



ISSN: 0975-833X

Available online at <http://www.journalcra.com>

International Journal of Current Research
Vol. 15, Issue, 06, pp.25011-25018, June, 2023
DOI: <https://doi.org/10.24941/ijcr.45554.06.2023>

INTERNATIONAL JOURNAL
OF CURRENT RESEARCH

RESEARCH ARTICLE

ECONOMIC IMPACTS OF TOURISM IN THE MOUNTAIN SETTLEMENTS

*Kishan Datta Bhatta

Faculty of Engineering, Far Western University, Nepal

ARTICLE INFO

Article History:

Received 24th March, 2023
Received in revised form
14th April, 2023
Accepted 20th May, 2023
Published online 30th June, 2023

Key words:

Economic Impact; Tourism; Community Perceptions; Mountain Settlements; Everest Region.

*Corresponding Author:
Kishan Datta Bhatta

ABSTRACT

Tourism is usually considered as a tool to provide social and economic benefits to local communities in the tourist destinations. Ecotourism as a subset of sustainable tourism is extensively advocated as an alternative strategy for community development in the mountain settlements. In this regard, this research adopted exploratory and descriptive approach to investigate the perceived economic impacts of ecotourism in the local communities of Everest region in Nepal. It considers settlements around Everest Trail as a case to critically examine the dynamics of tourism development and its impacts on local residents both residing along the major trail(MT) and off the trail(OT). Multiple methods of data collection such as questionnaire survey with households, key informants interview, participant observation, informal discussion with local entrepreneurs and residents, and archival research have been conducted. Research findings demonstrated that ecotourism has provided widespread socio-economic benefits to local people, but in a varying degree. It has not only provided local economic opportunities but also created challenges to promote equitable community development. More specifically, tourism has become an advantage for a specific group of people living along the major trails (MT) such as tourism entrepreneurs and trekking and mountaineering employees, while the other group of people such as farmers, labors, and low-wage employees who usually reside in OT or in the peripheral region receive limited benefits, but largely affected by the tourism-induced inflation. It explicitly suggests that tourism benefits are largely accrued to residents in MT and not distributed equitably between the residents of MT and OT. In addition, there seem economic leakages, poor integration of local products into tourism system and high inflation. It suggests adopting a comprehensive tourism planning approach that considers inclusive participation of local people, both from MT and OT, in the decision-making process and sharing of tourism benefits as well as for reducing economic leakages and strengthening its linkages.

Copyright©2023, Kishan Datta Bhatta. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Citation: Kishan Datta Bhatta. 2023. "Economic Impacts of Tourism in the Mountain Settlements". *International Journal of Current Research*, 15, (06), 25011-25018.

INTRODUCTION

Given the exponential increase in number of international tourists, and their potential contribution to foreign exchange earnings and employment opportunities to the people; alternative approaches to tourism such as ecotourism or sustainable tourism has been extensively promoted in the developing countries mainly to alleviate rural poverty and achieve overall sustainable development goals (Bhatta, 2019). As a result, ecotourism as a form of sustainable tourism is expanding rapidly and penetrating into the rural settlements and the protected areas (Lacher & Nepal, 2010; Chan & Bhatta, 2013). Many developing countries have promoted ecotourism to receive economic growth through responsible use of natural and cultural resources (Duffy, 2002). The indigenous communities in rural settlements are often attracted towards ecotourism development specifically to receive economic benefits. Mountain region is the most popular tourist destinations of Nepal specifically for trekking, mountaineering, and exploring wildlife and diverse indigenous culture. Settlements located in the mountain region are largely influenced by the development of tourism.

The world's most famous trekking trail, Everest trail, is located in Sagarmatha National Park (SNP). As the large numbers of indigenous people are living in or around the protected areas; rapid growth of tourism has affected their way of life including socio-economic condition, culture, economy heritage, and environment. With more than six decades of tourism development, several settlements around the Everest Trail have not only experienced transformation in terms of land use, shape and size but also undergone through significant economic, socio-cultural and environmental changes (Nepal, 2003, Nyaupane & Thapa, 2004; Bhatta, 2019). In this context, this paper aims to critically examine the role of ecotourism in the local development and explore community perceptions towards economic impacts of ecotourism with specific reference to the case of settlements around the Everest Trail in the Sagarmatha National Park in Nepal.

Theoretical Review

Economic Impacts of Ecotourism: Ecotourism, specifically in the developing countries, is widely viewed as a strategy to receive economic benefits in terms of increased income, foreign exchange, employment and economic diversification.

Tourists generally contribute to sales, profits, jobs, tax revenues and income in the destination area (Gunn & Var, 2002). With the introduction of ecotourism, local people living in or around the protected areas get enhanced opportunities to work in the different sectors of ecotourism industry such as accommodation, restaurants, tour operation, local creative enterprises (art and crafts), transportation, entertainment, retail trade and other tourism related services (Bhatta, 2014). Creation of jobs to local people to support their livelihoods is thus one of key benefits of ecotourism. These jobs might be low, however make a huge difference in rural economies (Lindberg, 2001). Increase in local employment is considered a major catalyst to motivate local people towards conservation of resources. It is marked in several examples, such as, one of the studies in Belize conducted by Lindberg et.al. (1996) revealed that ecotourism related benefits were the important basis for positive resident attitude towards the protected areas. However, if residents bear costs without receiving economic benefits, they may neither support ecotourism nor conservation but could develop anti-conservation attitudes. Some of the key issues associated with economic impacts of ecotourism development are discussed below.

