Analyzing Socio-Economic Impacts of Tourism

Case of Lumbini Region-Nepal

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ABSTRACT

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The first objective of this Thesis is to identify, select, and analyze the socio-economic impacts of faith tourism in Lumbini region. The second objective is to present the impacts in context of changing business environment. And the last objective is to develop strategies for economic progress in a society.

In this research work previous reports, theses, literatures and reviews were studied to get an idea about the socio-economic impacts of faith tourism in Lumbini region. In addition, strategic management, faith tourism, Buddhism, overall tourism in Nepal and Lumbini region were studied before conducting thesis work. Qualitative research method is used in this single-case study. The main data collection method is used by conducting semi-structured interviews via telephone with three experts from various fields, questionnaire survey, and direct observation. Literature review is used as a source for secondary data.

The results of this research indicate that there are socio-economic impacts of faith tourism on Lumbini region and their roles towards economic prosperity of Lumbini region. In addition, a set of strategies was formulated in this research that leads towards socio-economic development in Lumbini region. Further research on the topic is suggested to help the Nepal Tourism Board in reviewing the strategies in the context of changing business environment.

Keywords: faith tourism, socio-economic impacts, jobs creation, economic development
FIGURES

Figure 1: Map of Nepal (Shrestha 2010)..........................15
Figure 2: Map of Lumbini region (Gorgeous Nepal 2014)..................16

GRAPHS

Graph 1: Social variables in communities with faith tourism activities.............23
Graph 2: Economic variables in communities with faith tourism activities...........24
Graph 3: Social variables in communities from Lumbini region.......................25
Graph 4: Economic variables in communities from Lumbini region...................26

TABLES

Table 1: Social and Economic variables........................................20
Table 2: Communities with faith tourism activities and communities from Lumbini region.................................................................21
Table 3: Economic variables survey data.........................................22
Table 4: Social variables survey data..............................................22
CONTENTS

ABSTRACT ....................................................................................................................... 2

1 INTRODUCTION ........................................................................................................ 6
  1.1 Background and motivations .................................................................................. 6
  1.2 Objectives and research questions ......................................................................... 7
  1.3 Limitations .............................................................................................................. 10
  1.4 Structure of this Thesis ........................................................................................ 10

2 THEORETICAL BACKGROUNDS ............................................................................ 12
  2.1 Strategic management ............................................................................................ 12
  2.2 Faith tourism and Buddhism ................................................................................ 13
  2.3 Lumbini region and tourism in Nepal .................................................................... 15

3 RESEARCH METHODOLOGY .................................................................................. 18
  3.1 Research process ................................................................................................... 18
  3.2 Methods and analysis ........................................................................................... 18
    3.2.1 Qualitative single case study ......................................................................... 18
    3.2.2 Interviews ........................................................................................................ 19
    3.2.3 Survey ............................................................................................................. 21

4 SOCIO-ECONOMIC IMPACTS .............................................................................. 28
  4.1 Social impacts ....................................................................................................... 28
  4.2 Economic impacts ................................................................................................. 30
    4.2.1 Direct impacts .................................................................................................. 30
    4.2.2 Indirect and induced impacts ......................................................................... 31

5 ROLES OF SOCIO-ECONOMIC IMPACTS ............................................................. 33
  5.1 Economic conditions ............................................................................................. 33
  5.2 Demographic conditions ....................................................................................... 34
  5.3 Employment composition ...................................................................................... 35
  5.4 Role of women ....................................................................................................... 35
  5.5 Community resources and structures ................................................................... 36

6 ENHANCING SOCIO-ECONOMIC ASPECTS OF SOCIETIES ............................. 38
  6.1 New jobs creation .................................................................................................. 38
  6.2 Cooperation of Small businesses with tourism ..................................................... 39
  6.3 Adjustment of social confrontations ..................................................................... 39
6.4 Development of overall economy.................................................................41
7 FORMULATING STRATEGIES FOR ECONOMIC PROGRESS .......................42
8 CONCLUSIONS.................................................................................................46
REFERENCES.......................................................................................................48
APPENDICES .....................................................................................................51
1 INTRODUCTION

The topic of this work is ‘Analyzing socio-economic impacts of faith tourism’. In particular, the ‘faith tourism’ best describes instead of general ‘tourism’ this work since this study focuses on tourism of a religious site. Faith tourism is a segment of cultural tourism, which comes into existence due to spiritual beliefs and religious heritage sites, and has become a part of the tourism industry with a great potential of positive socio-economic impacts in a region (UNESCO 2009, 170).

Religious people pay visit to some holy places for their eternal peace and spiritual beliefs. In general, to travel is to discover and for some people travelling is their life. Traditional thoughts which were solely based on economic benefits from tourism activities have been changing towards overall benefits with concerns to economic, social, environmental, ethical, and sustainable impacts in societies. This chapter describes background and motivations, objectives and research questions, limitations, and structure of this Thesis work.

1.1 Background and motivations

The general research area of this Thesis research is tourism business. This Thesis is a basic academic research which focuses on understanding the issues under study on the main topic to present main issues in a detailed and accurate manner (Carlson & Gilmore & Perry & Gronhaug 2001, 25). The socio-economic impacts can be seen through several factors such as racial and cultural tolerance, new jobs, infrastructural developments, and overall economic progress in a society (Leavitt 2003, 1-3). The analyses and discussions are limited concerning the socio-economic impacts of faith tourism among researchers and practitioners (Collins-Kreiner 2009, 441). However, there is a need for insightful analysis and discussions. The aim of this Thesis research is to provide stakeholders with an increased understanding of the impacts of the faith tourism.

Additionally, this Thesis offers recent information and precise discussions on relevant issues. The motivation for this work has stemmed from not only our academic but also
social interests. Being conscious members of the local society, where the religious heritage site Lumbini is located, we aim to enhance the development of this region for economic prosperity by guiding the stakeholders to exploit available local resources. Lumbini region, the birthplace of Buddha, carries enormous possibilities in the faith tourism (Bhandari 2011, 62-65). However, the development of the region has not been progressed as has been expected. Societies in Lumbini region are yet deprived even though there are many potential resources. Hence, we are highly motivated to conduct this Thesis. This topic should be interesting to the government, local businesses, people living in Lumbini region, believers of Buddhism throughout the World, and tourism related industries of the economy. The nation, Nepal, is suffering from a problem of brain drain and crisis of youth manpower (Bhattarai 2005, 67).

The development of an international tourism site helps solve the problem to some extent. The local businesses including hotels, airlines, and transportation create new jobs in the region which is an ample opportunity for jobless youths. The people living in Lumbini region are benefited by better infrastructures, roads, water, electricity, and markets. The development of Lumbini region as a touristic destination attracts Buddhists from all over the world. As a consequence, all the related industries and the entire economy achieve a positive movement in development.

1.2 Objectives and research questions

The main objective of this research is to identify, select, analyze and present the selected socio-economic impacts of faith tourism in Lumbini region. To achieve the objectives, it is necessary to use various methods such as conduct a survey, semi-structured interviews with the stakeholders and critically analyze relevant literature and research, and national tourism board official documents, to identify the socio-economic impacts of tourism on Lumbini region. On the basis of identifying issues, we select the social and economic impacts for analyses related to tourism in Lumbini region. The social issues selected are local identity, cultural clash, social stress, and crime. The economic issues selected are accommodation services, local food and beverage, retail trading, transportation service and cultural and recreational activities. We analyze those selected issues to find out the positive and negative impacts. Positive impacts are good
for the society but negative impacts can be harmful for the social ethics and behaviors. Finally, we present the analyzed impacts, which could help make the strategies for development of Lumbini region.

Similarly, another objective concerns strategies and the ways in which societies get benefited from the tourism activities. Creating a network circuit among the four holy sites related to Buddha, i.e. Lumbini, Bodh Gaya, Sarnath, and Kusinath, which are located in Nepal and India, can be a promising strategy. A future strategy could be segmentation on the basis of interest of visitors. Visitors may be interested to visit not only because of their religious belief but also for historical study. There are hundreds of universities where historic and archaeological research studies are carried out and those people involved in the studies can be target groups. Innovation should be used as a continuous process, because needs are changing overtime and strategies should be reviewed time to time. Moreover, Yoga, Tai chi, and Buddhism related other activities are popular among non-Buddhist communities, which can be created as a different experience for other segments that are not addressed by previous two strategies. Similarly, another strategy could be connecting those holy sites of Buddhism with a road, railways, and air transport to enable people to choose the use of transportation facilities on the basis of their income and interest.

To achieve the objectives, the three research questions formulated are as follows:

1 What are the socio-economic impacts of faith tourism and their significance in the regional development of Lumbini region?

Firstly, a set of socio-economic impacts of faith tourism are identified in the process to answer this research question. The set of identified impacts are analyzed and discussed to select the major impacts of faith tourism in Lumbini region. Tourism is the interaction between the tourist and the host societies, and socially and economically tourism has direct influence on the host societies and therefore it can change the social norms, values, and economic conditions (Cook & Yale & Marqua 2010, 303; Kumar & Kumar 2014, 42-43). Secondly, positive and negative influences of those selected socio-economic impacts are found out by analyses of interviews, relevant literature, journals
and survey to identify the role and importance in the regional development. Detailed discussion is carried out in Chapter four to achieve the first objective by addressing this research question.

