of the world. Tourism in Nepal is developing as a major employment generator with forty-two percent of total employed people inside the country. It is necessary today to maintain the potential for the future generation on the host region or destination country as it is being degraded elsewhere. The small development in tourism in the particular region can benefit the local people so the Government of Nepal should focus on promoting the tourism and at the same time they should keep in mind about the future generation. So it has been compulsory to know about the sustainability of the host region from which the region can benefit the economic growth.

The main objectives of the thesis are to raise awareness about the tourism in Nepal, the term sustainability, to familiarize with the existing literature about sustainability and economic growth made by the tourism industry. Moreover, the thesis also deals with tourism development in terms of sustainability and the sustainability of economic growth. It is necessary to have the certain policies for any development purpose as it tends to follow the certain schedule therefore this thesis work tries to find some trends and policies for tourism development.
2 TOURISM IN NEPAL

Possessing eight of the ten highest mountains in the world, Nepal is known as one of the most visited adventure tourism destinations in the world. The mighty Himalayas, colorful mountains, and cheerful faces always attract the tourist. Nepalese are the ones who can smile even they are suffering from sorrows. The tourism industry employs 42% of the total working population, which depicts that most of the Nepalese are dependent on the tourism industry for their livelihood. Today, the responsible tourism is practiced by the Government of Nepal to ensure that environmental degradation does not occur as a product of tourism activities. (Nepal Tourism Board 2010)

2.1 Evolution of tourism in Nepal

Tourism in Nepal has no proper record before the democracy of 1951. During the Rana Regime, Nepal was not open for tourists and hence there was no proper development for the tourist neither the proper report. However, Nepal followed an open-door policy after the democracy in 1951; it was the conquest of Mount Everest on 29th May 1953 by the late Mr. Tenzing Norge and Mr. Edmund Hillary, which caught the attention of an international audience.

The department of tourism was established in 1996 under the tourism development act, and the process went on after the establishment of the tourist service center and the Nepal Tourism Board (NTB). Nepal succeeded to get the membership of UNESCO (United Nations Educational, Scientific and Cultural Organization), thus some of the heritage sites are listed in UNESCO and hence are known to the outside world. Realizing the fact that that Nepal has a future potential in the tourism industry, the country further succeed to get the membership of the International Union of Official Travel Organization (IUOTO), South Asian Travel
Commission (SATC), The Pacific Area Travel Association (PATA), and the American Society of Travel Agents (ASTA). (Bhattarai 2003, 10.)

Systematic tourism in Nepal started from 1966 with the establishment of a few hotels, and later on the tourism master plan put an emphasis on tourism development. Having realized the importance of the tourism industry as a major source of foreign exchange earnings, emphasis was given to promote tourism in Nepal and abroad and hence develop the travel agencies, hotels and infrastructures. In 2011, Nepal celebrated as a visit Nepal year aiming to receive one million tourist around a year. Many of the hotels are being upgraded and many are newly established to facilitate the tourist. (Nepal Tourism Board 2010.)

2.2 Current profile of tourism in Nepal

Tourism is making an effective contribution to the development of nations, by realizing the fact, His Majesty’s Government (now switched to federal democratic republic) had declared the year 1998 as Visit Nepal 98 aiming to receive 0.5 million visitors but today, the country is celebrating another Visit Nepal year 2011 aiming to receive 1 million (double than 98) in order to further enhance the image of Nepal as a special destination for the visitors. To accomplish the program objectives, the various organizations and agencies both within and outside the tourism industry, has come together hand in hand to formulate a strategy to make Visit Nepal year succeed. Many infrastructures are being constructed to make the year successful. (Ministry of Tourism and Civil Aviation of Nepal 2011)

TABLE 1 Arrival of tourist in the last two years (adapted from Nepal tourism board 2011)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2009</th>
<th>2010</th>
<th>Difference (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>379,322</td>
<td>448,800</td>
<td>18.3</td>
</tr>
<tr>
<td>Land</td>
<td>130,634</td>
<td>154,067</td>
<td>17.9</td>
</tr>
<tr>
<td>Total</td>
<td>509,956</td>
<td>602,867</td>
<td>18.2</td>
</tr>
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</table>
The above mentioned table 1 shows the arrival of tourists in the last two years, and the difference between them. The table depicts that the number of visitors is increasing and the Government of Nepal has an ambition to receive 1,000,000 tourists in 2011 as it is being celebrated as a visit Nepal year 2011. The first month of the year shows the great hope for the tourism enterprises. The country welcomed 32,914 tourists in January 2011 with the gain of 26.2 percent compared to the same month last year. The Government of Nepal has targeted two neighbor countries as major visitors during the year. Despite the poor performances of Nepal Airlines (National Flag Carrier), many other airlines have upgraded their flights and increased the frequencies along with China Eastern and China Western. During the first month of the year Nepal receives 35.5 percent and 79.6 percent more than last year from India and China respectively. (Nepal Tourism board 2011.)

The South Korean visitors consist of 8.3 percent of the total visitors with a growth of 20.3 percent. Similarly, after the peace accord between the government and Maoists, the number of Buddhist Pilgrims is increasing significantly, so as a result the tourists from Eastern Asia are increasing. Among the SAARC (South Asian Association for Regional Cooperation) Bangladesh and Pakistan registered a growth of 10.3 percent, and 13.3 percent respectively, whereas the Sri Lankan tourists are decreased by 47.5 percent. The arrival from European nations shows the overall growth of 14.6 percent, however, the visitors from France, Switzerland and Italy decreased by 17.4 percent. The visitors from North America and Australia registered a robust growth rate of 26.6 percent and 23.8 percent respectively. (Nepal Tourism board 2011.)

These above mentioned figures show the great hope for the tour operators in Nepal. The country is enjoying a sustained growth of tourists since June 2009. Thus, the tourism is playing a vital role for the nation’s development as it creates jobs for many people.
3 PRESENT POLICIES ON TOURISM IN NEPAL

Nepal is well-known as the main tourist destination in the international arena due to its natural beauty, unique cultures, incomparable heritage and innumerable tourist destinations. Even a small reform in culture and tourism sectors means that the country can earn foreign currency and generate employment and other opportunities contributing to economic growth. Nepal is the birth place of Lord Buddha, Vrikuti and Sita and has incomparable traditions, prosperous culture, unique customs and a rich heritage. Conservation and promotion of history of brevity and warriors and uniqueness of Nepali society in itself are issues of major importance.

3.1 Culture, Tourism and Civil Aviation

The development and extension of village tourism creates livelihood changes, employment and other opportunities and helps in gaining regional balance. Culture, tourism and civil aviation are playing a crucial role for the growth of tourism in Nepal. To facilitate the domestic as well as foreign tourist promotion and development of air transportation is required. A development of domestic and international flights may contribute to effective communication both internally and externally.

In 1972, a ten-year tourism master plan was made in order to provide clear directions for Nepalese tourism; however, it did not succeed because of some political reasons and has been prolonged for a few more years. The ninth plan was targeted to conserve the existing and proposed world heritage sites and promote them as tourist destinations. During the ninth plan Visit Nepal Year 1998 was launched, and somehow succeeded and was the first campaign for the tourism development. Later in 2011 Nepal has again celebrated Visit Nepal Year 2011 with the huge aim to welcome about a million tourists within a nation. The Ministry of Culture, Tourism and Civil Aviation of Nepal is a monitoring or father organization among the tourism organizations in Nepal. (Bhattarai 2006, 133)
3.2 Program and implementation mechanism

The Nepal Tourism Board will in coordination with social organizations and educational institutions conduct programs on local levels to enhance the local awareness towards tourism. Local bodies’ involvement will be emphasized in developing new tourism spots. Below are some implementation mechanisms which will be conducted.

With the initiatives of the Nepal Tourism Board and involvement of non-governmental bodies’ publicity and promotion works will be finding and carried out.
To offer the health care and communication service while travelling in a rural area a mechanism will be set up for registration at several points, which allows the travelers to get in contact with other parties or local authorities.
To rise up the collective voice and the monitoring of an umbrella organization in cooperation with local agencies will be made.
Satellite based navigation system for aviation safety will be graduated in all airports through civil aviation authority of Nepal.
For the conservation of physical infrastructure and heritage sites participation of local women and backward community will be focused.
(Bhattarai 2006, 137.)

In 2001, the Government of Nepal-Ministry of Culture, Tourism and Civil Aviation has launched a program called Tourism for Rural Poverty Alleviation Program (TRPAP), with the technical and financial support of the United Nations Development Program (UNDP). This program is operating in forty-eight village development committees within three districts. The main goal of this program is to help women and backward communities in the rural villages. Rural Nepalese women are still considered only as house wives; they just take care of their children and look after their house. So this program has been offering training to those women and backward community in various fields, for instance, trekking guiding, food and beverage service, cooking and baking and other English language courses. Today many achievements have been made by this program. The local people are self-supporting and women are not considered only as housewives. The concept of home stay tourism has been developed and
hence the local community benefits the foreign exchange earnings. (United Nations Development Program 2001.)