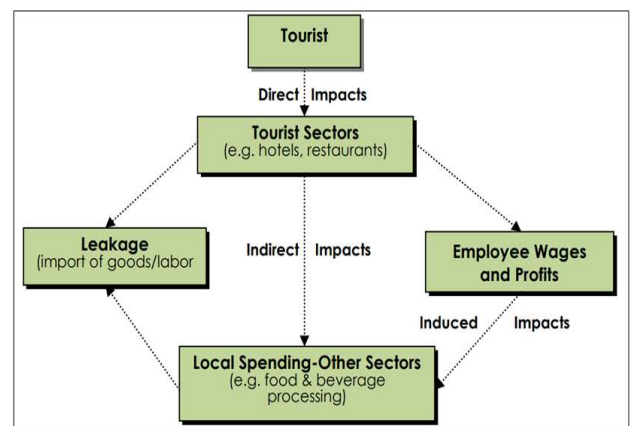
Taxes, Fees and Expenditures: Ecotourism not only generates government revenue through business and other general taxes, but also from industry-specific channels such as payment of occupancy and departure taxes (Lindberg, 2001). It also makes fiscal costs in the form of, for example, funding for infrastructures (Bhatta, 2014). In an evaluation of ecotourism in Belize, Lindberg and Enriquez (1994) noted that ecotourism revenue covers specific tourism related costs such as tourism promotion, and maintenance of airport, and also generate net profits for the government. In many developing countries, the park authority charges entrance fee and taxes from the tourists, and proportion of it goes back to the conservation and development activities. Revenue from entrance fees and taxes is therefore crucial for the maintenance of tourism resources and infrastructure (Bhatta, 2014).

Inflation: Many tourism destinations have faced the problems of inflation such as increased price of goods, services, and land specifically due to introduction of tourism (Bhatta, 2014). It has pushed the local communities to purchase goods in increased prices that are actually due to the new development brought by tourism activities (Lindberg, 2001). It should be addressed through the tourism plans of a destination.

Income distribution: Equitable distribution of income is crucial to promote sustainable development. However, in many destinations, tourism has created socio-economic disparity both between and within the communities and regions (Bhatta, 2014). Lindberg (2001) argued that, in some cases, tourism development exacerbates existing income inequalities within destination communities, while in others it generates new financial elites. In this regard it is crucial to consider inclusive involvement of local communities in the tourism-related entrepreneurial activities as well as sharing of benefits. Genuine participation from the different groups of communities may help enhancing equitable distribution of benefits among the communities (Bhatta, 2014).

Revenue Sharing and Issues of Leakage and Linkage: the protected area (PA) authority in the less developed countries have declared policies that allow tourism revenues go back to the community development programs wholly or partially (Bhatta, 2014). For example, Nepal's Wildlife Conservation Act provides the distribution of 30-50% of PA revenue to surrounding communities (Brandon, 1996; Weaver, 2001; Bhatta, 2014). Local residents in these destinations are believed to be benefited from revenue-sharing programs that either provides cash payments or funding for the community projects such as schools, community halls, health post, sanitation, drinking water, and other community infrastructure (Bhatta, 2014). Moreover, community-based organization such as 'mothers group', 'youth club', and 'conservation and development related committees' also collect fees from tourists, which is spent on the community development programs wholly or partially.

Thus, the issue of increasing tourism revenue and its equitable distribution among communities is a crucial concern for sustainable ecotourism development. However, one of the biggest challenges to the rural destinations in less developed countries is the high level of leakage from tourism revenues (ibid). Economic leakage is one of the main reasons that make tourism failure to produce desired level of economic development in the developing countries (Britton 1982; Dearden, 1991; Lacher & Nepal, 2010). It is often listed as a negative impact; however it is more appropriately viewed as the absence of positive impact (Bhatta, 2014). Rather than causing economic harm, it simply does not provide benefit of the foregone jobs (Lindberg, 2001). For instance, when the goods and services used in tourism industry are imported, it directly minimizes the benefits of local people. As such, to maximize the economic impacts of tourism, destinations should strive to increase the linkage between tourism activities and local businesses rather than depend on imported goods and services (Britton, 1982; Walpole & Goodwin, 2000; Chan & Bhatta, 2013). Moreover, strong linkages between local economy and tourism system are crucial to produce more multiplier impact which is essential to produce substantial economic development (Cohen, 1982; Chan & Bhatta, 2013). It is thus argued that failing to promote substantial linkages and multiplier impacts may even cause resentment of the industry amongst local residents (Bhatta, 2014). In many cases ecotourism has also failed to deliver its promises of economic benefits to local people. Wells and Brandon (1992), with reference to the early analysis of 23 Integrated Conservation Development Projects (IDCPs) having ecotourism as major components, pointed that only few benefits went to local people or served to enhance the conservation. The tourism revenue that is often assumed to be received by the destinations of developing countries from the international tourists faces the problems of high level of leakage, and only a tiny portion of the total expenditure of the international tourists accrued to local communities (Lindberg et.al., 1996; Lindberg, 2001; Lacher & Nepal, 2010; Chan & Bhatta, 2013). Two important considerations associated with tourism-induced local economic development can be drawn, the first is how much of the tourist expenditure goes to local areas, and the second is how much of this local expenditure actually remain within the destination. To explore the local benefits of tourism, it is crucial to identify the possible direct impacts, indirect impacts and induced impacts of ecotourism (Lindberg, 2001). In addition, benefits might be enhanced by reducing the potential leakages from the local destinations.