2 How can faith tourism enhance the socio-economic aspects of societies in the context of dynamic environment?

Faith tourism, on the one hand, creates direct, indirect and induced effects in the economy of host society and also benefits socially through improvement in infrastructures. On the other hand, faith tourism also increases the occurrences of possible crimes, loss of local identity, social stress, and black market in the host societies. (Vijayanand 2012.) Accordingly, this research question deals with how new jobs are created, how small businesses co-operate with tourism industry, how societies adjust social confrontations from foreigners, and how ecological and environmental aspects are treated. Finally, this research question finds out how the overall economy and society acquires a positive impact through faith tourism in Lumbini. Hence, the second objective is achieved by answering this research question.

3 How can Lumbini Development Trust formulate new strategies to achieve economic progress in society?

With the master plan for the overall development of Lumbini region presented by a Japanese architect Kenzo Tange in 1985, the Lumbini Development Trust was formed. Tourism being the fast growing business today, the numbers of faith tourists visiting Lumbini have increase which results in various changes in the social and economic situation of Lumbini region. (Nyaupane 2009, 157-172.) This research question deals with answering how Lumbini development Trust can formulate new strategies suitable for the changing business environment and achieve financial success from faith tourism in Lumbini region. The overall aim of all investments in a touristic site, Lumbini, from Nepal government is a financial progress of people living around. A set of strategies needs to be formulated to achieve the final objective. As a data input, relevant literature is used on strategic management and views of the interviewees concerning the
formulation of strategies. Chapter seven elaborates this research answer suggesting ten strategies.

1.3 Limitations

This research work omits the impacts of tourism on other aspects and regions and focuses on socio-economic impacts of faith tourism in Lumbini region. This research work is conducted to identify the socio-economic impacts of tourism in Lumbini region as was stated in first objective and selected impacts are presented in the context of a changing business environment. The main objective of this research is to suggest the set of strategies that can help in the development of Lumbini region. This research will rely on the data collected from secondary sources as well as the data collected from interviews and survey. Data received through interviews and survey is analyzed.

During this research process, the researchers face problems in collecting data as very few researches have been made related to this topic and region. Similarly, time management and shortage of finances be another problem in the process of conducting interviews and survey. We were not able to contact interviewees when needed because of their tight schedule and time difference between the countries where interviewees live and research is conducted. Moreover, the respondents did not want to fill the survey form as a result it harms on the time schedule of research process.

1.4 Structure of this Thesis

The introductory chapter discusses the background, motivation, objectives, research questions, and limitations of this research. The second chapter created the theoretical framework of this research by presenting the relevant literature. Discussions of the concepts of strategic management, Buddhism and faith tourism, Lumbini region and overview of Nepal tourism are drawn from for the theoretical framework. In the third chapter, research process, qualitative single case study, and interviews are presented as components of research methodology. Chapter four describes the positive and negative impacts of social and economic impacts and the fifth chapter describes the roles of socio-economic impacts in the changing business environment. Chapter six shows how
the socio-economic aspects enhance the societies in the regional development and local economy as well as job creation. A set of strategies are suggested for the regional development in chapter seven and chapter eight concludes this Thesis research.
2 THEORETICAL BACKGROUNDS

This chapter presents discussions of literature that are relevant for this Thesis. In the following sections discuss about strategic management, faith tourism and Buddhism, and provide an overview of tourism in Nepal.

2.1 Strategic management

Strategic management is the process of establishing and implementing long-term plans. In strategic management, managers make sets of objectives, formulate strategies, and implement the strategies to achieve the defined objectives. (Sadler 2003, 9-24.) To comply with the objectives of the Thesis research, the following section of this subchapter focuses on dealing with strategy formulation and strategy implementation.

Strategy formulation is one of the top level manager’s tasks. It can be interchangeably referred to as strategic planning. Lumbini Development Trust is the organization that formulates strategies for overall development of Lumbini region. The strategic formulation process begins with analyzing strengths, weaknesses, opportunities, and threats. The reason for conducting a SWOT analysis is to understand internal and external environment and all possible factors that are influencing strategies. Setting objectives, vision, and mission are important milestones for strategy formulation. In other words, strategy formulation is all about knowing where the organization is, where the organization wants to be in a certain time, and how it is possible to navigate the organization to get there. (Sadler 2003, 9-24.)

There should be a solid definition of business of the organization. The precise definition of business over a long term is known as a strategic mission. The strategic mission encourages the managers for timely viewing of the scope and mix of organizational activities; helps keep track of the type of the business model they are trying to create, and guides to consider which markets suit the organization. An organization requires a set of strategic objectives for a sustainable business. (Simerson 2011, 177-186.) Formulating strategic objectives guides the organization to a target and prevents from drifts, unnecessary activities, confusions, and misunderstanding. Short term and long
term objectives of the organization need to align with the strategic objectives. The contents of strategic objectives cover the desired competitive standing, estimated target profits with key financial indicators, specific milestones to go through at a specific point of time. The business environment is dynamic. Therefore, the organization needs to react to changing business conditions through business strategies. The key features of changing business environment are customers’ need and preferences, trends in markets, hidden business opportunities, business threats, and competitive challenges. Allocation of resources is a crucial part in strategic planning, since, the optimum yield should be achieved by avoiding idle and inefficient resources in the organization. The resources, financial as well as human, need to be allocated carefully over business divisions, departments, and units. As the business environment changes over time, strategies need timely reviewing and changes as required. The changes depend upon analysis and judgments of managers. (Simons 2013, 5-11; Doyle & Stern 2006, 93-117.)

2.2 Faith tourism and Buddhism

Faith tourism is a type of tourism where people travel for purposes of their religious belief. Based on the statistics of World Tourism Organization, 300 to 330 million people are estimated to travel as pilgrims every year. It is realized that the economic prosperity of societies can also be achieved by utilizing tourism products. A religiously important place can be a tourism product as well. Mecca in Saudi Arabia, Jerusalem in Israel, and Rovaniemi in Finland are some examples of popular faith tourism attractions. There is a notable potential in Lumbini region as a destination for faith tourism. People tend to develop their belief in religious matters as they approach old ages. It has been a worldwide culture for centuries to visit places as pilgrims. There are above 370 million people in the world who believe in Buddhism. Buddhist teachings recommend that the believers should visit four holy sites in their life time. Lumbini is one of the four holy sites mentioned in Buddhism.

Buddhism is the fourth largest religion in the world. Siddhartha Gautam was the founder of Buddhism. He is also known as Buddha. Buddha means the enlightened human. Buddhism leads to the true nature of reality. The true nature of reality can be achieved from self-awareness, kindness, and wisdom. Buddhahood is the stage that each Buddhist
would like to attain and it is believed that the Buddhahood is the end of suffering in this Earth. The meditation is the way of attaining the Buddhahood. A popular word ‘Nirvana’ is the ultimate goal in Buddhism. One can attain Nirvana as he/she becomes a Buddha. A peculiar thought in Buddhism is that it does not consider the creator of the World and there is no worshipping to the God. Buddha neither claims him as the God. Buddhism sees everything as non-permanent, consequences of every deed, changes as inevitable. In addition, Buddhism considers a life as a series of changes and one can manipulate a change for better. Sustainable way of a change for better is changing one’s state of mind. Buddhists practice meditation for a controlled change in state of mind. (Gerner 2008, 4-8.)

It is a belief that there are three treasures in Buddhism that are the Buddha, the Dharma, and the Sanga. First, the Buddha refers to the Buddhahood and the founder Buddha. To see the nature of reality exactly as it is one has to commit to achieve Buddhahood. Second, the Dharma is the truth that the Buddha understood. The teachings in Buddhism is learning to do good, stopping to do evil, and purifying the heart. Third, the Sanga refers to the intellectual community for spirituality. The teachers and colleague practitioners form a spiritual community where one can share spiritual experiences and communicate about the true nature of reality. (Penney 1999, 10-19.)

Ethics, meditation, and wisdom are highly discussed elements in Buddhism. As a principle ethics in Buddhism, it is prohibited to harm other at any reason. The meditation is the process of focusing the mind to the null and energies the mind to understand the issues at the deepest level. The meditation gives a realization of truth for oneself. The wisdom is the aim of Buddhist teachings. Wisdom is opposite as the failure to understand the true reality that are responsible for all difficulties one might face. Hence, the Buddhism sees that all existence in life is sorrow, the cause of sorrow is craving, the cessation of sorrow aligns with craving, and there is a path that leads out from sorrow. (Gerner 2008; Penney 1999, 10-19.)

Buddhism focuses on eight essential abilities which are perfect vision, emotion, speech, action, livelihood, effort, awareness, and samadhi. There are five precepts in Buddhism that are invaluable in Buddhist teachings, which are do not harm or kind, do not take
that is not given or generosity, avoid sexual misconduct or contentment, avoid false speech or truthfulness, abstain from drink and drugs or be mindfulness. The body and mind can only be understood as they are together. Buddha day, Dharma day, Sanga day, and Parinirvana day are Buddhists’ festivals. Buddha day is the celebration of Buddha’s enlightenment. Dharma day is the celebration for beginning of his teachings. Sanga day is the celebration of formation of spiritual community. Parinirvana day is the celebration of leaving the sorrowful body by Buddha. It may seem strange that Buddhist celebrate the death of Buddha. (Gerner 2008.)