3.3 Tourism policy

The development and extension of rural tourism not only creates employment but also helps in creating a steady regional balance. The Government of Nepal has a policy making authority and enforces the policy into practice. By realizing the fact that the government can benefit from foreign exchange earnings, the tourism policy has been made. The tourism policy is directed towards the sustainable development and promotion in the proper market segment. (Bhattarai 2006, 138.)

The Ministry of Tourism and Civil Aviation in cooperation with the Nepal Tourism Board is responsible for preparing the annual reports and responsible for the tourism master plan and policies. Those plans are based upon the needs of the tourism and the local host community. The participation of the private sector and the cooperation with concerned agencies are required. For example, if the road has to be made for the tourism development, the construction authority is consulted and they are responsible for constructing the road with the help of government budget allocation. (Dangi 2006.)

Tourism has been playing a vital role for the nation’s development, so it is necessary to link tourism with other sectors, for instance, the participation of the local community, other private sectors and some educational institutions. Tourism creates employment opportunities by the utilization of local skills and knowledge and consumption of locally produced goods and services. By realizing the fact that tourism has been one of the major sources of revenue generation there is a need to expand the tourism industry within the nation or internally by improving the natural, social and human environment. The opening of hotels, motels and restaurants are the easiest way to have an own business in Nepal. Due to the lack of supervision these highway hotels and motels are offering cheap quality and the hospitality has not been so good, that is why there is a need to improve the hospitality offered. Once, the
customer is disappointed he/she will not come back again. (Federation of Nepalese Chamber of Commerce and Industry 2011)

Basically, a policy is a course of action or, in other words, it refers to a guiding principle. A clear policy helps to achieve targeted goals as it offers the certain time and rules and regulations. The government of Nepal in cooperation with the Nepalese Chamber of Commerce has set some policies for the tourism development. According to the Nepalese Chamber of Commerce, the private sector participation is required for the development and diversification of the goods and services, whereas the government will direct the development of infrastructures. Both of them agreed to make strong and dependable tourism arrangements to ensure the safety for domestic as well as international tourists. During the peak season from the beginning of October to the end of December, the air planes are totally booked in advance so there is a need to aid some flights. Here are some further policies made by the government of Nepal and the Nepalese Chamber of Commerce.

- Priorities will be given for the development of infrastructures such as roads, hospital, and communication with the coordination of related authorities.
- Existing tourism organization and infrastructures will be upgraded and establishment of new goods and services will be focused.
- To facilitate the cultural tourism, historical pilgrimage trails will be renovated.
- The effective marketing policy and competitive promotion will be launched.
- Implementing the program such as environmental protection, waste management and alternative energy with the local bodies.
- The survey, research and protection of archeological sites of national important will be carried out.
- Legal protection will be guaranteed for the creations of creators and focus will direct towards the new talents.
- Improvising of the satellite-based communication and flight aided system to make air transport risk free.

(Federation of Nepalese Chamber of Commerce and Industry 2011)
4 IMPACTS OF TOURISM

Tourism reaches into the varied aspects of Nepalese life and it generates employment opportunities and helps in the promotion and conservation of art and culture. The tourism industry is a major source of earning foreign currency and generating revenue. Tourism has both negative as well as positive impacts on the local environment and host community. It can be further divided into three components: economic, social and environmental.

The above mentioned graph depicts the impacts of tourism and they are commonly linked with each other. When tourists visit some places obviously they spend some money and hence there is a need for local goods and services, which offers the employment for local people and can generate the income. Similarly, during recent days many vast infrastructures and theme parks are being constructed, which may create environmental problems. In the developing countries in South Asia, the visitors could enjoy the night life in dance restaurants, discos, and bars but...
at the same time these are creating child prostitution in those countries and have been major problem for years. Tourism also promotes the gambling in the forms of casinos, which also develops bad habits among the youth. (Bista 2009, 26.)

4.1 Social impacts

Having unexpected tourism growth in recent years, Nepal is now one of the most popular destinations around the world. Massive increases in tourism in the particular field generate economic as well as social benefits. At the same time the young generation is westernized, this may harm the uniqueness of the nation. Nepal, one of the developing countries in south Asia is now facing a massive problem with child prostitution. As already mentioned above, huge numbers of women and under aged-girls are working in dance restaurants and dance bars and has been a major social problem for years. This is somehow linked with the poorness of the people as they are compelled to do such things for their livelihood. (Pandey, Chhetri & Kunwar 1995, 20)

Due to the mass visitation at one place, the local culture and tradition can be influenced. Nepal is known in the rest of the world as it has its own unique culture but today the young generation is westernized. The concept of individualism is now developed like elsewhere in Europe and America but the Nepalese elderly people believe that this may create friction between the family members and as a result a clash between elderly and youngsters has arisen. If someone from the family has a good job and gets good salary he or she spends that money for his/her own purpose, whereas a decade ago they used to fulfill the family needs with the same money. (Pandey et al. 1995, 21)

If the tourism development is focused on a particular place or only on the urban area, this may result the urban migration, which has negative impacts on the economy as well as on the local environment. For example Sauraha, a small city in western development region in Nepal is one of the most visited tourism destination of Nepal. Many people want to buy land there and establish a hotel; consequently, the price of land is much higher than elsewhere in Nepal, this
definitely results in economic imbalance. Secondly, the local people have to leave that place as they sold it although they get money instead of land. The money they get will be misused often for alcohol consumption and of course identity of local cultures is lost. (Pandey et al. 1995, 21)

Nepalese citizens are now allowed to gamble in casinos in Nepal, however, the management of casinos let them enter illegally and as a result develop the bad habits on youth as has mentioned already above. Nevertheless, the tourism also has positive effects on the host community as it is the source of international amity. Tourism tends to develop positive attitudes and friendship. When the tourist visit some other places he/she get to know the traditions and culture of the destination region and get an opportunity to see different people. Tourism also reduces negative perceptions and increases the self-esteem of the host community and the visitor. Furthermore, while interacting with each other the visitors as well as the host community gets psychological satisfaction. (Mirbabayev & Shagazatova, 2002.)

4.2 Economic impacts

Today tourism is one of the largest and fastest growing industries in the world. Vast development of infrastructures and inflows of foreign currency into the host region shows that the tourism has been growing rapidly in recent years. Tourism has a wide economic impact on the host region and it can be classified on two levels. Firstly, the host region can benefit from foreign exchange earnings directly through transportation, lodging, and from food. Secondly, tourism makes a greater contribution to the host region through the taxation and employment created by the tourism industry. In general, we believe that tourism generates foreign exchange earnings and it creates different new jobs directly or indirectly. Tourism consumes lots of goods and services, the man power used to make the foods and other stuffs are also involved indirectly in the tourism industry, whereas the works of restaurant and hotels, transportation and security of the tourist are involving directly in the tourism industry. Tourism stimulates the trade, income and entrepreneurship and helps to maintain the regional
development. Tourism also generates money from taxation, royalty and visa charges from the foreigners. (Bista 2009, 26)

Apart from some exceptions tourism affects positively on the economy of the host region. Some of the tourists can bring the valuable thing from his/her county as a souvenir. According to the law of economics, “when the demand for goods and services increase the price value for those goods and services decrease,” so the consumer could get it in at a lower price. (Bista 2009, 26)

Tourism is the major source of revenue generation in Nepal. Promoting the nation as a tourism destination the country can benefit from foreign currencies. The Ministry of Tourism, in cooperation with Nepal Tourism Board and other NGOs, is working together to promote the nation. Almost half of the population (employment in third countries are not included) are depending directly or indirectly on the tourism industry. Nepal possesses eight of the ten highest mountains in the world and receives huge numbers of tourist for mountaineering, trekking, white-water rafting and safari. The foreign visitors while entering into Nepal have to pay the visa fee to the Government of Nepal and similarly, they again have to pay for each purpose. This is how the Government of Nepal is generating foreign exchange. (Pandey et al. 1995.)