(Source: Lindberg, 2001)

Fig. 1. Tourism's impacts and leakages

Lacher and Nepal (2010) suggested some key reasons of high leakages from destinations, for example: (i) lack of capital; (ii) lack of local ownership; (iii) lack of local employment; and (iv) inability to link tourism to the local economy. One of the crucial aspects is that local people at rural destinations are not much educated about tourism, which hinders the level of local ownership and local employment, and also their ability to link local industries to tourism (Bhatta, 2014). Other studies have also advocated for mitigation of leakages by strengthening of tourism linkages with local economic activities.

Scholars such as Britton (1982); Holder (1989); Freitag (1994); Telfer & Wall (1996); Lacher & Nepal (2010); and Chan & Bhatta (2013) have suggested three key factors responsible for the low level of linkages that needs to be addressed: (i) supply- related factors (e.g. poor services and poor economies of scale); (ii) demand-related factors (e.g. tourist bad impression of destinations); and (iii) market-related factors (e.g. lack of skills, education, capital).

Community perceptions towards impacts of ecotourism: The perceptions and attitudes of local people towards tourism depend, to a large degree, on the interaction with tourists and the possible consequences of tourism (Bhatta, 2014). Although several models have been used to examine community perceptions and responses towards tourism; the theoretical foundation for these studies is largely the social exchange theory, which was proposed by Ap (1992) to explain local attitudes towards tourism development. This theory contends that attitudes are influenced by the perceptions of benefits (positive impacts) associated with tourism development (Bhatta, 2014). It revealed that local people evaluate tourism in terms of expected benefits and costs obtained in return for their services that is social exchange (Lee & Back, 2006). Therefore, residents who perceive themselves as benefiting from tourism will most likely to view it positively; while those who perceive themselves as incurring costs will view tourism negatively (Telfer & Sharpley, 2008). Nevertheless, social exchange theory (Ap, 1992) has been widely used in evaluating local attitudes and perceptions towards tourism. This theory is most frequently confirmed by studies that link positive attitudes towards tourism development with economic benefits (Lee & Back, 2006; Walpole & Goodwin, 2001). However, understanding of local attitudes is not as simple as weighting up the perceived benefits and costs. In addition to stage of tourism development (Butler, 1980), local attitudes and perceptions are also influenced by several other factors such as demographic variables influence attitudes indirectly through values (Lindberg & Johnson, 1997). Attitudes are also related with individual's characteristics such as level of contact with tourists, length of residence at destination, ethnicity (Liu & Var, 1986), economic dependency (Milman & Pizam, 1988), education and many others. Once the perceived benefits of ecotourism outweigh the costs, local people may continue to support ecotourism development.

RESEARCH METHODOLOGY

This study employs a qualitative approach with descriptive and explanatory methods. The mountain settlements along Everest Trail (ET), located in the Sagarmatha National Park (SNP), are selected for detailed investigation. Multiple methods of data collection such as questionnaire survey with households (n=195), semi-structured interview with key informants (n=10), participant observation, informal discussion and documentation analysis have been used. The set of questionnaires were designed with open and close ended questions that provided respondents an opportunity to express their opinions and suggestions. A 5-point Likert scale ranging from strongly agree (1) to strongly disagree (5) has been used in evaluating perceived economic impacts of tourism. Besides impacts, the scale varies according to set of questions and its objectives. Documentation consisted of collection of written documents from the official records, relevant publications, reports, photographs and videos. Extensive discussion and field notes were carried out through in-depth interviews, participant observation, and informal discussion. To understand local context of the study area, a primary field survey was conducted during February 2012, and for detail empirical investigation, an in-depth field survey was conducted during September to November 2012, the peak seasons for tourists in the Everest region. In addition, a weeklong site visit to Everest region was again conducted on September 2015 and 2019 to explore new development and perceived impacts in the settlements. During the selection of survey unit, stratification criteria such as location of households, type of enterprise, use of the building and the household activities were also used. Considering the spatial context, households were selected from the Major Trail (MT) i.e. major streets in the

settlements as well as from off-the major trail (OT) i.e. secondary or branch streets in the settlements. These were selected as survey units through stratified random sampling. The approximate distance of a peripheral household from main trail is supposed to be 500 meters (maximum). Households representing both the locations were selected specially to understand the perceptions of households towards tourism development and its economic impacts. It helped to compare the perceived tourism impacts among the households in both the locations (MT and OT).