2.3 Lumbini region and tourism in Nepal

Lumbini is the place where the Buddha was born in 624 BC. It is a town of modern Nepal, which is located at foothills of Himalayas. In times of Buddha, Lumbini was a village of a country named Kapilvastu. Suddhodhan, father of Buddha, was the king of that country. Prior to the enlightenment of Buddha, his name was Siddhartha Gautam. In 249 BC, Emperor Ashoka from Mughal Empire, which is modern India, paid a visit to Lumbini and mounted a stone pillar indicating the exact location where Buddha was born. Since then for centuries, the place remained isolated to societies. (Nepal Tourism Board 2014.) In 1895, a German archaeologist discovered the pillar while wandering. It caught attention of societies and authorities for further exploration in Lumbini region. Bricks, temples, a holy pool, and many religiously important evidences were excavated in the following years. Lumbini region is recognized as a world heritage site. It is a subject of great interest to the millions of believers in Buddhism. The figure 1 below illustrates the map of Nepal and the location of Lumbini region circled in yellow.
There are 7 municipalities and 35 villages covering about 1000 square kilometers that are deeply concerned with the socio-economic impacts of Lumbini region. In this Thesis, these areas are referred to as socio-economically concerned societies. The population of the societies is about 1 million and there are about 200 thousand households. Surprisingly, the census shows that Buddhism is the third largest religion after Hindu and Islam in societies. (Department of statistics 2014.)

The figure 2 shows the map of Lumbini region. The white circled area in the map is most important part of Lumbini where Buddha was born and the place where Mayadevi temple is located now. The map also shows different parts of Lumbini garden where tourists can visit temples and monasteries built by different countries.
Tourism is one of the largest industries in Nepal. Nepal is full of international tourism products, such as eight highest peaks of the world including Mount Everest, the birthplace of Buddha, a large variety of flora and fauna, and beautiful landscapes in all seasons. Majority of tourists in Nepal are from India, and they are religious tourists in their Hindu belief. Nepal and India share culture and religion, which provides Nepal a golden opportunity to attract millions of visitors. (Nepal Tourism Board 2014.) The birthplace of Buddha is not as popular as it is expected to be to be. Annual growth rate of visitors in Nepal varies between 9 to 11 percent.
3 RESEARCH METHODOLOGY

In this chapter, we discuss about the research methods and approaches that are used in this Thesis process. The focus of the discussions is in the qualitative research method, the case study, and interviews. The following sections present not only the relevance of choosing the qualitative research method and the case study but also show how we collected and analyzed the data.

3.1 Research process

The research process begins with forming an idea to recommend Lumbini development trust for development of tourism in Lumbini region. Following the idea generation, we viewed relevant literature to increase the understanding of the case, present situation, and tourism possibilities. Once the objectives of this Thesis are outlined, three research questions are formed to achieve those objectives. The most suitable research method for our Thesis is the ‘qualitative research method of a single case study’. The reason for choosing the qualitative research method is that the data widely used in this Thesis are qualitative in nature.

This research is a single case study, since the entire research focuses on the case of Lumbini region. The objective of Lumbini development trust is the development of tourism in Lumbini region. Researchers began to collect data with a complete framework of this Thesis. We conducted three interviews with people involved in developing tourism in Lumbini. As we discussed in Chapter two, the interviews were semi structured and conducted in telephone conversations. Journals, books, and relevant materials are gathered and studied for the purposes of this Thesis. The drafting of this Thesis began with setting the deadline.

3.2 Methods and analysis

3.2.1 Qualitative single case study

Qualitative research is a popular research method in the field of social sciences. Basically, qualitative research investigates what, why, and how of the issues rising in
the case under study. In general, it is understood that the qualitative method would be
the most efficient method to answer our research questions. (Berg & Lune 2001, 10-11.)
In addition, situations, logic, and strategies can be explained in a detailed way using the
qualitative research method. While conducting a qualitative research, researchers tend to
cross the scope of the study to acquire a detailed picture of the case (Silverman 2005, 6).
The inputs for this Thesis are literature review and interviews. The case study
researches are not always in qualitative nature, it can be quantitative, qualitative, or mix
of them that depends on the data used in the research. (Yin 2009, 46-47.)

According to Robert Yin (2009), case studies are divided into a holistic and embedded
design. The holistic design is suitable for the single case as it examines the general
picture. There are no subunits identified in this case study, and for this reason, this
Thesis is holistic in nature. Yin (2009) states that documents, archival records,
interviews, direct observation, participant observation, and physical artifacts are the six
sources of evidence for case studies. Interviews are the most suitable data collection
method for this study. The data gathered from interviews are studied with reference to
the relevant literature used in this Thesis. The discussions, suggestions, and conclusions
are drawn from the findings derived from analyzed data.

3.2.2 Interviews

An interview is a conversation between two or more people to investigate facts from the
interviewees. Interviewer is the person who asks questions in seeks of relevant data for
the topic under study. Typically, interviews are common in journalism and media
reporting. However, interviews have been a reliable tool in data collection in qualitative
research. The main purpose of an interview is to understand the meanings of
interviewee’s opinion. (Turner 2010, 754-756.)

Due to many reasons as described above, the major tool for data collection in this Thesis
is interviews. However, we used literature reviews and direct observation as tools to
collect data. This Thesis includes three interviews from experts from various fields.
Interviewee ‘A’ is an officer of Nepal Tourism Board, interviewee ‘B’ is a professor of
Travel and tourism in a reputed University in Nepal, and interviewee ‘C’ is an
entrepreneur of a travel agency. The interviews were semi structured in nature, and conducted in telephone conversations. The same set of open-end questions was asked to all interviewees. Interview as a research tool is effective to collect data from experts (Lewis & Thornhill & Saunders 2007, 2-12). The questions and answers are attached in the appendix section of this Thesis. The common theme of the interviewees’ opinion is presented below.

First, three interviewees had a common answer for the present situation of tourism activities in Nepal. Mostly known tourism attractions in Nepal is adventure tourism that includes mountaineering, rock climbing, and rafting. Hindu and Buddhists tourists are major segments in religious tourism in Nepal. India has been the largest tourism market segment of the faith tourism in Nepal. There is a possibility to increase the flow of tourists for the faith tourism.

Second, development of the faith tourism can contribute to societies and national economy. There is a need for infrastructures and huge investments to boost the economy as planned. Private sectors are not ready to invest in less profitable infrastructures whereas government has many commitments and that are more important, in views of national planning commission, than tourism. This has been a root cause for a delay in the development of tourism, however its importance has already been realized.

Third, potential target tourists segments for Lumbini region is the largest mass in the history of Nepalese tourism. The population of Buddhists, their income level, and their purchasing power shows enormous potential in the faith tourism in Lumbini region. If the planners succeed as planned, the development can turn around the local economy in a very short time and contribute significantly in national economy. The impacts can be realized comprehensively.

Fourth, Socio-economic change in Lumbini region is possible. Due to ignorance, poverty, and lack of exposure to other societies, there can be social confrontations in future. Education and economic uplifting are only ways to avoid social confrontations. There can be some negative impacts in social, ecological, and environmental sphere. Concerned authorities should enact strategies to minimize the negative effects of
tourism. Last, answers to the question ‘how can we realize economic prosperity?’ provided a guideline to formulate new strategies to address the final objective of this Thesis. Detailed presentations of new strategies are discussed in Chapter seven.

3.2.3 Survey

After the three interviews as mentioned in the previous section, two sets of communities, one with maximum touristic activities and another with less touristic activities, are selected. The selection criteria for the sets of communities are based on two data sources, several secondary data available to public use and answers from three interviewees. Variables under study are categorized into two sections which are exhibited in the following table.

<table>
<thead>
<tr>
<th>Social variables (SV)</th>
<th>Economic variables (EV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local identity and values</td>
<td>Accommodation services</td>
</tr>
<tr>
<td>Cultural clash</td>
<td>Local food and beverages</td>
</tr>
<tr>
<td>Social stress</td>
<td>Retail trading</td>
</tr>
<tr>
<td>Possible crime</td>
<td>Transportation mobility</td>
</tr>
<tr>
<td></td>
<td>Cultural and recreational activities</td>
</tr>
</tbody>
</table>

Table 1: Social and Economic variables

Social variables are local identity and values, cultural clash, social stress and possible crime. Economic variables are accommodation services, local food and beverages, retail trading, transportation mobility, and cultural and recreational activities. Each variable is tested with each community selected. There are two sets of communities. First set of communities are already known for religious destination for over 100 years. These communities have a different socio economic scenario than other communities which are not affected by tourism activities. Second set of communities are closest village development committees (VDC), including Lumbini, from the birthplace of Buddha.
Despite of being close to Lumbini, these communities are not benefitted socio economically as supposed. The following table presents the sets of communities under study.