**TABLE 2 Royalty for climbing the Mount Everest in US$ (Adapted from the Ministry of Culture, Tourism and civil aviation in Nepal)**

<table>
<thead>
<tr>
<th>No. of climbers</th>
<th>Spring</th>
<th>Autumn</th>
<th>Summer/winter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 climber</td>
<td>25,000</td>
<td>12,500</td>
<td>6,250</td>
</tr>
<tr>
<td>2 climbers</td>
<td>40,000</td>
<td>20,000</td>
<td>10,000</td>
</tr>
<tr>
<td>3 climbers</td>
<td>48,000</td>
<td>24,000</td>
<td>12,000</td>
</tr>
<tr>
<td>4 climbers</td>
<td>56,000</td>
<td>28,000</td>
<td>14,000</td>
</tr>
<tr>
<td>5 climbers</td>
<td>60,000</td>
<td>30,000</td>
<td>15,000</td>
</tr>
<tr>
<td>6 climbers</td>
<td>66,000</td>
<td>33,000</td>
<td>16,500</td>
</tr>
<tr>
<td>7 climbers</td>
<td>70,000</td>
<td>35,000</td>
<td>17,500</td>
</tr>
<tr>
<td>Per extra climber</td>
<td>10,000</td>
<td>5,000</td>
<td>2,500</td>
</tr>
</tbody>
</table>
The above table reflects the royalty for climbing the Mount Everest, which is the highest peak in the world with a height of 8.848 meters. The royalty depends on the season, according to the above table the royalty seems quite low during spring and autumn, and is somewhat higher during summer and winter. Apart from Mount Everest, Nepal possesses many other mountains which are open for climbers. In 2010, the government received 37,671,224 Nepalese rupees from the mountaineering out of which Mount Everest consists 77 percentages of the total amount. The Government of Nepal has decided to offer fifty percent off during winter and summer to encourage the climbers. Moreover, all the mountains and peaks located in mid-western and far-western development regions are free of charge for all visitors as these two regions are not well known and not linked with the capital territory directly. (Nepal Mountaineering Association 2011.)

Despite of expensive royalty fee, many climbers are applying for the permission to climb Mount Everest, from which the Government of Nepal will benefit the foreign exchange. Like elsewhere, the visitors need to pay entrance fee while entering into the amusement parks and reserved areas, and hence some amounts will be collected. A concept of homestay is being developed nowadays in Nepal so the visitors do not need to look for the hotel, they can stay anywhere even in the village instead. This is now creating an opportunity for housewives in Nepal to make some money in their own locality. (Nepal Tourism Board 2011.)

4.3 Environmental impacts

The quality of the environment, both natural and man-made, is essential to tourism, however, the tourism industry’s relationship with the environment is complex – many activities can have adverse environmental effects. Many of these impacts are linked with the construction of general infrastructure such as roads, hotels, restaurants, shops, golf courses and marinas. The impacts of tourism are commonly linked with each other; when the mass visitation is occurred, it does not only affect the local culture and tradition at the same time this also has greater negative impacts on the local environment. (Pandey et al. 2010.)
Social impacts of tourism is sometimes beneficial as the host region and the visitors both get to know each other and hence tend to develop a mutual relation. Similarly, the economic impacts of tourism are always beneficial for the host region or nation apart from a few exceptions. In developed countries the economic effect of tourism is always positive. The effects of tourism on the environment are most criticized and affect always negatively as they degrade the environment of the host community or region. The tourism industry will never be one hundred percent sustainable, but the visitors and the service providers have to make it according to the rule of sustainability. The environmental impact can be further divided into three areas; natural, manmade and cultural. The effects of tourism on naturally available resources include the effects on flora and fauna, and as a result it degrades the local environment. The forest of Nepal possesses more than one hundred species of herbarium plants, including yarsagumba, so-called Himalayan Viagra which is summer grass, and winter worm, which is the most expensive medicinal substance in the world. Due to the tourism activity on these places the numbers of these herbs are going down dramatically. Similarly, a concept of hunting tourism is getting wider and as a result the distinct and rare animals are having the worst situation. In Nepal, tourism attractions include some of the national parks, reserved areas and hunting sites. Due to the huge visitation; the wild animals are migrating from those places. (Bista 2009, 27.)

As we all know the vast development of tourism may create environmental problems on the host region. This has been a major problem in developing nations. Kathmandu, the capital city of Nepal, has about three and half million inhabitants and therefore the number of vehicles, hotels and restaurants has to be more but the manpower to maintain the waste and pollutants are less in comparison with the population. So the huge environmental problem has arisen and the same in Dhaka, the capital city of Bangladesh.

Increased importance for religious festivals can enhance the development of museums but at the same time it has negative effect on the local culture too. For instance, Nepal has ninety-four different spoken languages but today the vocabularies of some languages are missing.
Mount Everest is the highest peak in the world and located in Nepal. The base camp of this peak is the holy place for climbers, but today the massive environmental problem has arisen, the base camp is littered with oxygen cylinders, debris and the dead bodies of failed climbers can be seen on the trail which means the Mount Everest needs help and attention. The government of Nepal has placed emphasis on mountaineering tourism and hence receives more and more tourists day by day for mountaineering purposes, but the most needed thing is; the government should focus on sustaining the environment and tourism has to follow the principle of eco-tourism. But today to minimize the situation, the climbers are not allowed to burn fire woods on the trail and it has to be on the proper site if necessary. Few years back a group of climbers cleared two tons of debris as they are committed to climb. The climbing expedition should be led by the companies which are totally committed to the environment of Everest. This is just an example and solution for environmental effects of tourism. Not only in Everest in each and every place the visitors should follow the principle of eco-tourism. (Fears 2011.)
5 A SUSTAINABLE CONCEPT IN TOURISM DEVELOPMENT

Basically, sustainable tourism is tourism, while visiting the host region, which attempts to make low impacts on the local environment and the cultures and at the same time generates the employment for the local people and preserves the potential for the future visitors. The tourism industry cannot be completely sustainable but while visiting the visitors and the local community must apply the rules of sustainability while using it. In others words, sustainable tourism is also called a responsible tourism as each and every participant has to take responsibility. Sustainable tourism is the way of respecting the local environment or any destination such as respecting of local cultures and the natural environment, buying local and giving fair local economic returns to the local families, meaning the emphasis has to be given for the locally produced goods, helping to protect the endangered flora and fauna with our own way as we can. As we all know water and energy are a precious natural resource that is why we need to be very careful while using them. The tourists could be more sustainable while visiting the destination region and protect and enhance the favorite destination for the future enjoyment. (Thomas Cook 2010.)

5.1 Aspects of tourism

Today tourism has become an important component for all communities around the world so the need to develop the sustainability also becomes the responsibility of all communities. Human communities represent both primary resources upon which tourism is depending, and the existence of secondary resources on the host region at a particular time. Local communities are the basic reason for the tourist to travel, experience the way of another’s life and get to know different people. Sustaining the local communities therefore has been an essential element for tourism today. This helps to maintain the potential of the destination region for the future generation. “The rational of sustainable tourism development usually rest on the assurance of renewable economic, social and cultural benefit to the community and the environment” (Hall & Richards 2010, 1) The tourism development cannot be sustainable
without the participation of local communities, for this reason Taylor (1995, 487), argues that “the concept of community involvement in tourism development has moved nearer to the center of the sustainability debate.”

Below are the aspects of sustainable tourism, i.e. economic, social and environmental illustrated with the help of the triangle. All these are interlinked to each other.

![Sustainable triangle](https://example.com/sustainable_triangle.png)

**GRAPH 2** Sustainable triangle

Economic progress is always evaluated in terms of welfare and the utility of goods and services, which is measured as the willingness to pay for the goods and services used by the consumers. Thus, economic policies typically seek to increase conventional gross national product (GNP), and to produce more efficient production and consumption of goods and services. On the other hand, the equation of welfare with income and consumption has been changed for many years. For instance, Buddhist philosophy over twenty-five hundred years classified a comprehensive list of human desires and stressed that contentment is not synonymous with material consumption. Maslow and others have identified recently the
hierarchies of needs that provide psychic satisfaction towards the consumers beyond mere goods and services. (Munasinghe 2007.)

The modern concept of economic sustainability was developed to maximize the flow of income that could be generated, and maintain the stock of assets or capital, which helps to gain this income. Fisher has defined capital as “a stock of instruments existing at an instant of time”, and income as “a stream of services flowing from the stock of wealth”. According to Hicks, people’s maximum sustainable consumption is “the amount that they can consume without improvising themselves”. While ensuring the consumption and production the economic efficiency has been playing a vital role.

Today in most of the region the natural resources available are not enough for the local people and that is why the modern economies have recently acknowledged the need to manage this situation and save the potential for the future use for the upcoming generations. While using the natural resources one should be prudent, however, the human welfare ultimately depends upon the natural services. To maintain the potentiality the local communities must not ignore the safe ecological limits, which may increase the risk of long-term prospects for development. (Munasinghe 2007.)