RESULTS AND DISCUSSION

As discussed in theoretical review economic benefits of tourism include the creation of employment opportunities for local residents, economic diversification, and increased income to support local livelihoods (Page & Dowling, 2002; Nepal, 2007b; Saarinen, 2010). Ecotourism has been portrayed as a viable strategy to reduce poverty, and contribute towards achieving sustainable development goals (Nepal, 2007b; Saarinen, Rogerson & Manwa, 2011; Bhatta, 2019). These benefits however depend largely on how effectively tourism has been planned in the destinations; poor planning would produce negative impacts instead of benefits. In this regard economic impacts of tourism are critically examined with regard to community perceptions towards (i) employment to local people; (ii) promotion of local products and entrepreneurship; (iii) equitable sharing of benefits; (iv) enhancement of tourism skills, knowledge, and educational awareness; and (v) financial revenue.

Ensuring employment to local communities: Local communities are generally motivated towards engaging in tourism service industry such as portering and guidance in trekking and mountaineering expeditions and employee in lodges, hotels, restaurants, and other tourism-related services. Tourism has generated employment opportunities for builders, carpenters, plumbers and labors specifically in the construction of lodges, hotels, and tourism infrastructures. In case of settlements of the Everest trail (ET), tourism, being a labor intensive activity, has provided unparalleled opportunities for employment and income generation to local people. The exponential growth of lodge construction along the trail has induced significant economic impacts providing employment and income to the increasing number of people (Nepal, Kohler & Banzhaf, 2002).

Research findings revealed that majority of respondents in ET (94.9%) perceived an increase in the availability of jobs for local people. Reasonably, higher proportions of respondents in MT (98.5%) agreed with this statement than that of OT (86.2%). Similarly, majority of households in ET also believed that jobs are available for non-locals (96.9%) and women (91.8%) too. Respondents in MT are more likely to agree with the availability of jobs to non-locals (98.5%) and women (97%) than that of OT (93.1% for non local & 79.3% for women). As ecotourism is widely considered as a tool to enhance employment and income opportunities to rural communities; the survey results also support this argument, such as most of respondents (81.5%) in ET agreed that tourism has increased their income, while 13.8% were unsure, and 4.6% disagreed. There is a significant difference in the perceptions of respondents in MT and OT, such as 89.7% in MT perceived increase in income through tourism development whereas in OT, it is only 62%. Nevertheless, increase in tourism employment has improved livelihoods of local communities, for example, most of the households are now able to buy more food, better cloths, afford repairs to houses, hire labors for farming, and purchase material goods, and some have also international tour in a year (Bhatta, 2014). Majority of local Sherpas are engaged in trekking and mountaineering activities receiving the reasonable amount of wages. About 92.1% respondents agreed that locals get high wages in tourism-related jobs than other jobs in the region like labors in farming and construction work. Essentially higher proportion of respondents in MT (97.1%) agreed with the statement than that of OT (81%). Bhatta (2014) also argued that considering remoteness, fragility and high altitude of the Everest

region, majority of tourists visit the region in an organized group generally led by local Sherpa guide and supported by porters. Since Sherpas are highly regarded as elite mountaineers and experts in high terrain; they are usually employed to provide strong support for trekking and mountaineering expeditions (Bhatta, 2014). Banskota and Upadhyay (1991) pointed that an organized group of trekkers on average range from six to ten trekkers while average number of supporting staff hired ranges from two to four per trekkers. The local Sherpa from the Everest region mostly work as a Sirdar (group leader, organizer); guide or high altitude porter; porter; cook; and climbing partner on an expedition. Without their involvement, trekking and mountaineering expeditions in the Everest region seem almost impossible. In contrary to organized trekkers, individual trekkers usually spend less amount of money for guides and porters but more on the lodging and local food. Since there are now more than 450 lodges in the Lukla-Everest Base Camp Trail; large numbers of Sherpa specifically from OT (peripheral region) and some non-Sherpa people have been employed by these enterprises. Their employment is however seasonal with maximum of six months.

Local residents also receive cash income by using their animals for transporting food and equipment especially from Lukla to Everest Base Camp (Bhatta, 2014). With transformation in their socio-economic activities, several Sherpas have left their agro-pastoral activities fully or partially to integrate into tourism industry. It has also encouraged non-locals to migrate in the ET for assisting local Sherpas in their farming and households work. According to Spoon (2013), about 77% of total households in the Everest region hired external labor for agriculture; 17% hired for livestock; 69% for fuel wood and 68% for leaf litter. In the Sherpa community, males typically worked as trekking/mountaineering guides or helpers in the team, and females usually perform household jobs, and run the family lodge or teashop. Thus, majority of households receive cash income from tourism specifically in three ways: (i) regular wages for those with jobs; (ii) earning opportunities from selling local products; and (iii) profits from ownership of tourism enterprises or renting their space to the entrepreneurs (Bhatta, 2014). Ashley (2000) stressed that these earnings in turn are partially recycled within the local economy creating multiplier impacts. The farmers, artists, craft makers, casual labors, and others often sell their products or labor to tourists, tourism enterprises and neighbors, and get cash income. These residents generally earn less amount of money than those engaged as full-time employee such as trekking or mountaineering jobs in Khumbu as well as in other regions (Bhatta, 2014). The hoteliers and the owners of lodges, restaurants, art and craft shops, and trekking/mountaineering equipment shops typically earn higher amount than rest of the two groups.