<table>
<thead>
<tr>
<th>Communities with faith tourism activities</th>
<th>Communities from Lumbini region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manakamana (P)</td>
<td>Tenuhawa (A)</td>
</tr>
<tr>
<td>Pashupatinath (Q)</td>
<td>Lumbini (B)</td>
</tr>
<tr>
<td>Gosaikunda (R)</td>
<td>Madhubani (C)</td>
</tr>
<tr>
<td>Swargadwari (S)</td>
<td>Ekala (D)</td>
</tr>
<tr>
<td>Muktinath (T)</td>
<td>Devdaha (E)</td>
</tr>
</tbody>
</table>

Table 2: Communities with faith tourism activities and communities from Lumbini region

Manakamana, Pashupatinath, Gosaikunda, Swargadwari, and Muktinath are popular holy destinations for Hindus. Nepal’s demography shows that 86% of the population believes in Hinduism and a comprehensive amount of tourists from India pay visits to those holy places. As a result, these places can be considered as tourism affected communities. The socio economic scenarios of these places are considered in this Thesis. Tenuhawa, Lumbini, Madhubani, Ekala, and Devdaha are closely associated communities with Buddha’s birthplace Lumbini. Due to Hindu majority and negligence from authorities these places are yet to be highlighted as an international religious destination. The following table shows variables and their components with ratings from respondents of the survey.
Social and economic are the variables under study. In the first part of the survey, a set of questions were asked to find out the social and economic impacts on five popular religious destinations, that are Manakamana, Pashupatinath, Gosaikunda, Swargadwari, and Muktinath, in Nepal. Manakamana is a Hindu holy place where Goddess
Manakamana is worshiped. It is believed in Hinduism that after praying to her one can achieve anything wished. Pashupatinath and GosaiKunda are holy places where Lord Shiva is worshiped. Muktinath is a holy place where Buddhists and Hindus worship together. Swargadwari is a holy place where Hindus worship for deities.

Graph 1: Social variables in communities with faith tourism activities

Graph 1 illustrates the survey result shows an overall impact in social perspective in those five holy places is 3.42 out of 5. It shows that there has been a significant impact of faith tourism in social issues. The overall figure 3.42 includes 4.1, 3.3, 3.2, and 3.1 ratings on impacts on local identities and values, cultural clash, social stress, and possible crime respectively. Similarly, the survey result shows an overall impact in economic perspective in those five holy places is 3.76 out of 5. It shows that there has been a significant impact of religious tourism in economic issues as well.
Graph 2: Economic variables in communities with faith tourism activities

Graph 2 illustrates the overall figure 3.76 includes 4.2, 3.6, 3.8, 3.7, and 3.5 ratings on impacts through accommodation services, local food and beverages, retail trading, transportation mobility, and cultural and recreational activities respectively. Since the overall average figures are 3.42 in social and 3.76 in economic perspective, it is sense making inference to conclude that there has been social and economic impacts due to faith tourism.

In contrast to five popular religious destinations, there are five communities near by Lumbini region that are considered worth surveying to understand present social and economic impacts. Tenuhawa, Lumbini, Madhubani, Ekala, and Devdaha are the places that are geographically connected with the birthplace of Lord Buddha. These places could have social and economic prosperity along with development of faith tourism in Lumbini.
Graph 3: Social variables in communities from Lumbini region

Graph 3 illustrates the survey result shows an overall impact in social perspective in those five villages is 1.75 out of 5. It shows that there has been a poor impact of faith tourism in social issues. The overall figure 1.75 includes 2.3, 1.9, 1.5, and 1.4 ratings on impacts on local identities and values, cultural clash, social stress, and possible crime respectively.

Graph 4: Economic variables in communities from Lumbini region
Similarly, graph 4 illustrates an overall impact in economic perspective in those five villages is 2.02 out of 5. It shows that there has been an insufficient impact of religious tourism in economic issues as well. The overall figure 2.02 includes 2.2, 2.0, 2.1, 2.2, and 1.6 ratings on impacts through accommodation services, local food and beverages, retail trading, transportation mobility, and cultural and recreational activities respectively. Since the overall average figures are 1.75 in social and 2.02 in economic perspective, it is sense making inference to conclude that there has been insufficient social and economic impacts due to faith tourism.

There is a significance difference in the social and economic impacts in two sets of places understudy. The main reasons for the difference between those two sets are poor developmental and promotional activities. Upon developing suitable strategies to promote those villages, helps in improving the level of social and economic situations. Lumbini is the birthplaces of Lord Buddha, about a billion populations believe in Buddhism who possibly can be interested to visit their holy place. Besides, Buddhists there are many groups of people may visit Lumbini as well. It can be compared with Jerusalem, Mecca, and Pashupatinath. In the coming chapters, we describe social and economic impacts in details. Additionally, we recommend a set of strategies for development in tourism in Lumbini.
4 SOCIO-ECONOMIC IMPACTS

This chapter discusses socio-economic impacts of faith tourism in Lumbini. The impacts in social processes and economic activities due to tourism development are known as socio-economic impacts. The study of socio-economic impacts is made possible when discussing them in a micro level. The micro level study of socio-economic impacts conducted in this Thesis involves three steps. First, the impacts are identified and selected for further elaboration. Second, the impacts are further broken down into two categories, i.e. social and economic impacts. Third, the economic impacts are discussed as direct and indirect and as induced impacts.

4.1 Social impacts

The host societies establish new direct or indirect contacts with visitors and tourism industry as tourism development occurs in societies. The host societies are affected with newly built relations to tourists and the industry which is referred to as social impacts. As a consequence, guests seem to culturally influence the host societies. In context of developing countries such as Nepal, visitors or guests are even more influential in several ways over host societies. One of the reasons is the superiority in education levels and financial conditions of tourists over the host societies. The social impacts are observed in many aspects of host societies such as identities and values, cultural clashes, social stress, and crime. The following sections discuss above mentioned impacts in turn. (Vijayanand 2012.)

As the first identified social impact, the host societies seem to lose their local identity and values. Commercialization of local culture is possible when the host societies consider tourism as a business. Businesses are meant for profits, and the profits are ensured with visitors’ satisfaction. To satisfy the visitors, the host societies prefer economic ways of providing facilities to meet the expectations of the visitors. The host societies focus on satisfying the visitors by providing desired souvenirs, food and drinks, and accommodation. The conventional local food drinks, and accommodation might not be exactly what visitors prefer in faith tourism. In order to satisfy the visitors, there can be some changes in food, drinks, and accommodation. For example, visitors
are likely to buy souvenirs from local businesses. As the demand increases, local businesses can change the indigenous taste of souvenir products to be economical or in line with the new design. In this way, local identity and values of the host’s societies are at risk due to the impact of faith tourism. (Nyaupane 2009, 157-172.)

Second, cultural clash is likely as a social impact in the host societies. Lumbini is a holy place for Buddhists, but the major religions of the host societies are Hinduism and Islam. Islam is the major religion in the southern and western villages of Lumbini. The northern and eastern areas of Lumbini consist of Hindu majority villages. Based on religious belief, the host societies suffer a stress from disbelievers of their religions. People from other religions dislike the movement of Buddhists in their societies because there is a threat of change in religious belief and that is very offensive in Islam. In cultural friction, the host societies can have a group of anti-tourist people, which is absolutely dangerous for a cultural clash. Cultural clashes can further arise through economic inequality, irritation from visitor’s behavior, and job related issues. The average income and expenditure of host societies is below the country average.

Moreover, Nepal is a country with a very low income and expenditure average in global comparison. It is obvious that the locals regard themselves as inferior in financial prosperity with tourist, which can be a cause of cultural clash. Visitors tend to perform their usual behavior even when they are in cross cultural societies. Due to ignorance or carelessness, visitors fail to respect local customs and moral values. A majority of local people are involved in low paid jobs while people from other societies are taking good jobs. Actually, this happens due to differences in education level but still local people feel social stress with such job related issues. (Bhandari 2012, 62-65.)

Third, the social stress can lead to social disadvantages for host societies. Anti-tourists people from the host societies can cause riots, vandalism, bullying to remove heritage items, and disrespect to the visitors. A conflict is possible from uses of scarce resources between the tourism industry and host societies. For example, the host societies suffer from load shedding from electric energy supply and at the same time the tourism industry uses a massive amount of energy. Such a difference in uses of scarce resources can lead to a social stress.
The last identified social impact is possible crime in the host societies. As the population grows, the crime rate increases. Economic inequality helps increase crime for valuable belongings and money with visitors. A large number of visitors with a big sum of money to spend and their expensive belongings such as cell phones, cameras, and gold jewelries motivate criminals for crimes. In the same time, criminals and drug dealers can come to host societies for their interests that are also a challenging social impact for all concerned people. (Acharya 2005, 5-7.)

4.2 Economic impacts

The tourism industry plays a significant role in increasing financial activities in the host societies. Many countries have tourism as a major industry contributing to the national GDP. Nepal can be benefited from tourism when her tourism products are introduced in international markets properly. Tourism industry has direct, indirect, and induced impacts to the economy.