It is necessary to maintain the environmental sustainability not only for a tourism purpose; it is also an essential element for people and other living organisms. Polluted surroundings may cause serious problems in the living organism. The environmental sustainability can be defined in terms of a comprehensive, multi-scale and dynamic hierarchical measure of resilience, vigor and organism. (Munasinghe 2007.) This applies to both human beings and other living organisms like plants, small herbs, microorganisms and other wild animals. All the living organisms are inter-linked somehow, if some of the organisms get destroyed or get serious problems in surviving, this may affect the other organisms, so it is necessary to maintain the ecosystem to maintain the environmental sustainability. Petersen G, Allen C, & Holling C quoted in Munasinghe that the resilience of a given ecosystem depends on the continuity of related ecological process at both larger and smaller spatial scales. The natural system tends to be more vulnerable to the rapid external changes caused by the human
behavior. A multicellular organism like human being is more responsible in sustaining the local environment than a single celled amoeba. So the survival of more complex organisms depends upon the use of low entropy energy. The unlimited desires and the needs of human beings is a major component for the degradation of the environment. So the natural resources’ degradation, pollution, and loss of biodiversity are determined because they increase vulnerability, health system and reduce resilience. So being a human being today this is our responsibility to maintain the environmental sustainability. (Munasinghe 2007.)

Basically, social development refers to the improvement of both individual people and the overall development of the entire community. Society welfare is the common goal for the individual and the community which help to maintain the sustainability of the entire community. The social and mutual understandings are the major assets of the local community. The quantity and the quality of social interactions reflect the human existence, including the level of mutual trust, understanding and extent of shared social norms. Each and every people is responsible for the development of social capital but at the same there may be some negative images. For instance the cooperation between the criminal gangs may help the activity of gangs but not the entire society. Nevertheless, the cooperation is the prime component. Equity and poverty alleviation are important and hence the social goals include protective strategies that reduce vulnerability and ensure the basic needs of the people, which helps to maintain the sustainability of the entire community. (Munasinghe 2007.)

Basically, social sustainability tends to reduce the vulnerability and maintain the healthy environment in the community. One aspect of sustainability (social sustainability), encompasses the human rights, labor rights and corporate governance. The social sustainability has been a major problem in some of the countries nowadays; this is because of the lack of proper education and the formation of the local criminal gangs. Understanding the links that radiate out from poor communities and their interface with agencies and government is critical for making connections and channeling resources more directly to make social development more sustainable. (Munasinghe 2007.), as a human being, we all have a social investment in our own community. We are living in a grouped and organized society. It is
necessary today to maintain the social sustainability for the formation of healthy and prosperous local communities.

5.2 Need of sustainable tourism

Why do the destination regions, countries or the cities want to have tourism? The answer is of course, tourism may improve the lives of the people; this is true in most cases. The tourism industry creates job opportunities for the people and increases the income that is why tourism is important. As we all know if we take something then we should give something, which benefits the long-term relation. For example, if we are employed by the tourism industry then it is our responsibility to maintain the sustainability of that region or city. Sustainable tourism helps to meet the same goals in the future as it is today. The further generation will get an opportunity to experience the value of the host region. Local communities are not only important in terms of action taken to preserve the local surroundings, but also in part of a wider alliance to preserve the land globally. There are lots of NGOs and other groups working together to preserve the land. Sustainable tourism development meets the needs of present tourism and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, and biological diversity and life support systems. (World Tourism Organization)

The above definition depicts the importance of sustainable tourism.

Sustainable tourism is a most important factor today because the communities need to support themselves on the available resources. The increasing population must survive on the limited resources because the resources are limited. Place-based communities have become central to a holistic concept of sustainability, which embraces and integrates environmental, economic, political, cultural and social considerations. In this way there is an implicit recognition which has to be truly sustainable, the preservation of the natural environment must be grounded in the communities and societies, which exploit and depend upon it (Hall & Richards 2000, 1.)
5.3 The changing concept of community

There have been lots of interpretations of community for few years back and it varies on each individual level. The widely accepted interpretation of the community consists of four different phases of time. Firstly, the community refers to a specific topographical region. Secondly, in terms of social system in the particular surroundings. The third definition is in terms of feeling, for instance togetherness, and the mutual cooperation, and the fourth definition as an ideology. But today the concept of community refers to all of these above. The above mentioned components of the community are the key elements of tourism development. Lash and Urry argues about the changing concept of the community in a post-modernist form. Hall & Richards quoted that having been initially threatened with extinction through modernist rationalization and disembodying, through the increasing mobility of the society and the end of geography through global communications, the place based notion of community has actually reemerged as a vehicle for rooting individual and societies in a climate of economic restrictions and global social and economic structures based on the nation stage begin to be questioned, so local communities has come to be seen as essential building blocks in the new associations and the political alliance of the emerging third sector. (Hall & Richards 2000, 2-3.)

The local communities are the transmitters as well as receivers of the globalization. The concept of community has become completely formulated from the local residents to social, cultural or ethnic groups. The new concept of the community has provided the building blocks for the development of brotherhood and nationhood. Tourists travel to the different and new places to experience the different way of living and to know how other societies are. They can also be repulsed from districts regarded as dangerous because of the nature of the community. Communities are not only the victims of modernization and globalization but at the same time the communities have become a resistance for the modernization. This is because the people need to realize that the community itself has become an important object for the tourism consumption. The concept of community tourism is being developed now as a form of tourism often called community based tourism which aims to benefit the local people and communities with themselves to be involved. In this way the concept of community has been developed.
The fact is that the community can have influence over the development of tourism and this is why the community development in tourism has been increasing in recent years. (Hall & Richards 2000 2-3.)

5.4 Sustainable development

Simply, sustainable development refers to the needs which can be met not only today, but also for the further generations to come. We can say the sustainable development is the way of using the resources in the present, which aims to save the potentiality of the same resources for the future. In 1987, the Brundtland Commission defined sustainable development as “Development that met the needs of the present without compromising the ability of the future generations to meet their own needs”; since then the concept is widely accept where the economic well-being and the environmental quality coexist. According to the Brudtland Commission the sustainable development must address the maintenance of ecological integrity and diversity, has to meet basic human needs, there has to be open option for the future and increase self-determination and is the most important. (Brundtland Commission for Sustainable Development 2005.)

By the same commission it was suggested the necessity of some things in order to gain the above mentioned things in practical, such as to revive economic growth, change the quality of growth, meet essential needs such as food, job, money, entertainment, water and sanitation. Furthermore, it also suggests that the conservation and enhancing of resource reorient technology and manage risk of using it. (Brundtland Commission for Sustainable Development 2005.)

The term ‘sustainable development’ is not a scientific concept, although many people have accepted it. To promote the sustainable development it has gained the prominence in the education led by the UNESCO (United Nations Educational, Scientific and Cultural Organization). The member nations of the UNESCO have given it a significance importance because it is necessary to preserve the land for the future use.
The sustainable development has been written in the different nation’s legislation and become a common issue on both local and global scales. It needs a long term perspective that work towards establishing equity between people and other inhabitants. Recently the sustainable development also covers the cultural issues that have been incorporated.
6 DEVELOPMENT OF COMMUNITY ENTERPRISES

Community enterprise is the generic term which seeks the development of community-based economic activities to repair the community economy. It is commonly linked with social enterprise as both of these have to do with the local community to achieve the same goals. Historically, the concept of community enterprise implies a self-help response for the withdrawal of unemployment problems. Community enterprises must address some issues like: has recognition as an enterprise, has the primary purpose to benefit the local community, produces goods and services within the community, generates revenue from the goods and services, address the unemployment problem and helps to solve, maintaining the local surrounding at the same time, focuses on education and recycling and has social motives and objectives. (Together work 2012.)

A community enterprise project or organization has to be owned by its members or local people. It is an independent body whilst a partnership or cooperation with other bodies is sometimes allowed. A community enterprise should have clear and transparent social objectives. (Together work 2012.)

A community enterprise is managed in a participative, democratic and inclusive manner. It uses the Social Audit Method for the management of organization which also has a toolkit that enables to record the financial records. The community enterprise could be both profit and nonprofit based with the common goal to achieve, i.e. economies’ development in the local community, for instance in Nepal the community members form an organization aiming to work together in the tourism industry. (Together work 2012.)

6.1 Small entrepreneurs

Simply, an entrepreneur is a person who starts a new business venture at his/her own risk to make profit. Similarly the term small entrepreneur refers to single person investment to make
a profit in single risk, where the owner applies his/her personal knowledge. Nowadays we tend to think of an entrepreneur as a person who is talented and has a clear vision and knows the future opportunities and has the ability to develop those opportunities into profit making business by minimizing the risk and knowing the current market situation. Bossevain argues that “an entrepreneur is regarded as a person who builds and manages an enterprise for the pursuit of profit in the course of which he/she innovates and takes risk, as an outcome as an innovation is usually not certain” (quoted in Hall & Richards 2000, 159). The chapter also deals with the resources that are used by entrepreneurs and distinguish between them as first-order resources and second-order resources. First order-resource consists of lands, equipment, funds and specialized knowledge for the particular field in which the entrepreneurs are involved directly, whereas the second-order resources refer to the person who has directly contacts with the people who control these resources. Entrepreneurs who directly control the first-order resources are called patrons, and the entrepreneurs who predominately control the second-order resources are call brokers. (Hall & Richards 2000, 159-160.)