It is argued that residents' perceptions and attitudes towards tourism impacts and its development play crucial role to promote sustainable tourism and sustainability. In the Everest region, residents along MT have reasonably better socio-economic condition; frequently interact with tourists; and higher dependency on tourism than that of residents in OT. Therefore, they are more likely positive towards tourism development than residents in OT, particularly with regard to job opportunities for locals, non-locals and women, and increase in income and wages for local residents. It also signifies that lower the involvement in tourism activities, less economic benefits would be accrued to local residents. Residents of OT seem less positive towards tourism impacts than that of MT. Sherpas have now owned most of the lodges and teashops along the MT, however in the past majority of them worked as trekking porters or guides (Spoon, 2013). While the households in OT have relatively less opportunities for operating tourism businesses; they have been employed in tourism industry, some as a full-time employee in trekking agencies in Kathmandu, and others as seasonal labors partly involved in farming and animal husbandry (Bhatta, 2014). Economic opportunities in Everest region are indeed higher than other parts of Nepal, for example, Spoon (2013) noted that income per household from tourism in the Everest was US\$ 2,026 in 2006, which was nearly ten times that of typical household in Nepal. Some Sherpa earn quite much higher than this amount, and usually referred them as local elites.

They have been operating trekking and mountaineering companies in Kathmandu, and hotels, lodges, and mountaineering/trekking equipment shops in the Everest region (Bhatta, 2014). Most of elite Sherpas have been settled permanently in Kathmandu and operate hotels and tourism-related enterprises in the Everest specifically during peak tourist seasons. The second group includes residents from OT usually the poor Sherpas or lower caste minorities such as Kami, Damai, or Sarki who normally work as an employee in tourism service sector or operate small-scale enterprises such as local tea shops (Bhatta, 2014). During the interview, they were found much concerned about the dominance of local elites on tourism industry and increasing involvement of non-locals in trekking and mountaineering services. Certainly, current approach of tourism development has accelerated economic disparity between and within local communities. Findings of household's survey also validate this argument. For example, 67.7% respondents in ET disagreed that 'jobs are distributed equitably among local residents'. Comparatively higher proportion of respondents in OT (81%) disagreed with the statement than that of MT (62%). Residents having close relationship, communication, and networking with the trekking companies in Kathmandu or with local lodges and hotels in Khumbu are most likely to be employed by the enterprises (Bhatta, 2014). So, it is implicit that residents in OT have less economic opportunities than that of residents in MT. Most of the tourists prefer organized trekking in a packaged-scheme. Bhatta (2014) argued that the trekking and travel company negotiate with local entrepreneurs (hoteliers and lodge owners), and also bargain with tour guides, mountaineering professionals, and helpers to hire them in a lower wage as far as possible. Although, TAAN has mentioned to ensure minimum wage for the porters and guides; with increase in inflation in the Everest region, this amount hardly support their family expenses. The networking and bargaining approach seems unfair, as it has promoted enclave form of tourism which has neither distributed benefits equitably nor significantly contributed to the sustainability (Bhatta, 2014).

Promoting local products and entrepreneurship: One of the significant changes in the Everest region is the agglomeration of lodges, hotels, restaurants, and tourism related enterprises specifically along the major trails (Bhatta, 2014). Majority of respondents (69.8%) in ET acknowledged that introduction of tourism has increased local enterprises specifically hotels, lodges, and souvenir shops. Findings also inform that respondents in MT (78.4%) are more likely to agree with this statement than that of OT (50%). These enterprises are mostly owned by local Sherpa people, and they have not only provided accommodation facilities to tourists but also cater foods, and other tourism services (Bhatta, 2014). Until the 1970s, the lodges and hotels along the trail were just the ordinary Sherpa houses with a sign up front inviting trekkers in for a meal and bed (Stevens, 1993). However in recent years, specific buildings are constructed for lodges and hotels with different services and types of rooms for tourists. With the establishment of first Sherpa lodge in 1971, the Everest region has experienced exponential growth in different sectors (wide variety of services and facilities) such as transport and communication, hotel and catering, travel agencies, rescue posts and clinics, banking services with foreign exchange counters, visitor information centers, trekking and mountaineering equipment shops, art and cultural exhibitions, and other tourism related enterprises including the bakery and coffee shops, massage and beauty parlors, pub, bars and cyber space (Nepal, 2003). The different specialized shops and services such as bakery (German and Swiss), laundry services, video halls, internet cafe and other products and services have been emerged in the region only because of tourism development (Bhatta, 2014). Therefore, tourism has become an integral part of the Everest economy that has not only stimulated tourism entrepreneurial activities but also opened market opportunities for local farmers, artists and marginal communities. Traditional skills and knowledge of the Sherpas, for example wool spinning and weaving of woolen cloths and blankets from Yak wool are of paramount significance. Significant proportion of households along ET (43.1%) replied that tourists' preference to buy local arts, crafts, and souvenirs has increased.