4.2.1 Direct impacts

Economic activities that deal directly with tourists are direct impacts. The direct impacts can be seen in commodities, industries, and sources of spending. Accommodation, transportation, entertainment, and attractions are major sectors in commodities impacts. The flow of tourists determines the rate of occupancy of hotels. Hotel businesses are very close to tourism activities and create various types of jobs for skilled and unskilled people. There is a significant contribution of the hotel sector in the national economy. Travel agents are the businesses that sell itinerary, tickets, and counsel the tourists for their comforts. Travel agencies create jobs in societies and contribute to local and national economy. Airlines business is associated with tourism and hotel businesses. Growth in the tourism industry brings about growth in an airlines business. It creates job opportunities and pays a high amount of tax to the government. Local transport businesses such as taxi, bus, and rickshaw businesses get benefited from this increased flow of tourists. It is the sector that provides very few jobs for local people in host societies. Restaurant businesses depend on a flow of tourists in the host societies. A large number of local jobs are created in restaurant businesses which also contribute to the local and national economy.
Local souvenir businesses are directly related to touristic activities in the host societies. Jobs are created in this sector and it contributes to the local and national economy. Entertaining businesses can also be benefited from the flow of tourists. For example movie businesses, swimming pools, leisure sports activities, and fitness clubs can be influenced by the flow tourists in the host societies. Tourists can be attracted to other tourist attractions near to Lumbini region. For example, tourists may be interested to see Mount Everest, or see wildlife in a national park. Local businesses can have a growth in sales due to shopping habits of tourists. New jobs can be created in this sector as well. Hence, the industrial level direct economic impact is observed in accommodation services, food and beverage manufactures, retail trading business, transportation activities, and cultural and recreational activities.

4.2.2 Indirect and induced impacts

Capital investment is the investment made by all sectors that are directly involved in tourism activities for acquisition of tourism specific assets. An investment to build a new accommodation is an example of indirect economic impacts in the host societies. Many new jobs are created in designing and constructing new assets. Opening new restaurants and leisure facilities for specific purposes of tourism are examples of economic impacts as well. Government spends money to harmonize tourism activities that ultimately yields tax and jobs in the host societies. Promotion of tourism in Lumbini region in international communities is an expensive process. Government spends a huge sum of money to accelerate the tourism activities. Hotels promote hotel business and airlines promote airlines business they might not be interested to promote the whole tourism in Lumbini region. Local government spends locally, regional government spends regionally and national government spends internationally for benefits of all sectors involved in tourism in Lumbini region. Hence, such a spending is called government collective spending.

In increasing trading activities in the host societies, purchase of domestic goods and services by domestic businesses also increases. Supply-chain effects can be seen with the increasing flow of goods and services among domestic suppliers and consumers.
People or businesses that are directly involved in tourism business earn a sum of money in a certain period of time. Their consumption or saving creates new demands or investments in several new ventures that ultimately increase economic contribution to the national GDP. The increased economic contribution to the national GDP creates more jobs and so on. In this way, induced economic impacts in the host societies can be realized.
5 ROLES OF SOCIO-ECONOMIC IMPACTS

In the previous chapter, a set of socio-economic impacts of faith tourism in Lumbini region were presented. This chapter discusses the roles of socio-economic impacts in regional development. In the following sections, economic conditions, demographic conditions, employment composition, role of women, and community resources and structures are discussed in turn.

5.1 Economic conditions

Tourism activities play a significant role in changing economic condition of the host societies. It is aimed to uplift the standards of livings of the host societies. The present economic condition of the host societies is below the poverty line. Agriculture is the main source of income. Rice, wheat, maize and lentils are cultivated in this region. Farmers own insufficient areas of land for a commercial production of crops. Uses of machineries in agriculture are not affordable for average farmers. Hence, the manual agriculture process is tiresome and inefficient compared to international standards. A majority of farmers cannot afford their living only from agriculture and they contribute to unskilled seriously low-paid jobs in nearby markets.

There are markets where farmers sell directly to consumers but it is not suitable for all farmers due to their various commitments. A certain number of intermediaries buy leftover products from farmers and make a good business in retail markets. A majority of population does not benefit as supposed from agriculture. The presence of the government is fair and weak. We find that people are engaged in agriculture only because they have no other options and skills. Foreign land employment is another source of income in the host societies. Many unskilled workers from the host societies are employed abroad such as Malaysia, Qatar, and Saudi Arabia. Most of the respected and highly paid jobs are taken by educated circle from other societies. In conclusion, the economic condition of the host societies is critical. Tourism activities can really be a breakthrough in the host societies. (Tourism Vision 2009.)
Increasing tourism activities create jobs and it requires employees with different skills. It is likely that people from agriculture shift their profession to the tourism industry. It increases their income level and standard of living. A small number of farmers will be able to share the cultivated land area among them. There will be the possibilities of commercial production in agriculture, which increases the economic condition of farmers as well. Urbanization in the host societies may affect the agriculture sector. In addition, urbanization gives a space for the workers who work abroad to invest and use their skills in their societies. It can also lead to economic prosperity of locals with new businesses and new jobs. A rapid growth in tourism activities increases possibilities of awareness for a better education that ultimately makes locals to compete for high skilled jobs locally and regionally.

5.2 Demographic conditions

The role of demographic conditions in the regional development is always crucial. Based on age, race, sex, religion, and ethnicity, the demographic conditions of the host societies are diversified. The average family size in the host societies is six persons per family. The numbers of children is higher than the youths and seniors. The life expectancy in this region is above sixty years for both males and females. People in the host societies are mild dark in their skin color. The societies practice a caste system and the caste discrimination is observed in the host societies. Poverty and ignorance are rampant among the so called low caste population. The societies consist of a mix of Hindu and Islam believers. Hinduism seems to be close to Buddhism where the Buddha is considered as a God in Hinduism. Religious tolerance among Hinduism and Buddhism is quite high compared to Islam with other religions. The societies include various types of Nepalese such as local indigenous people, Indian origin people, and mountainous origin people.

With the introduction of tourism activities in the host societies, a transformation of demographic structure is possible. Skilled migrants move to the societies to serve skilled jobs; family size can change with the change in employment opportunities. The mobility of capital and labor changes the conventional structure of the societies. In a long run, education and cultural interaction help in reducing the family sizes. Increased
job opportunities due to tourism activities help in collecting more taxes from youths. Induced investments are likely to generate increased jobs opportunities and that accelerates the financial activities which ultimately lead the host societies to prosperity.

5.3 Employment composition

Agriculture and foreign employment are the major sectors of employment composition in the host societies. The unemployment rate is above 60 percent since, female, half of the population is isolated from financial activities in the host societies. Employed under agriculture are also seasonal unemployed demographics. Most of the government jobs in the societies are full of people from relatively educated societies. There is a little chance to find a job opportunity in the host societies.

Tourism can play a major role in job creation in the societies. With the capital investment from government, thousands of jobs can be created in construction. A successful development of tourism activities creates varieties of jobs for locals and migrants in the host societies.

5.4 Role of women

Female are considered to be in house and male are motivated to generate income for the family. Families are biased in education for men and women. Due to traditional thoughts, the power distance, index of Nepal is 65 between male and female which is relatively high. This index indicates that power is distributed unequally among male and female, and expresses the attitude of culture toward the inequalities between male and female. (The Hofstede Centre 2014.)

In present conditions, women have no role in economic activities in the host societies except some exceptions. Development of tourism in the host societies inspires local residents to educate women. An educated woman definitely educates her children, in this way societies can get out of ignorance to prosperity.
5.5 Community resources and structures

Real estate price is at minimum level in the host societies. An average ownership of land per family is 0.5 hectare. More than 80 percent of cultivated land is used in agriculture. Private owners own the most of the land resources in the host societies. There are three types of houses in the host societies. Local elites own multi stairs concrete houses, middle class people own small size concrete houses, and low income people own huts. The average span of concrete buildings is over 50 years and low price huts lasts for couple of years only. The majority of population is low-income people and they utilize the lowest amount of community resources. Ground source water is supplied to each household. The community lacks proper drainage system which can cause serious communicable diseases. It is expected to transform their lives with new jobs from tourism activities. Beginning of tourism activities can turn the societies to urbanization. Drinking water, regular energy supply, and wide roads are expected from the tourism development in the host societies.

The present condition of health and social services of the host societies is insufficient for the population. There are 5 major hospitals with limited resources for about 1 million populations in Lumbini and its territories understudy. Many villagers need to travel couple of hours to get health services that is inconvenient due to the existing local transportations. The host societies are at risk of setting fire in summer since the large numbers of huts are around and the weather can be very warm, windy, and dry. Serious problems in the host societies are waste water management and solid waste disposal. Man-pulling rickshaws are popular means of local transportation. Rural villages have no public transportation where as some villages have bus facilities as well. In towns nearby, various means of transportation facilities are offered. A railroad connection to Tibet is under construction. It can be a milestone in tourism development in Nepal to introduce Lumbini among Tibetan and Chinese Buddhists. An international airport is also under construction to target visitors from wider ranges. Since, the population is under poverty in the host society’s present tax collection is only from the land taxes. A trend of tax evasion is observed due to loose government stands and corruption in the societies. Community structure changes rapidly when tourism activities increase. In
regional development, the role of community structure is significantly crucial and important.
6 ENHANCING SOCIO-ECONOMIC ASPECTS OF SOCIETIES

This chapter deals with enhancing socio-economic aspects of societies through creating new jobs, minimizing social confrontations, increasing the benefits for societies and stakeholders, harmonizing cooperation between small businesses, and tourism, and motivating ecological activities in tourism industry. Finally, the discussion focuses on adding values in GDP through enhancing socio-economic aspects of societies.