6.2 Independent patrons

The local owners of tourism businesses always act as patrons because they always take control of first-order resources, for instance: land, real estate, money, equipment and some other means of production. The owner himself or herself is responsible for the management of the business firm. We can find them in various tourism sectors and branches.

The accommodation sector: the owners of home stay, small hotels, motels and guest house.
The tour and travel branch: the small travel agents which arrange the home base travel
The transport sector: owners of the small rental cars and bikes, horse carts.
Restaurant sectors: the owners of the small coffee house, food stalls and street market which offers the fast service for the tourist.
The souvenir business: the owners of the small boutiques, street stalls small jewelry and wooden crafts.
Beauty service sector: refers to the self-employed women by opening of massage, beauty care, hair styling and make up.

Entertainment business: refers to the nonprofessional groups but collects the money by performing in the street.

The small enterprises are established without investing large money; it can be within the family since they produce the services and goods and sell them themselves. The service of course will be faster and more efficient in small tourism businesses as the owner is responsible for everything and can act quickly according to whatever the customers need. (Hall & Richards 2000, 161.)

In recent years in Nepal the concept of home stay in local community has been developed. The Government of Nepal offers the training and basic class for those who are interested in doing business in the local community. They use local raw materials and sells to make the profit. They offer the local foods and homemade drinks, everything offered to the guest are available in the local surroundings.

6.3 An example of Sirubari village as a community business

Nepal is well known for its natural beauty, mighty Himalayas, diverse culture and cheerful people. These qualities make Nepal a unique place giving high potentialities for the growth of the tourism industry. Tourism is not a new phenomenon, however, making tourism a dynamic sector of economy and accepting it as a vehicle of poverty reduction is certainly relatively new and timely thinking.

The Government of Nepal, along with Nepalese travel trade sector and concerned organizations/experts, decided on October 25, 2008 to launch a national tourism campaign "Nepal Tourism Year 2011". This announcement reflects the government’s anticipation to bring into Nepal at least one million international tourists by the year 2011, and the tourism industry’s exigency to organize a tourism promotion campaign for a wider impact. With the
badge of adventure destination glittering and the adage “Atithi Devo Bhava” (Guests are Gods). (Nepal tourism Board 2008.)

Sirubari is the first village of the country declared a model village in 1997. Ever since this village has come a long way with many developments. The village has successfully preserved the traditional Gurung culture (one of the ethnic group in Nepal), that can be observed throughout the village. This renowned tourist destination is located in Panchamul VDC, Syangja. It lies about 1700 meters above the sea level. It seems that Mother Nature has bestowed all her heavenly glory upon this exotic village, where every creation of nature is simply awe-inspiring. Sirubari is not only popular for its scenic beauty but also for the art, culture and tradition. There are some places which have historical and religious importance. In recent days, the village has also made a significant progress in the field of education and health sector. Sirubari, in conjunction with the Nepal Tourism Board, was awarded the PATA Gold award in recognitions of its efforts to preserve the culture and heritage of Nepali total life. (Hotel Nepal 2011.)

Village tourism is a recent innovation successfully demonstrated at Sirubari in Syangja a half days distance from Pokhara, (one of the famous cities in Nepal). It is a three-hour walk from the road-head just 30 kilometers from Pokhara. A management committee takes responsibility for visitors, welcoming the guests according to their own culture, accommodation, and sightseeing and guiding, no individual villager can take tourist to their house without the committee’s permission. The houses are mostly built from local arterials and are well constructed and comfortable. The village consists of 60 households of which many are offering guest accommodation. It is a very neat and clean village; the accommodation is simple but comfortable with good bedding, as well as clean toilet facilities. (Holiday Nepal 2011.)

Sirubari Village has its own unique style of accommodation, the prices are the same for all the rooms and this includes meals as well. Sirubari Village does not offer any luxurious room with or the deluxe room. Moreover, interestingly, the village does not have a single star hotel or guest house like in many cities and town, they just offer the clean accommodation in typical
Nepali style. The villagers are well-trained so that they know what to do with the filth. As a result of the concerted efforts, the entire village looks extremely sparkling. However, every house member in Sirubari is well trained to receive the guests with the right spirit. Staying with these families the guests feel more like at home. Each and every house in this village is equipped with all basic facilities expected by the foreign tourists. The tourists may not get a swimming pool in the village, but they can enjoy the glory of natural spring water coming down from the Himalayas. This unique experience does not only surprise the foreign guests, but also Nepalese visitors. Every evening is special in Sirubari. As soon as evening falls and the moon rises out of the clouds, the village echoes with the music of madal, khaijari and flutes. Some enthusiastic foreign guests can also be seen moving their feet to popular folk music. (Holiday Nepal 2011.)

Meals of daily fresh food are eaten with the family, and each evening there is entertainment provided by the community, which is usually Gurung dancing and singing. Village treks can be undertaken while experiencing village and rural life. Accommodation is in individual guestrooms with host families, or in between villages, in tents. During trekking meals are provided by professional teams, and in the villages visitors can try a delicious, hygienically prepared Nepali Daalbhaat consisting of locally produced rice, lentils and garden-fresh organically grown vegetables. The guestrooms are simple, but clean, with latrines available and a water tap close by. Separate bathrooms are not available for the tourist but during the winter water is heated by the solar system. (Holiday Nepal 2011.)

The local people of Sirubari receive domestic and foreign guests with equal respect. This is the reason why more and more domestic tourists are encouraged to visit this village. Sirubari is without question one of the most attractive village in Nepal, where the visitors can enjoy the cultural show. The tourists are overwhelmed by the friendly gesture shown by the village people. Panche baja, a popular Nepali set of musical instruments, are also played to welcome the guests. The village is neat, and clean very colorful and warm, while the people are friendly, well-educated and enthusiastic about tourism. Sirubari is a compact farming community village. For the adventurous, Nepal has been synonymous with trekking, mountaineering expiations, jungle safari, and river rafting. For those seeking spirituality there
has always been the people and the culture. The overwhelming impression of the village is one of the odder and classiness but with a warm and welcoming feel to it. Foot trails though the villages are all stone paved. The villagers love for flowers is shown in an all-year-around riot of colors. (Mero Syangja 2011.)

The climate is ideal at all times of the year with no snow ever falling in the village itself, however the ideal time for visit is between September and June, but visitors can view the magnificent Himalayas view just in front of the village. The village is on the southern slope of the ridge that is why the village can enjoy the long sunny days. The villagers are not only concerned about the local tourism development; they have also given adequate attention to conserving the flora and fauna of their area. For this purpose, about 500 hectare land has been brought under conservation. A forty-five-kilometer long wall has been constructed to protect wild life, herbs and plants. As a result of the hard work, now this reserve forest has already transformed into a dense jungle, where birds and wild animals live without any difficulty. Hunting and cutting of trees is strictly prohibited. (Mero Syangja 2011.)

The Sirubari Village is contributing an especial effort for the nation’s development as the village motivates and supports others to start something in local community instead of going abroad as a worker. Today almost two millions youths of Nepal are working abroad mostly in Gulf Countries to have their families’ daily livelihood, whilst the villages of this village promotes the village as a tourism destination and makes money in the local community. The village has been a model village within Nepal.

6.4 Entrepreneurship as a driving economic force

Entrepreneurs play a vital role for the economic development of any region or country as it contributes to the technological innovations, employment and is associated with the knowledge and flexibility. In other words, entrepreneurs help in building the communities by offering jobs, using the local, material as they perform locally and participating in an entrepreneurial network. By realizing the “the economic and social impacts of entrepreneurs”,
many local communities are aiming to bring up entrepreneurs and this is even more important in Nepal in order to generate the revenue in local communities. Realizing the fact that entrepreneurs offer significant economic and social benefits in the local community, an emphasis is being put on them by implementing friendly policies by the local authorities or central government. As was already mentioned above, the small entrepreneurs not only have economic benefits but also social benefits at the same time. John Gardner argues in Building Community, that where community exists it confers a sense of identity, belonging and a measure of security. Entrepreneurship does not only benefit the investors or the one who starts a new business, it also benefits the local people who join them or invest an effort. Nevertheless, it may have some negative impacts. For instance, the establishment of new businesses may harm the local environment and may cause pollution; this is why priorities must be given to these things. (MERIC.)