However, about 29.7% respondents disagreed and rests (27.2%) were unsure. It clearly indicates that tourists prefer indigenous arts, crafts, and heritage rather than imported products. Traditionally, a wide range of small-scale handicrafts such as wooden vessels, wooden-saddles and decorative carpentry were produced in the Everest. Some Sherpa were specialized in carving specifically the prayers on rock slates and boulders, as well as decorative carvings on the wood (Sherpa, 1985). Some of them also produced Tibetan scroll (Tanka) and wall or fresco painting that generally depicts Buddhists history and scripture. These paintings were generally found in the monasteries, and private houses in the region. Recently, some local artists have also begun paintings for the tourists; their subject being stylized landscapes showing the Sherpa villages, culture and life style set among the mountains of the region. Several non-Sherpas such as Lohar (blacksmiths), Sunar (goldsmiths), Kami (leather workers), and Damai (tailors) have also been operating their business in the region since long ago (Bhatta, 2014). Although received significant attention from tourists; production of traditional handicrafts has been sharply declined in the recent years, while import of handicrafts and souvenirs from Kathmandu is increased significantly. Meanwhile, non-locals have been migrated to the region to operate souvenir and handicrafts enterprises whereby most of the products (crafts, paintings, woolen cloths, and souvenirs) are borrowed from Kathmandu or other parts of the country. Some non-local artists choose Everest region as the best place for creating onsite paintings of beautiful mountains, landscape, and Sherpa cultural lifestyle (Bhatta, 2014). Acknowledging tourism's widespread impact on local residents, one of the key informants (local leader) at Everest region commented that:

“With direct involvement in tourism economy, local Sherpas became less active in their traditional production activities. The wool spinning and weaving of woolen cloths as well as the production of traditional arts and crafts are given the lowest priority. Instead, Sherpas are accustomed with modern possessions and became globalized with development of tourism. Most of the essential daily goods are borrowed from Kathmandu or Tibet with high transportation cost. With higher dependency on external supply of goods, Khumbu has become one of the examples of extreme tourism leakage. On the whole, tourism has indeed brought dynamic shifts in Sherpa community life style specifically from a farming-cumtrans-Himalayan trading to the trekking and mountaineering jobs to the owner of hotels and lodges at Khumbu to the manager or owner of the international trekking and mountaineering companies”.

Certainly, tourism has enhanced entrepreneurship and livelihoods of local communities, and therefore majority of respondents demonstrated positive perceptions and attitudes towards tourism's contribution in the promotion of market opportunities. Of the total respondents, majority perceived that demand for local products has increased (97.4%); tourism service providers such as hoteliers, lodge owners, and tour operators prefer to but local product as far as it is available (93.3%); and farmers are getting more pay from their products (86.7%). The local agro-products include potatoes, buckwheat, barley, and yak cheese. Although, the Everest is comparatively infertile, and facing climatic challenges to produce wide variety of agro-products; introduction of new technologies such as greenhouse concept (made primarily of plastics) have become effective for vegetable farming such as cauliflower, carrots, squash and cabbage. Yet, it is in small scale and certainly does not meet the growing demand of tourists, thus most of tourism entrepreneurs are relied on vegetables and goods from Kathmandu or southern Nepal. The weekly market at Namche also stimulates economic activities, where most of the imported products such as households' utensils, electronic goods, cloths, vegetables, and daily essential goods are sold by both locals and non-locals. Most of the primary tourism enterprises such as lodge, hotels, restaurants and travel agencies are owned by the local Sherpas; while the secondary enterprises such as grocery shops by the non-locals. Findings assert that although the Everest economy largely depends on imported products, residents in ET usually have optimistic perceptions and attitudes towards tourism's potential benefits for local residents. Comparatively, residents in MT are more likely agreed with the tourism's contribution in the promotion of local

enterprises than that of OT. Positive perceptions of local communities towards tourism might be because of its significant contribution to the livelihoods of local people, and continuous support from tourists and donor agencies towards development of community infrastructure since 1960s. Tourism has enhanced socio-economic condition of local people specifically through their involvement in the operation of tourism enterprises. It's ironic that although porters are integral members of trekking and mountaineering expeditions; they are not generally allowed or welcomed to stay in the hotels and lodges of the Everest Sherpas. One of the porters commented that tourism entrepreneurs in Everest do not behave properly with porters. He added that lodge owners and managers usually show discriminatory behavior while asked for accommodation and food services. It might be because entrepreneurs receive higher amount from the international tourists than the porters.

Promoting equitable sharing of benefits: One of the key objectives of ecotourism is the delivery of equitable benefits to local communities; however findings in ET revealed that tourism, despite providing economic opportunities, has become an agent of socio-economic disparity between and within the communities. About 91.8% respondents agreed that tourism is one of the strong factors accelerating socio-economic disparity in the Everest settlements. The dominance of affluent Sherpa in the tourism entrepreneurial activities has pushed poorer Sherpas aside making them unable to integrate into entrepreneurial activities. The underlying politics, power, and vested interest of the local entrepreneurs to control tourism business is seemingly unfair to the weaker section of communities that are facing hardship to integrate into tourism (Scheyvens & Watt, 2021). While economic benefits are largely accrued to the owners of tourism enterprises (e.g. hotels, lodges, and restaurants) and skilled trekking and mountaineering professionals; local farmers and porters not only receive minimal benefits but also affected by tourism-induced inflation (Bhatta, 2014).