6.1 New jobs creation

Tourism is considered as the powerhouse of new jobs creation. Socio-economic prosperity is attainable through new jobs creation. Once created jobs produce induced effects in creation of more jobs. From the beginning of tourism developments, various types of jobs are created in societies such as construction, transportation, lodging, entertainment, and agent and planners.

Construction is a process of building physical infrastructure that involves planning, design, financing, building, and finishing. Each stage creates new jobs. Planning and design create jobs for engineers and surveyors. Financing of construction creates jobs for bankers and investment companies. Building process creates jobs for contractors, overseers, and construction workers. For building construction works, furniture’s, plumbers, electricians, furnishing, interiors, painting, and gardening jobs are created. For roads and railways construction, a huge number of construction workers are employed.

Transportation is essential for physical mobilization of resources. Tourism industry enhances the physical mobilization of resources. The construction materials, food and beverages, supplies, and human resources use transportation most. Transportation creates jobs for drivers, mechanics, and small medium size businesses related to transportation. Transporting passengers via airlines creates jobs for pilots, travel agencies, and flight attendants. Hotel industry grows together with tourism industry. As hotel and restaurant businesses grow, many new jobs are created for local population. Hotel industry creates direct jobs such as hotel managers, luggage porters, laundry
services, newspaper services, cleaners, housekeepers’. Entertaining tourist attractions nearby Lumbini region contributes in jobs creation for leisure time activities. Museums, zoos, national parks, amusement parks, fun parks, and casinos are places where new jobs are required. Tour guides, tour agents, and tour planner make their business along with above mentioned jobs. Enhancing societies to economic prosperity through creating new jobs is a sustainable approach.

6.2 Cooperation of Small businesses with tourism

Small businesses are backbones of economies. A relationship between small businesses and tourism industry is important for economic prosperity of societies. The growth of small businesses and tourism needs to develop hand to hand. Therefore, there is a need for a cooperation of small businesses with tourism. Government invests a big amount of sum in developing tourism activities. Enhancing small business access to credit helps to start, grow, and create jobs in societies. Business environment is not fixed and static, boom and tough times in businesses are inevitable. An easy access to credit ensures a level of security and motivation for small businesses that rely on tourism. Tax reliefs or similar benefits for small businesses seeking to grow and expand can support the societies for economic prosperity.

Innovation is a key for success. Small businesses may not be sufficient to spend for innovation. There is a need of cooperation with tourism for innovative projects. Cooperation between tourism and small businesses is needed to promote impact investment in developing societies. Further cooperation’s can be extended to help innovative small businesses by aligning with regional innovation, improve export of small businesses, and to strengthen corporate relations within small businesses. Innovation in small businesses, tourism industry, and regional innovation should be matching to each other.

6.3 Adjustment of social confrontations

Social problems arise with the development of tourism activities. Tourism boosts economy of a particular area and at the same time it causes problems that need to be
solved. After becoming a tourist destination, vehicle and foot traffic, garbage, drain, air pollution, noise pollution, and encroachment of cultivated land increase rapidly. In addition, wearing styles, food and drinks, languages, and social activities can differ and offensive for one another. Traffic jams and mismanagement of traffics can put a negative impression in tourism. Increased number of vehicle and foot traffic need wide and convenient roads. Garbage and drain should be managed in an ecological method. Mismanagement of garbage and drainage system increase pollution and risk of communicable diseases. With increased numbers of vehicles and population, the pollution of air and noise is likely to roar up.

The pollution management is a difficult and costly process for authorities. Controlling of pollution becomes easy only because of public awareness. Rapid urbanization always encroach farmlands and forest areas which are ecologically tragically. Since the private owners are free to make a choice about their farmland, they let the land to erect buildings if a sound amount of money is offered. There are some social problems that cannot be solved. People need to change themselves for such type of transformation. Women are not allowed in Islamic societies to wear most of the western dresses. Tourist’s wearing apparels that are offensive to Islamic societies can be a burden for a sometime. Tourists seem to remain unchanged with their tradition, so the societies need to adapt with western clothing fashion. Buddhism is against any kind of killings, and most of the tourists prefer meat in their diets.

Businesses need to find ways to satisfy tourist’s needs without offending religious groups. Concerning food habits, beef is offensive to Hindu societies; there can be a social confrontation with tourists. Businesses offer foods what tourists prefer, however the societies may not allow the businesses to slaughter beef in societies that can turn into a confrontation. Similarly, pork is prohibited in Islamic societies, offering pork to tourists in hotels and restaurants can distant Islamic groups to local businesses. Sexual exploitation can be seen as urbanization increases. Marriage only allows sex legal in Nepal. Even with consents of both man and woman, sex with other than spouse is illegal. This is quite strange for modern societies. Local societies need time to adjust with western perception about sex.
6.4 Development of overall economy

Tourism industry is a major economic contributor in Nepalese economy. Despite the fact that there are several tourism resources in Nepal, exploitation of those resources yet to be done. With the proper exploitation of tourism resources, local economies realize significant changes towards economic prosperity. Tourism is a labor based industry; it ensures varieties of jobs to local economies. The effect of money inflow in societies is felt quickly and straight through local spending. Besides jobs creation, social development, public awareness, changes in education standards, better physical infrastructures, and better insurance and health policies are the sectors that help national economy.

Based on data from 2012, tourism in Nepal has contributed 356.7 million US dollar as total revenue in the year. Lumbini region attracted 136,037 tourists, which is 6% more than the previous year. In numbers of tourists count, religious tourism makes 13.7 percent of total tourism in Nepal. Indian, Australian, Chinese, German, and French tourists are major groups to visit Nepal for the last decade. The population of Buddhists in the world is about 376 million; out of this population 5% visiting Lumbini once in their lifetime can turnaround the economic situation of Lumbini region. The spending from the expected tourism in future produces induced effects in creating more jobs and more economic contribution.
7 FORMULATING STRATEGIES FOR ECONOMIC PROGRESS

In the previous chapter, socio-economic aspects of impacts of tourism in societies are analyzed. This chapter presents the strategies that help to achieve economic progress in Lumbini region. A set of strategies are presented and motivated in the following sections.

Creation of Buddhist tourism circuits among four holy sites in Buddhism is a promising strategy for economic progress. Lumbini, Bodh Gaya, Sarnath, and Kusinath are the four holy sites in Buddhism. Lumbini is the birthplace of Buddha which is located in Nepal. Bodh Gaya is the place where Buddha was enlightened. Sarnath is the place where Buddha delivered his first teachings. Kusinath is the place where the Buddha was died. Buddhism recommends Buddhists to visit their holy sites at least once in their life time. In cooperation with tourism businesses of those four holy sites, a new route can be formed for Buddhist tourists. Pashupatinath, Muktinath, Swayambhunath, and Bouddha can be added to Lumbini to create a domestic circuit. The domestic route can boost domestic tourism. There is an international airport under construction in Lumbini. A railroad connection to Tibet is under construction as well. A hub and spoke model ensures the mobility of tourists in the designed circuit.

Innovations of holistic packages are needed to address other segments of tourism. There is a tourist segment among Buddhists that is not attracted to only religious sites. The first strategy limits to the strong believers of Buddhism who wish to visit just four holy sites. Lumbini region carries historical artifacts from the 5th century BC. In addition, there are many archeological artifacts from different pastimes such as Ashoka pillar from the 2nd century BC, ritual utensils of ancient villages around Lumbini region, royal palaces of Tilaurakot and Devdaha, in addition to monasteries constructed under different designs. People who are interested in historical sites and ancient artifacts can be a new segment of tourists in Lumbini region. There are hundreds of universities where historic, archaeological, and research studies are carried out and those people involved in the studies can be interested groups. Innovation should be used as a continuous process, because needs are changing overtime and strategies should be reviewed time to time.
Similarly to the above strategy, innovation for potential attractions that are not truly religious is needed for a further expansion of tourism in Lumbini. Yoga, Tai chi, and Buddhism related other activities that are popular among non-Buddhist communities can be created as a different experience for other segments that are not addressed by previous two strategies. Yoga is a popular relaxing exercise for mind and body control in western societies. It is important in focusing and controlling mind towards physical successes and spiritual experiences. However, yoga is developed from Hindu and Buddhist spiritual practices which can bring believers of Buddhism and Hinduism as well as the groups who are interested in yoga but really do not care about religions. Tai chi is an exercise similar to yoga which can attract tourists as yoga does. Traditional dancing cultural activities can also be a product that a specific group of tourists may be interested in.

As discussed concerning the first strategy, identification and development of religious tourism circuits are the prerequisites for the strategy of building integrated infrastructures. Once established the circuits, construction of the infrastructures should be done together since the destinations in the circuits are mutually responsible for growth and development of tourism. The four holy sites in Buddhism are feasible to connect with road, railways, and air transport. Except Lumbini, other three holy sites are located in India. A construction of a regional or international airport is important for Nepal Government to connect Lumbini in a circuit. The air circuit is faster than any other modes of transportation. The rail connection for the circuit takes along time than air transport. The circuit involves warmer cities, where the rail and bus transportation can be an inconvenient choice for tourists. Low income people from India and Nepal can choose the rail or road transportation, since they are used to warm climates as well.