Entrepreneurship is considered as a source of innovation and change. The world of today is as it is because of entrepreneurship. The small investment brought us to this recent era. The entrepreneur has been a fundamental component in tourism. As was mentioned in the previous chapter the example of Sirubari Village, the small investment in the community made this particular village a model village in Nepal. Many domestic and international tourists visit the village and hence import the currency.

It is abundantly accepted that entrepreneurship is the major factor for the economic growth, productivity, innovation and employment. Most of the member nations of OECD (Organization for Economic Cooperation and Development), have given priorities to local entrepreneurship and made a policy for the development of these firms. The entire world is in favor of globalization because of the economic landscape and various innovations, which also affect the host region and as a result the economic development can be seen. It is widely accepted that the entrepreneurship has gained attention in this recent crisis as it considered as an economic dynamism. Basically the term entrepreneurship refers to have something new in society along with technological innovation, and hence the host region gains some economic benefit.
It is obvious that the policy and determinants of entrepreneurship vary in each country because the policy is made according to the rules and regulations of the country, and of course in some cases the functional definition can be different depending upon the situation. In some regions, the term entrepreneurship is linked with the regional development programs and the establishment of new firms which offers employment for the local stakeholders, whereas some believe entrepreneurship is a key element of strategic designed to facilitate the participation of certain target groups in a particular region. For example, in my home country the woman involvement in the economic activities is quite minor in comparison with male participants. A few decades ago, women were considered only as house wives, but today the situation is not the same. Women are involved in the economic activities. Small investment in the local community can benefit with a bigger amount and hence the whole surrounding can have a little impact. The entrepreneurship drives a community upward in terms of economy. (OCED.)
Economics is a tricky science which refers to the allocation of resources to meet human needs in accordance with their preferences. Economics rarely agree with one another’s thoughts. The sustainability of economics is concerned with the long-term survival of any business organization. In other words, the economic sustainability is the way of using the resources to benefit a better outcome. The primary purpose of sustainability is to promote usage of those resources that are both efficient and responsible, and offer a long-term benefit. In terms of business operation, the term sustainability refers to the way of using the resources so that the business continues for a number of years and makes profit consistently. (Wise GEEK 2011.)

The economic sustainability focuses on a responsible use of available resources, and thus the term sustainable is also known as being responsible. This means that the business is not only about the money-making process, but at the same time the business operation is also conscious about the local environment and makes sure the company does not have negative impact on the local ecology. This way it is assumed that the economic sustainability is integrally linked to the environmental and social concerns. Therefore it has been widely accepted that not even a single economic system is sustainable, unless it addresses the ecosystem of the local surroundings on which it depends. The economic activities within the community and the local trade helps to keep and circulate the money in the host community, rather than sending the money to other business organizations while making purchase and of course which also keeps an economic security. (Green Party of the United States 2010.)

7.1 Factors influencing economic sustainability

It has been a big challenge for each business organization to maintain the economic sustainability as business operation might not be the same always. The sustainability of economics depends upon determining factors, such as, government policies, capital level, ideologies and the trade factors. It is a need to have a healthy local economy to gain a livable
community, and as a result, offer employment for the local residents. The employee pays tax to support the government, this way the circulation of money also helps to keep the capital within the host region. (Catherine 2002.)

Apart from some exceptions, each and every country or the government is responsible for the monetary policy. The volume and the value of currency are upon the central bank depending on the market situations. The policy supplies the money to the market to achieve an economic growth and stability often targeting the interest rates, but it may vary in each nation and is up to the central bank. Traditionally, it has been one of two; either expansionary, which increases the supply of money into the market more than usual, or the contradictory, which means the supply of money is even less than normal. The monetary policy is different from fiscal policy although both policies have to be made by the government. (Catherine 2002.)

Basically, the capital refers to the total resources located inside the nation, such as, educated manpower, fertile soil, technology and other equipment. The nation or policy maker has to be careful while investing capital to achieve something. Most of the Gulf Countries possess many natural resources in the form of oil, and hence the government can sell it to the other third world countries and benefit the foreign exchange for their nation’s development. (Catherine 2002.)

The ideologies are the set of ideas to achieve a goal. Therefore the government ideologies refer to the ideas set by the government to achieve the nation’s goal. In each country the political beliefs and the government ideologies influence the economic changes. in this way, the ideologies of each nation have a great influence on the sustainability of economic growth. (Catherine 2002.)

It can be said that the trade policy is the collection of rules and regulations which apply towards trade between two nations, or it might be between two business corporations. The policy is made to help and run foreign trade efficiently. The central government is the policy making party and has the authority to modify.
The European Commission has come up with an idea to have a common or single market act to create more jobs within EU nations, since then it has gained a tremendous benefit. This act allowed people to live, work, study and get retired in other European nations. The consumers have a wide choice from all over Europe and it is easier to do business operations across borders. Before the single market act, some European nations had formed three free market areas named EFTA, BAFTA and CEFTA, which allowed a wide business area for European people. (Catherine 2002.)

7.2 Relationship between economic growth and sustainability

As we all know the term “Sustainability” refers to the economic, social and environmental condition of the human welfare, but the economic sustainability is the bottom line among these three components of sustainability. Moreover, economic sustainability is needed to maintain the social welfare in society. Today, in the global world some of the nations are growing rapidly and at the same time some countries are still the same as they were about a decade ago. For instance China and India two powerful nations in Asia, have around eight to nine percent growth rate per annum, however the environmental problem has emerged. The vast development of any region may cause an unemployment problem in another region. Rather than focusing on a vast economic development, the development process has to be in a sustainable manner. So, the industries and business corporations have to be friendly with the local environment and the raw materials they use. This will allow the future generation to use the potentiality of any resource afterwards. (Söderbaum 2008, 1; Steven, Elizabeth & Laura 2000.)

Each and every nation around the world is looking for the development beyond the environmental degradation but the fact is; the income level of every nation depends on the natural resources available within the host environment. That is why the relation between economic growth and the environmental sustainability is complex. Some of the countries are able to minimize the environmental risk and some do not, this is therefore why the developed nations tend to have lower impacts on natural surroundings and hence gain social and
institutional capacity, whereas developing nations tend to have higher environmental problems. So it is necessary to know the relationship between daily income and the environmental quality. (Panayotou 2012)

GRAPH. 3 Kuznets Curve (adapted from Environmental Wiki)

The above mentioned graph is the Kuznets curve. (Simon Kuznets hypothesized curve on environment). The graph shows that when the income per capita increases the amount of pollution also increases and has negative impacts on the local surroundings. At some point the income per capita is too high and this point represents the developed nations, so they start to think about the environment and tries to maintain the pollution level and as the graph shows above, the level of pollution decreases slightly. (David I, 2003.)

7.3 Building the green economy

The whole world is now having the worst economic imbalance. Some regions are highly developed and some are still on the zero level in terms of economic development. As was already mentioned above, vast development in any region may cause unemployment in another region. The green economy focuses on improved human well-being and social equality for each and every person in society. At the same time the concept of green economy tends to reduce environmental risks and focus on the proper and limited use of available natural resources.
The United Nations Environment Program (UNEP) has defined a green economy as an economy or economic development model based on sustainable development and knowledge of ecological economics. This also highlights the ecosystem as one of the components of building the green economy. To maintain the green economy one should focus on the things such as: renewable energy, clean transportation, water management, waste management and land management.

If the current generation is able to consider the above mentioned points, the green economy is somehow maintained and the next generation will able to use the potentiality of the resources and this also helps to gain a parallel development around the world. (UNEP.)
8 RESEARCH METHODS AND OUTCOME

Basically the term “research” refers to the systematic study or investigation into the field of study, or it can also be an analysis of the available secondary data to develop new facts or conclusion. Research plays a vital role to set up new policies according to the previous year’s allocation of goods and services in Tourism Company. Similarly, for other business organizations and the government it helps to make the new policy based upon the previous year’s profit, loss and budget allocation. Knowledge, information and understanding about the social and economic environment of the community have been a basic characteristic in recent days but it is also necessary to know how the information and knowledge will be generated. (Veal 2006, 1.)

Veal defined research as “the aim, as far as I can see, in the same in all sciences. Put simply and cursorily, the aim is to make known something previously unknown to human beings. It is to advance human knowledge, to make it more certain or better fitting. The aim is to discovery” (Veal 2006, 2.).