Survey findings arguably conclude that income inequality has been increased among local residents particularly due to tourism activities. Not all households could establish lucrative entrepreneurship or get lucrative high paying trekking or mountaineering jobs. Residents expressed two diverse but not mutually exclusive views on tourism benefits to local residents. Firstly, most of residents both affluent and poor in MT and OT believed that tourism has benefited to local people directly or indirectly, and improvement in the livelihood of local communities along with development of modern facilities and services in the remote settlements is possible only because of tourism development. Most of the respondents perceived tourism development positively, although in a varying degree depending on the location and socio-economic condition of the households. The households in OT usually have low income as compared to households in MT. Secondly, the minorities such as Rais, Tamangs, Bahun, and Chhetris along with poor Sherpas who still practice agriculture, monastic life and whose incomes do not come from tourism or the low wage labors (non-entrepreneurs) acknowledged that benefits are largely accrued to local entrepreneurs (hoteliers, lodge owners, & owners of trekking companies) and their control on tourism market has suppressed the potential benefits of poor people. Increasing inflation further pushed them into poverty. While Sherpas from MT are engaged in high-wage employment; minorities and poor Sherpas from OT and lower altitude areas resort to low-wage employment in the lodges, hotels and other tourism-related activities specifically for cooking, cleaning and collecting firewood. Tourism-induced inflation has adversely affected them. Survey results revealed that almost all respondents (100%) in ET including MT and OT perceived increase in the price of land, food, commodities, and housing mainly because of introduction of tourism. Majority of them (78.4%) also believed that tourism has increased cost of living that has overburdened livelihood of peripheral Sherpas and minorities. Although other factors such as national and global economic changes also affect inflation and cost of living; tourism is the key agent in the Everest region. Moreover, there is no uniformity in the price of goods, food, and accommodation services; different tourists are charged differently for similar services by the local entrepreneurs.

Thus, comparatively higher proportion of respondents in OT (91.3%) perceived tourism as key reason for increasing cost of living and creating overburden to local livelihood than that of MT (73%). It signifies that peripheral people, who cannot usually bear inflation, are more severely impacted by tourism than the residents in MT, who can easily bear inflation with their high income from tourism. Additionally, while the Sherpas (men) can easily engage in trekking and mountaineering activities; participation of women is relatively lower. Only some women are occasionally employed as kitchen or camp crews. Findings conclude that despite its economic benefits to specific section of local community, tourism has also become an instigator of socio-economic disparity between and within residents.

Enhancing tourism skills, knowledge, and educational awareness: Enhancement of community capacity, including underprivileged and minorities, through skill development trainings and educational awareness about tourism activities and services such as operation of indigenous enterprises, exploration of potential market for local products, appropriate use and revival of indigenous knowledge and skills, and proper hospitality to tourists is fundamental to maximizing tourism benefits to local residents. Although the plans and policies of SNPBZ and I/NGOs have stressed on the need for skill development and educational awareness to local residents to enhance their capacity and integrate them into entrepreneurial activities and services; survey result revealed only less than one fourth of respondents in ET (24.6%) acknowledged that they were provided skill development and educational awareness trainings. Slightly less than half of the respondents (48.2%) seemed unsure with these programs, and 27.1% even disagreed. Comparatively higher percentage of respondents in MT (32.1%) agreed that trainings were provided to local people than that of OT (6.9%). It suggests that these trainings, if any provided, were mostly participated by the residents from MT. In fact, such trainings are mostly essential for minorities or poor Sherpas to improve their skills for earning higher income from tourism.

Additionally, with regard to growing dependency on imported products including handicrafts, it is crucial to encourage local people to engage in commercial farming and production of local arts and crafts to meet growing demand. The revival of traditional skills and knowledge on the production of local handicrafts is crucial to enhance local entrepreneurship and employment. Although educational awareness and skill development trainings were conducted sporadically; specific programs to revive and enhance local skills and knowledge to generate income from tourism has not yet been strongly emphasized. In this regard, financial support, trainings on skill development and awareness campaigns are essential to local residents so that they could operate local enterprises (handicrafts and agro-products) and improve their livelihoods. The field study also reveals similar findings; nearly all respondents in ET (99.5%) including MT (99.2%) and OT (100%) replied that local people urgently need effective skill development trainings and educational awareness for enhancing tourism entrepreneurship and hospitality skills. It would indeed help enhance their socio-economic condition.