The infrastructures include construction of hotels, monasteries, roads, hospitals, rails, airports, and markets. Private sectors are less interested in building public properties; therefore this strategy depends on Government initiatives.

Considering ecology and environment for sustainable development of tourism should be one of the strategies for economic progress. A rapid growth of tourism activities results in rapid urbanization. As a consequence, the negative impact of tourism increases in societies. The government should minimize the negative impacts on ecology and
environment. Local authorities should set a standard for harmful gas emissions from vehicles and businesses. There are some brick factories that are emitting harmful gases; they should be displaced from the region. People should be encouraged to plant trees in private and public premises. Environmental protection should be in priority while constructing buildings, roads, and public-private properties. To protect the environment, government can make private owners to stop converting the farmland into residential areas. Keeping the farmland as it is while developing tourism activities retains the natural beauty of the societies. (UNEP & WTO 2006, 1-20.)

Publishing financial activities of religious organizations gain trusts from believers and donors. People are concerned on financial activities since temples and monasteries are public properties. For example, income and donation to a temple is divided among people who work there and at the end of a year that creates budget problems for renovation and management of the premises. People who donate to the public properties want to see growth and management of resources. Gradually, believers and donors are demotivated to contribute which results in negative impacts of religious tourism. Hence, there is a need for practicing financial regulation in order to ensure transparency. Some Buddhist monasteries have significantly high revenues from donors and believers.

Making an institutional framework for sustainable development is essential to achieve the desired progress in several aspects of the organization. There is a Board named Lumbini Development Fund which is specifically assigned for development and growth of tourism in Lumbini. Nepal government and Nepal Tourism Board are two major institutions who are responsible for overall growth of tourism in Nepal. A modern strategic performance management tool, for example, a balanced scorecard can be used to shape an institutional framework. A mission and vision statements, strategic objectives, strategic linkage model and perspectives, and measures and initiatives are components of a strategy performance management tool. Construction and implementation of balanced scorecard for Lumbini Development Fund is helpful in measuring performances. The mission statement shows what the organization is and the vision statement shows the destination where the organization wants to be. Strategic objectives are ways that lead to the defined destination. The perspectives of performances are internal process, financial, learning and growth, and external relations
or customers. Making a framework for performance measuring of internal process helps in shaping efficiency of the organization. Financial performance measuring helps in making a budget plan for a financial year. Learning and growth supports internal process by innovating issues that are important at times. External relation makes a framework to achieve a desired result from customers. In this way, an overall organizational performance measurement framework can be created.

Formulating policies for pricing of tourism products is another important strategy to be formulated. There should be a scientific logic for a certain price, similar price to other tourism products, suitable to target tourists’ income level, and able to cover all financial burdens. The pricing should be done logically keeping in mind that the price is not too high and not too low. There are similar tourism products in India, Israel, and Saudi Arabia, and the price range should be similar to the similar products. In another perspective, a majority of local tourists are of middle class, for which reason the pricing should be based on their income level. However, international tourists can afford higher prices than local tourists. The financial obligations should be covered from the price of tourism products including the repair and renovation of infrastructures in the premises.

Committing to keeping the heritage site natural and traditional is crucial since religious tourism is nurtured from the traditions, values, and customs of a certain region. It is important to preserve the heritage site natural. Temples, buildings, and architects of premises should be maintained as they were in Buddha’s time. The trees and natural forests should show the traditional outlook of the site. Traditional design and carvings should not be distorted, rather they should be highlighted in the premises.

Cooperation with world famous monasteries helps in promoting Lumbini for visitors of those monasteries. Tibet, Myanmar, India, and Sri Lanka are the countries with large numbers of monasteries. Developing a relationship with them helps the growth of tourism in Lumbini. Hindu people consider Buddha as a reincarnation of god Bishnu. The relationship can be built to Hindu Temples from Nepal and India. Hindu tourists can also become a promising segment for Lumbini from Indian temples.
8 CONCLUSIONS

The Thesis was conducted to investigate and analyses the socio-economic impacts of the faith tourism in Lumbini region, and has recommended a set of strategies for economic progress in the region. The Thesis sought to answer the questions, i.e. what the socio-economic impacts of the faith tourism are in Lumbini region and why the selected set of socio-economic impacts of faith tourism are crucial in regional development, how the faith tourism can enhance the socio-economic aspects of societies in context of dynamic environment, and how Lumbini development trust can formulate new strategies to achieve economic progress in societies.

The empirical findings of this Thesis are addressed and the questions are answered in the previous four chapters; socio-economic impacts, roles of economic impacts, enhancing socio-economic aspects of societies, and formulating strategies for economic progress respectively. First, social impacts identified in this Thesis are a fear of losing local identity, cultural clashes, social stresses, and menace of increasing crimes. The economic impacts identified in this Thesis are direct, which include commodities, industries, and sources of spending, and indirect and induced that contain capital investments and all economic activities that yield further jobs and economic prosperity.

Second, economic conditions, demographic conditions, employment composition, role of women, and community resources and structures are identified and analyzed to address the roles of socio-economic impacts. Third, the enhancement of socio-economic impacts for economic prosperity by creating new jobs, minimizing social confrontations, increasing the benefits for societies and stakeholders, harmonizing cooperation between small businesses, and tourism, and motivating ecological activities in tourism industry are analyzed in turn. Lastly, a set of strategies are formulated as a strategic step towards economic prosperity from the faith tourism. The following are the strategies discussed as empirical findings. Creating Buddhist tourism circuits among four holy sites in Buddhism, innovating holistic packages, innovating potential attractions that are not truly religious, building integrated infrastructures, considering ecology and environment for sustainable development of tourism, publishing financial activities of religious organizations, making institutional framework for sustainable
development, formulating policies for pricing of tourism products, committing to keep the heritage site natural and traditional, and cooperation with world famous monasteries.

There is space for further development of this Thesis research. Business environment is dynamic which needs timely reviewing of the strategies and developments for the sustainable economic progress. Reviewing the strategies and exploring the new opportunities to achieve economic prosperity can facilitate the attainment of the vision of the Lumbini Development Trust for Lumbini development. The Thesis identified and analyzed the socio-economic impacts and formulated a set of strategies for the economic progress of Lumbini region despite some limitations.
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APPENDICES

Interviews:

Section 1

Question 1: How do you rate the present situation of tourism activities in Nepal?

Interviewee A:

Since it is believed that there are enormous tourism possibilities, the present situation of tourism activities in Nepal is being underperformed. The tourism industry should have been the largest industry, greater than the agriculture industry which has been a major industry in economic sphere of Nepal, engaging hundreds thousands people with direct and induced job placements. The national statistics shows that the leading industry is, yet, agriculture involving millions of peasants with very low economic returns. However, there are several tourist attractions in Nepal such as geographic, wildlife and nature, adventure, religious, and landscapes. None of above mentioned destinations is promoted to their possible national and international visitors. Hence, it is obvious that the tourism activities are not progressing as supposed. Based on peoples’ expectations and government’s plans, in sum, the present situation of tourism activities is not satisfactory.

Interviewee B:

Nepal known as the Mountainous country is itself rich in natural resources and also many other religious, cultural and historical aspects. Therefore thousands of people from hundreds of countries visit Nepal every month for adventures like trekking, rafting, paragliding, bungee jumping and so on. But also in looking Nepal’s beautiful landscapes, available herbs for medicine, the highest peak of the world Mt Everest, top hill lakes, small villages in the lap of the mountains and many other immortal expects, the number of tourist Nepal receives every year seems to be easily countable
and very small. In my overall conclusion there are still a lot of weaknesses and areas that tourism industry need to improve in future.

Interviewee C:
While speaking about the present situation of tourism industry in Nepal, it has not been developed as expected although Nepal can be listed as one of the most popular tourist destination. In the one hand, we are well known about the political instability of Nepal which has a great influence in tourism industry. In the other hand, promotion of Nepal as a tourist destination has not been made enough. In my opinion, Nepal government is also responsible for this situation. There is no any government policy made particularly for the development of tourism, policies which already made has not been implemented properly. Nepal is facing this poor condition although there are many possibilities of tourism.

Question 2: What causes the present situation of tourism and inhibits smooth development?

Interviewee A:
As I already mentioned that the present situation of tourism activities in Nepal is not satisfactory, there is neither a single factor that causes the present situation nor a particular issue that inhibits smooth development. Out of many causes, first, political instability is the major factor to bring such an unfavorable condition in tourism. In last 25 years, there have been more than 20 prime ministers with different set of cabinets. In addition to that, we have gone through a horrible civil war that lasted for 10 years and claimed 17000 lives and much more casualties. In international communities, we could not ensure safe trips to the destinations we have. Second, lacking of sufficient infrastructures creates more problems in achieving the desired success in tourism activities. The destinations are not backed up with required number of hotels and other basic facilities tourist may seek for. Third, insufficient strategies and even poor execution of those strategies make the situation far more unreachable. Hence, I believe
that politics, development, and management are mainly responsible for the failure to smooth development in tourism activities.