8.1 Research methodology

Methodology is the way of collecting data for the research purpose. The data can be collected for both theoretical and practical research. For instance, if the research has to be done for the management of any business firm, the research should be strategically focused on operational planning methods. The researcher should know the validity and reliability of measured data before the research is conducted. It is most important to know the difference between research method and research methodology. Research method refers to the way and techniques which are used while conducting a research. In other words, all those methods used by the researcher during his studying of research are called research method whereas research methodology is the systematic way of solving the problem which was seen while conducting a research. In other words, methodology means understanding science of study; how research is conducted
scientifically. The researcher needs to know not only the research methods and techniques, but also the research methodology as well. It is necessary to know not only how to develop the test for the research, how to get to mathematical solution and apply separate technique, but also what type of technique is more suitable and which is not, and what they are going to reflect through the research. (Kumar 2008, 4.)

Research methodology has many dimensions and the research method is one of them. The scope of research methodology is much wider than the scope of research methods so we better not forget methodology while conducting the research. (Kumar 2008, 4.)

8.2 Types of research

Research is to make known about something that was unknown before and it covers numbers of activities. The research is a tool of science. The vast innovation of science is possible after the series of research. According to the research function, the research can be divided into three forms as: descriptive research, explanatory research and evaluative research. Descriptive research is all about finding out and describing what it refers to, and is the most common research method for leisure and tourism. Leisure and tourism are not always the same because of new destination areas, changing nature and frequent separation between research and action. For example, the popularity of a destination area changes according to that the preference of different social group changes. (Veal 2006, 3.)

Explanatory research tends to explain how or why things are as they are. Basically this type of research explains the solution to questions as; why the destination is losing its popularity and why a particular sort of activity is becoming less popular? There are major issues to be considered. If some of the destinations lose their popularity while some others gain, this is because of the wide choice of visitors. The visitors wish to explore the entire world instead of visiting the same destination over and over again. (Veal 2006, 4.)
Evaluative research tends to evaluate the policies and program as it is clear by the name itself. This type of research arises when there is a need to judge the success and effectiveness of the program. For example, in the tourism industry this research method is applied when there is a need to know if the leisure facility is meeting required performance or not. This type of research method is more suitable for educational purposes rather than leisure and tourism. (Veal 2006, 5.)

8.3 Collecting data

Data collection always depends on the design of the research and the techniques used. The data that was taken by the researcher and collected or generated by him/her is called primary data, where the researcher is the primary user, but the data taken by the researcher which was not collected or generated by him/her is called secondary data, where the researcher is the secondary user. The data which is used here is secondary data which was collected from the Nepal Tourism board and Ministry of Culture, Tourism and Civil Aviation of Nepal. The statistical data are not analyzed or exploited which will be analyzed in this thesis work. The use of secondary data is sometimes beneficial as the researcher do not need to spend money for collecting data thus it will save time and money. If we consider the advantages of secondary data this may be available instantly and the cost of collecting data will be avoided. During the research there could be some error but the use of secondary data does not allow this kind of error as the error can be exploited. The initial data will be on a large scale, therefore there will be various options for secondary data users. (Veal 2006, 147.)

At the same time, there are still some advantages of using secondary data as the data could have been designed for other purposes so they may not be the suitable for another project. The initial data covers the certain time so there is a chance of limited analysis and of course there will be the lack of field visit and practical knowledge as well. (Veal 2006, 147.)
8.4 Validity and reliability

“Validity is the extent to which the information collected by the researcher truly reflects the phenomenon being studied” (Veal 2006). The validity of leisure and tourism data cannot be the same as social science. The numbers of science are almost the same in every case, but the choice of people could not be the same always so the result could not be the same. Basically it means does the survey or research meet the desired goals? It is necessary to be reliable for the validation of research. (Validity and Reliability. Educational assessment 2012.)

Reliability is the extent to which research findings would be the same if the research were to be repeated at a later date or with the different sample of subject (Veal 2006). This means the result of the research has to be the same always in different periods of time even if the researcher uses the different tool to measure. For example, if the weight of a person has to be measured, the weight has to be the same each time the person stepped onto the weight measuring machine, and it has to be same although the person used different weighting machines. The statistical research has to be the same every time. (Validity and Reliability. Educational assessment 2012.)

8.5 Analysis of the data

Analysis is the process of inspecting and modeling the data with the goal to achieve concrete information. The analysis of the data refers to the sampling and modeling of data to get the result and to suggest the development ideas. In this work, the statistical data made by the Ministry of Culture, Tourism and Civil Aviation, is being used to reflect the community dependency on tourism. How tourism has a greater contribution to the nation’s economy. The arrival of tourists and the rough numbers of employers involved in the tourism industry are measured.
The tourism industry is growing rapidly in Nepal after the peace process because of its natural beauty and world class heritage. Because of future potentiality of tourism in Nepal, vast tourism development can be seen. This therefore has been the most employment creator within the Nation. The above graph depicts the arrival of foreign tourists within the country in year 2009 and 2010 respectively. It is clearly visible that the number of tourists is growing each month meaning; Nepal has gained international attention during recent years. As we can see in the above graph, October is the peak and ideal season to visit Nepal as the national festival called Dasain falls in this month. May, June and July are the low seasons for tourism in Nepal because of extreme hot in the Terai region and the weather is windy of course. The country starts to receive tourists from the beginning of August and its growth rate continues for couple of months, and again from November and December the number of visitors is going down. The growth rate of tourism offers wide employment opportunities and hence tends to have a great contribution to the nation’s economy.
TABLE: 3 Number of trekkers in remote areas (Adapted from Culture, tourism and Civil Aviation in Nepal)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mustang</th>
<th>L. Dolpa</th>
<th>U. Dolpa</th>
<th>Humla</th>
<th>Manaslu</th>
<th>Kanchanjunga</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>922</td>
<td>488</td>
<td>119</td>
<td>337</td>
<td>798</td>
<td>690</td>
<td></td>
<td>3354</td>
</tr>
<tr>
<td>2002</td>
<td>536</td>
<td>119</td>
<td>339</td>
<td>428</td>
<td>478</td>
<td>79</td>
<td>1979</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>572</td>
<td>369</td>
<td>223</td>
<td>645</td>
<td>402</td>
<td>154</td>
<td>2365</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>825</td>
<td>329</td>
<td>77</td>
<td>577</td>
<td>682</td>
<td>458</td>
<td>275</td>
<td>3223</td>
</tr>
<tr>
<td>2005</td>
<td>661</td>
<td>200</td>
<td>81</td>
<td>782</td>
<td>544</td>
<td>167</td>
<td>279</td>
<td>2714</td>
</tr>
<tr>
<td>2006</td>
<td>248</td>
<td>225</td>
<td>92</td>
<td>1256</td>
<td>561</td>
<td>335</td>
<td>395</td>
<td>3112</td>
</tr>
<tr>
<td>2007</td>
<td>1282</td>
<td>419</td>
<td>198</td>
<td>1542</td>
<td>895</td>
<td>404</td>
<td>587</td>
<td>5327</td>
</tr>
<tr>
<td>2008</td>
<td>838</td>
<td>709</td>
<td>383</td>
<td>1065</td>
<td>1443</td>
<td>1490</td>
<td>520</td>
<td>6448</td>
</tr>
<tr>
<td>2009</td>
<td>1659</td>
<td>739</td>
<td>313</td>
<td>1177</td>
<td>1635</td>
<td>508</td>
<td>948</td>
<td>6979</td>
</tr>
</tbody>
</table>

Trekking in the remote areas of Nepal is a way of experiencing cultural diversity and magnificent scenes. The trail is full of adventures because most of the above-mentioned trekking trails are located on a high attitude, where major roads are not linked. The visitors need to walk a long distance. During the visit, the visitors are not gaining the wonderful experience at the same time as they are supporting these remote areas. The visitors get a lifetime wonderful opportunity to enjoy the Himalayan glacier five-hundred meters above the sea level. The trekking trails mentioned above are not the prime destinations; however, in recent years these trails are gaining more attention among trekkers.

Annapurna circuit, Annapurna base camp and Mount Everest base camp are the well-known trekking routes in Nepal. Thousands of tourists trek these areas every year but the routes in the above table are far away from the road connection and take several days to complete. The employment opportunities for local people will be created while gaining international attention. Locally produced goods and services will be consumed. Even a small number of visitations in these areas may benefit local people as they generate some foreign currency. The
dependency upon the third world country employment is now going down as the country receives a large numbers of tourists around the year.

Pokhara, the second largest city of Nepal in terms of population, is one of the most visited tourist destinations in Nepal. The unique cultural heritage and natural diversity attracts the tourist to visit the city. Having the major three of ten highest mountains in the world nearby to the city and possessing three wonderful lakes in the heart of the city, attracts domestic as well as foreign tourists. (Nepal’s Tourist Places, Nepal Tourism 2012.)

The pie-chart shown below represents the number of visitors in Pokhara city from 2001 to 2010. As shown in the graph the number of visitors from 2001 to 2006 for six years is more than half of the remaining four years, this is because of political instability and Nepal’s people’s war against the constituent monarchy. Later in 2006, after the series of general strike and clashes, the monarchy capitulated. (Tharoor 2008.) Since 2007, Pokhara city has started to receive a huge number of tourists and the number of visitors is growing each year. The graph depicts that the number of tourists in 2007 is almost the double as in 2006. At the end of 2010 the number of visitors was almost three hundred percent more than in 2006. The vast development of tourism in Pokhara city is now creating employment opportunities for the local people. (Nepal’s Tourist Places, Nepal Tourism 2012.)
Pokhara is the city of tourists as it possesses forty-eight luxurious hotels, hundred and ten bed and breakfasts, sixty-four restaurants and thirty-seven things to do with adventure such as para-gliding, boating, and hot air ballooning and so on. Apart from these hotels and restaurants, there are several cheap hotels and motels, combining altogether thousands of people who are involving in tourism industry directly or indirectly. The tourism industry has a high contribution with fifty-eight percent to the city’s economy. The small revenue from the tourism industry may lead to the nation becoming a prosperous nation. (Visiting Pokhara, Trip Advisor 2012.)
Nepal is one of the developing countries in the world with a poor economy but it has the future potential in the tourism industry and that is why it is necessary to market Nepalese tourism around the globe.

Graph 6 shows the gross foreign exchange earnings from year 2001 to 2010 in US dollars in terms of thousand. As we can see in the graph, the number of visitors in five years is doubled. After the peace process, the country is receiving hundreds of tourists around the year. In year 2010, the total foreign exchange earnings were 329982000 US dollar and slightly less than in the previous year. The government of Nepal has celebrated year 2011 as a “visit Nepal” year aiming to receive ten million visitors around the year but the current data is unavailable because the Nepalese fiscal year is not yet ended.
As is seen in the graph the numbers of visitors is growing rapidly which offers employment opportunities for the Nepalese citizens. Foreign remittance has been a major source of revenue in Nepal for years but the rapid growth of tourism offers the employment within a nation and as a result dependency on third world countries will decrease.

Mathematically, the revenue from the tourism industry in year 2010 was 329982000 US dollars and the budget of 2010/2011 was some 3.6 billion US dollar. (Global times 2010) This means that the total contribution by the tourism industry is almost 10 percent of the nation’s economy. Ten percent from a single industry is not a small sum on the total budget. Therefore, tourism has been a major source of revenue in recent years. (Ministry of Finance in Nepal 2011.)

8.6 Analysis

SWOT stands for strengths, weaknesses, opportunities and threats and is the way or technique to understand the situation of business venture, tourism organizations and tourism development within a nation. Nepal, a growing destination in the world has a future potentiality in the tourism industry as nation that possesses the eight highest peaks out of ten in the world. The unique cultures, magnificent views, paradise for beautiful scenes attract the visitor to visit the nation that is why the government of Nepal should point out its strengths, weaknesses, opportunities and threats and market in the international arena.

Strengths

- After the end of Nepal’s people’s war in 2006 against the 250-year-long constitutional monarchy, the nation became the Federal Democratic Republic of Nepal. The peace process has been an encouraging factor for the tourism development as the nation gets international attention.
- Possessing eight of the ten world’s highest peaks in the world has been the first choice destination for adventure seekers.
Fast flowing rivers, Himalayan glaciers, multi-cultural, multi-linguistic and unique architectures attract the visitors.

Having four world heritage sites, religious sites and national parks, Nepal is known for its own unique hospitality.

The participation of the government encourages the people to market tourism.

Rich in natural resources, bio diversity and presence of several floral herbs attract the eco-travellers to visit. (Chitrakar 2009, 26.)

Weaknesses

Despite the huge interest in tourism the two neighboring countries have been a major competitor with vast development and world class infra-structure.

Nepal is known as a “low-cost destination” with the development of infra-structures, and organized tourist offers the nation can benefit from foreign exchange earnings.

Limited investment in tourism, traditional infra-structures, limited air connectivity and poor coordination have been major problems.

Poor hospitality offered by small hotels and motels and no direct connectivity from Europe and America have been weaknesses for Nepal’s tourism.

Limited participation of private sector and lack of knowledge.

Inadequate safety regulation and traffic congestion. (Chitrakar 2009, 26.)

Opportunities

Growing demand for adventure travel

Government emphasis on tourism development

Developed community-based tourism

Restored political stability after the peace agreement between the major political parties

Development of new tourism themes, such as, health care tourism, educational tourism and business tourism.

Being a member of WTO helps the nation to reach the global economy.
Employment opportunities for local people and the visitation of area may benefit the earning of foreign exchange, and make a great contribution to the nation’s economy. (Chitrakar 2009, 27.)

**Threats**

- Climate change and downfall into global economy.
- Despite of improved political stability the country is still suffering from its past image.
- Over-visititation of the same place may damage the image of the host nation
- Incidents such as theft and violence are not totally controlled yet.
- Regular strikes in major cities and land-slides have also been threats for Nepalese tourism. (Chitrakar 2009, 28.)

### 8.7 Problems and constraints

Despite of the vast development of the tourism industry there are always various obstacles and constraints. This is not only visible in tourism industry, behind every story of success there are always hidden problems and constraints. Below are some outlined problems and constraints faced by the tourism development in Nepal.

Lack of coordinated tourism planning: The tourism master plan in Nepal has been made in 1972 some 40 years back; nevertheless the government of Nepal has celebrated a campaign called visit Nepal year 1998 and again in 2011 but still coordination between tourism organizations is missing. (Dangi 2006)

Failure to diversify tourism products: The country has got the future potential in tourism industry but the diversification of destinations and products are yet not completed. The tourism destinations are located in the city area, however, the concept of homestay and rural tourism is now developed but not sufficient for parallel tourism developments. (Dangi 2006)
Lack of local awareness: Two visit Nepal years have gained the attention of Nepalese people but has not been the same always. To develop the nation as one of the most visited tourist destinations, awareness programs and trainings have to be offered to the local people in the host community. (Dangi 2006)

Lack of professionalism: Tourism in Nepal has not yet been treated as a profession although there are several universities offering the degree program in tourism. Due to the lack of skilled manpower the tourism business is done based upon their experience. (Dangi 2006)

Lack of market research: The research has to be done frequently to know the current market situation of tourism but due to lack of a monitoring body the research is not done frequently. To make the future policy it is necessary to know the previous market situation. (Dangi 2006)

Lack of overseas information centers: On the major markets there have to be some information centers but the government of Nepal does not have even a single information center abroad. The Embassies and consulates are working as an information center abroad. (Dangi 2006)

Lack of competitive budget for international promotion: This has been a major problem for tourism marketing. The government of Nepal does not locate the national budget for the development of tourism, which pushes the nation back and means that it cannot compete the neighboring countries. (Dangi 2006)

Lack of accessibility: Nepal is a land-locked country so there is no connection of water transportation. The country receives 90 percent of its total visitors by air, and 10 percent by land through the Indian and Chinese border in the north. The country does not have even a single direct flight outside Asia. Due to the limitation of air seats some of the visitors have to merge their destination somewhere else. (Dangi 2006)
9 CONCLUSIONS AND RECOMMENDATIONS

After the peace agreement between three major political parties of Nepal in 2006, there has been a significant growth of tourism in Nepal. The first five years, from 2001 to 2005, was the dark year for Nepalese tourism because of Nepal’s civil war. In the recent four years, the number of visitors has doubled with 10 percent contributing to the nation’s economy. Today, around 40 percent employment opportunities within a nation are created by tourism industry (Employment in third world countries is excluded).

However, the development of tourism is limited mainly to Kathmandu and Pokhara because of the limited road connection and air availability. Nevertheless, the concept of homestay is being developed nowadays but still needs vast improvement to gain a regional balance in terms of tourism. Further standardization of present tourism infrastructures and construction of new infrastructures offers employment for youth, and helps to keep the manpower within the nation.

The Nepal Tourism Board in cooperation with the Ministry of Culture, Tourism and Civil Aviation, is the policy-making party for the tourism development. During the study the immense potential of tourism for the future was found and this is therefore needed to develop the marketing policy. By the visitation of any destination within a nation the host region and the government both can earn foreign exchange. In year 2010, the tourism contribution to the nation’s economy was almost 10 percent, which is 7 percent higher than in 2000.

In order to receive more and more tourists, the government of Nepal has to develop a new policy, which encourages the visitors to enter the nation. The general strikes must be strictly terminated and safety and security should be guaranteed to the visitors. Furthermore, the air accessibility should be easier, new tourism destinations have to be made and the participation of the private sector is necessary.
REFERENCES