Interviewee B:
As there are a lot of problems in different sectors for improvement in Nepal’s tourism, the main problem in my view could be promotion or advertisement. Other factors like political issues, transportation, hotels and resort availability in tourism areas and so on are also playing the big role in decreasing the number of tourist every year. If the dwelling tourism industry and Nepal’s government take a look back and make some improvement in above mentioned factors, I am sure that the number of visitors to Nepal every year will increase by many thousands.

Interviewee C:
As I have already mentioned previously the main reason is political instability. Economic revolution and illiteracy is another main reason for this situation. Civil war which last for more than a decade in Nepal destroyed many infrastructures in Nepal. People do not know the value of what they have. If the people were educated I think we would not have faced this situation today. Another reason for this situation is poor economic condition. Most of the youth manpower moved abroad in search of good job opportunity only old people and children are in villages.

Question 3: How do you map the potential impacts of faith tourism in Lumbini if it succeeds as planned?

Interviewee A:
The potential impacts of tourism in Lumbini can be categorized into two major aspects; social impacts and economical impacts. There is no doubt that Lumbini, can be a religious destination as Mecca and Jerusalem, that hosts millions of Buddhists to the holy land Lumbini. As a consequence, tourism brings a huge amount of foreign currency to Nepalese economy. There will be direct involvement of people who work under tourism industry, airlines, travel guides, tour operators, hotels, transportation, and
local souvenir makers and sellers. Additionally, there will be many induced impacts to the societies and economy. New jobs will be created, new businesses will be launched, traffic increases, so do other economic activities. There will be an exposure of the societies to the guests. People tend to be more educated and likely to increase their life styles.

Interviewee B:
Lumbini, “the birthplace of Gautam Buddha” plays an uncountable role in Nepal’s tourism. Lumbini being the soul of Nepal’s tourism in one hand has direct relation in number of tourist visiting in Nepal, which means that if Lumbini is promoted and made the main weapon of tourist attraction naturally the number of tourist are going to be increasing every year and in other hand Lumbini has very wide religious expect so could be listed as one of the significant holy place of the world which could attract numerous tourists in near future.

Interviewee C:
While talking in context of Lumbini, faith tourism have both positive as well as negative impacts. Some of the positive impacts are economic condition of the local people will be improved, more business opportunities, infrastructures will be also developed which leads to more job opportunities and people will be more educated with the flow of tourism in Lumbini region. Increase in crimes, cultural clash and loss of local identity are some of the negative impacts of faith tourism. But when we measure the overall impacts of tourism it has more positive impacts than negative impacts. If it succeeds as planned we can imagine bright future of the local peoples from Lumbini region.

Question 4: How can Lumbini progress socio-economically?
Interviewee A:
As I already mentioned while addressing the previous question, there will be social and economical progresses in steak. Local identity and values, cultural clash, social stress, possible crime, and women involvement are
major social aspects which could be witnessed as Lumbini progresses as a world reputed religious destination. Accommodation services, local food and beverages, retail trading, transportation mobility, and cultural and recreational activities could be witnessed as economic progress. Ultimately, the societies will attain a higher level of living standard with a sound income in a peaceful environment.

Interviewee B:

In my view tourism is a main factor in changing economic and social lifestyle of the people. Lumbini can progress just simply by promoting tourism. If there will be a lot of tourists around this area, local goods, handicrafts, woolen clothes, and Nepali Thankas, would get reasonable market values, the shops and hotels near this area would not be killing flies. People would have busy lifestyle which would bring the drastic changes in social and economical field.

Interviewee C:

While looking from economic point of view more infrastructures are developed, foreign currency will enter in local economy, promotion of Lumbini region as a birth place of Lord Gautam Buddha which leads in the increase of tourist visiting Lumbini. When there are more infrastructures it will create more job opportunities directly and indirectly and helps to improve living standard of local people. And another thing to mention is the literacy rate in this region is low and especially women in this region are more uneducated. Increase in the flow of tourist in this region also helps the local people from the problem of illiteracy.

Question 5:  How can resident of Lumbini region realize economic prosperity?

Interviewee A:

Economic prosperity comes only if the people are employed and public spending can rotate the economic cycle in the local economy. Direct employment benefits a large number of people in the region and their saving and spending/investment brings induced employments and new
opportunities. As it enters in a local economic cycle, it develops an economic system which brings further progresses and opportunities.

Interviewee B:

Lumbini region has always been in the way of gradual development being the soul of Nepal’s tourism. People are in progress of having busy days but the day in which people see the roads full of white and brown strangers, already booked hotels rooms and restaurants full of customers, unpolluted environment around, easily available transportation, local goods and handicraft gets reasonable market values and so on.

Interviewee C:

In my opinion when the numbers of tourist visiting Lumbini increases, it not only helps to develop Lumbini region but it also helps in the development of the whole country. It will create more business opportunity which helps the people to raise their living standard. New opportunities will be created and also helps to make Nepal popular as the birthplace of Lord Gautam Buddha. Overall, there are many benefits of tourism. Increase in the flow of tourism means the development of economy.

Section 2

Question 1: What are the five Nepalese communities where maximum faith tourism activities can be witnessed?

<table>
<thead>
<tr>
<th>Name of communities with faith tourism activities</th>
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<tbody>
<tr>
<td>Interviewee A</td>
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<tr>
<td>Interviewee B</td>
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<tr>
<td>Interviewee C</td>
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</table>

Question 2: What are the five communities around Lumbini where less tourism activities can be witnessed?
<table>
<thead>
<tr>
<th>Interviewee A</th>
<th>Lumbini</th>
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<th>Madhubani</th>
<th>Ekala</th>
<th>Gothihawa</th>
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<tr>
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<td>Ekala</td>
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</table>
Dear Respondent,

We humbly request your voluntary participation in the survey for our Thesis study titled ‘Analyzing socio-economic impacts of the faith tourism: case of Lumbini’. This survey takes only 15-20 minutes to complete.

We, Shambhu K C and Jhabindra Gewali, are conducting this research to fulfill the academic requirement for the Bachelor’s Degree program in Lapland UAS, Finland. Prior to this survey, a set of intensive interviews were conducted with experts in travel and tourism sector in Nepal. From the interviews, two sets of variables, social and economic, are already identified. The identified variables are listed in the following questionnaires. The purpose of this survey is to collect relevant data to analyze the selected socio-economic impacts, present the impacts in context of changing business environment, and develop strategies for economic progress in a society. The purpose of these questionnaires is to identify ratings of the selected variables due to impacts of faith tourism activities and to compare among several variables. In questionnaire 1, popular faith destinations in Nepal are listed, whereas, in questionnaire 2, villages near by Lumbini are presented. A comparison of ratings on given variables to the given villages shows the importance and validity of this Thesis research.

This survey has been approved by Lapland University of Applied Sciences, Lapland, Finland. There are no risks associated with participating in this study. The survey collects no identifying information of any respondent. All of the response in the survey will be recorded anonymously. If you have any questions regarding the survey for this Thesis research in general, please contact Shambhu K C or Jhabindra Gewali at kcshambhu123@gmail.com or jhabindragewali@gmail.com. By completing and submitting this survey, you are indicating your consent to participate in the study. Your participation is appreciated.

Shambhu K C and Jhabindra Gewali,
Students of Bachelor of Business Administration
Lapland University of Applied Sciences
# Social and economic impact survey

**Survey 1**
How do you rate changes in the listed variables in the selected destinations below due to impacts of faith tourism?

**Social variables**
Upon interviews with experts, local identity and values, cultural clash, social stress, and possible crime are the identified social variables in this study.

### 1. Local identity and values

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<tr>
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### 2. Cultural clash

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### 4. Possible crime

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### Economic variables

Upon interviews with experts, accommodation services, food and beverage manufactures, retail trading business, transportation activities, cultural and recreational activities are the identified economic variables in this study.

#### 1. Accommodation services

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#### 5. Cultural and recreational activities

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# Social and economic impact survey

## Survey 2
How do you rate changes in the listed variables in the selected destinations below due to impacts of faith tourism?

### Social variables
Upon interviews with experts, local identity and values, cultural clash, social stress, and possible crime are the identified social variables in this study.

#### 1. Local identity and values

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<tr>
<th>Destination</th>
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#### 2. Cultural clash

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#### 3. Social stress

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#### 4. Possible crime

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### Economic variables

Upon interviews with experts, accommodation services, food and beverage manufactures, retail trading business, transportation activities, cultural and recreational activities are the identified economic variables in this study.

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#### 2. Food and beverage manufactures

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#### 3. Retail trading business

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#### 4. Transportation activities

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#### 5. Cultural and recreational activities

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To home it may concern

Enigma travels <enigmatravels@gmail.com> to me, kshambhu123, esa jahuola

4.56 PM (9 hours ago)

As I am on of the interviewee for your research work and entrepreneur of travel and tour company. I would like to say this research work will help to develop not only the Lumbini reason but also the faith tourism destinations. The strategy recommended are helpful for the development of Lumbini region. This research work will motivates for the further research work.

I would like to thank you for selecting me as an interviewee in this research process.

Gobinda Khanal
MD/CEO
Enigma Travels and Tours Pvt. Ltd.
Siddhihivayak Building Putalisadak
Kathmandu Ph: 01 6915069, 4216057
email: info@enigmaneatal.com
www.enigmaneatal.com