Increasing financial revenue: One of the significant contributions of tourism is the generation of financial revenue from increasing number of international trekkers and mountaineers. The Sagarmatha National Park (SNP) collects NRS 3000 as a park entrance fee from each international trekker; NRS 1500 from the SAARC (South Asian Association of Regional Cooperation) region's trekkers; and NRS 100 from Nepalese visitors. With regard to mountaineering expeditions, tourists need to pay royalty to the Government of Nepal and Nepal Mountaineering Association (NMA); the amount is quite higher than the entrance fee and varies with variation in the categories of peaks and periods of time (seasons) which the tourists prefer to climb (Bhatta, 2014). The Royalty from expedition teams also varies according to the number of members of the expeditions; more the members of expeditions, less royalty would be charged. While a part of the annual revenue of the park (30-50%) should be invested back to the community development, conservation, and skill development programs through Buffer Zone Management Committee and its sub-committees; there is no provision for the royalty to be invested back

to communities. According to Buffer Zone Management Guidelines (1999), each settlement (users' committee) in the Buffer Zone can appeal for the funds annually under five different categories of development programs, and of the allotted funds, 30% can be used for conservation program; 30% for community development; 20% for income generating and skill development program; 10% for conservation education; and 10% towards administrative expenses (Bhatta, 2014). Although there has been a clear provision for investing tourism revenue (30-50%) to local development and conservation; survey results do not entirely support this argument. Only less than one fourth of the respondents (23.1%) claimed that tourism revenue was invested back to community development and conservation programs, whereas 42.6% were unsure, and nearly one third (34.4%) were fully disagreed. Comparatively, respondents in MT (28.5%) were more likely to agree that tourism revenue was invested back to local development than that of OT (10.3%). Interview with key informants from Namche and Lukla also demonstrated that significant amount of revenue is used by the park administration, with only small portion goes to local development activities through community organizations. Tourists have also directly contributed to community development by donating funds or volunteering in community development activities, such as construction and maintenance of school buildings, drinking water, hospitals, hydro-power, and trekking trails. Since, the international organizations such as the Himalayan Trust (the official trust of Sir Edmund Hillary), The Mountain Institute (TMI), Eco Himal, and WWF have also been working in the region to enhance conservation and community livelihoods through community-based activities; local Sherpas, over the years, have developed strong connection with these organizations and international tourists, and are receiving continuous support from tourists both financially and technically.

CONCLUSION

Tourism development in the Everest region has brought widespread socio-economic changes among local communities. It has not only provided local economic opportunities but also created challenges to promote equitable community development. More specifically, tourism has become an advantage for a specific group of people such as owners of hotels, lodges, restaurants, mountaineering equipment shops, art and craft shops, and other tourism related enterprises as well as trekking and mountaineering employee. They mostly live along the major trails (MT) and settlements such as Namche, Lukla, and Tengboche receive substantial economic benefits from tourism. While other group of people such as farmers, labors, and low-wage employees who usually reside in OT or in the peripheral region receive limited benefits, but largely affected by the tourism-induced inflation. Residents in MT are therefore more likely positive with tourism, and agreed that tourism has increased employment and business opportunities for locals, non-locals and women than that of respondents in OT. It explicitly suggests that tourism benefits are largely accrued to residents in MT and not distributed equitably between the residents of MT and OT. Research findings conclude that in addition to tourism's contribution to employment opportunities for locals, non-locals and women; majority of respondents perceived tourism positively for its contribution in the generation of revenue; availability of market for local products; promotion of local entrepreneurship (e.g. lodges, hotels, coffee shops, and trekking and mountaineering related business); and development of community infrastructure, and services. While on the other hand, despite the availability of market opportunities for selling local handicrafts and agro-products at the village level; residents have not been yet fully engaged in commercial farming and production of handicrafts. In addition, although demand of agro-products and Sherpa handicrafts has been increased significantly; only limited numbers of people are engaged in these activities. The harsh climate and relatively infertile land of the Everest is generally considered an obstacle for producing variety of agro-products; however in recent years, some farmers have started small scale commercial farming (by using green house concept) producing agro-products as demanded by the tourists and tourism entrepreneurs. Nevertheless, increasing dependency of

tourism on the imported products along with high inflation is largely perceived as negative impacts of tourism, and a key challenge to promote sustainable ecotourism development. It is crucial to note that although several I/NGOs have been working in cooperation with the PA authority since early 1980s; they have not provided specific emphasis for reviving local skills, knowledge, and production of traditional arts and crafts and agro-products, which is essential to promote sustainable community development. While asked about skill development trainings and educational awareness programs about local arts, crafts and farming activities; majority of respondents in OT were found unaware of these programs, while in the MT, only few replied that trainings have been conducted sporadically. The fragility and climatic condition of the region along with seasonality of tourism activities would have also affected potential benefits of tourism to local communities. The competition and lack of cooperation between local porters and trek guides to the outsiders have further threatened economic opportunities of local people specifically the poor Sherpa and low caste minorities. Moreover, significant amount of tourism benefits mostly goes to trekking agencies in Kathmandu who usually manage trekking and mountaineering expeditions followed by the Sherpa trekking/mountaineering guides, porters, and local food and accommodation services. In general, research finding signifies that although residents perceived both positive and negative impacts of tourism; majority would still support tourism growth in the region expecting higher economic benefits from tourism. It clearly suggests that benefits of tourism are well perceived by the residents and they would still continue to support tourism to sustain their livelihoods. But the planning and management of tourism should contribute towards reducing economic leakages and maximizing the economic linkages.

REFERENCES

- Ap, J. (1992). Residents' perceptions of tourism impacts. *Annals of Tourism Research*, Vol.19 (4), pp.665-690.
- Ashley, C. (2000). The impacts of tourism on rural livelihoods: Namibia's experience. Working paper 128. London: Overseas Development Institute.
- Banskota, K. and Upadhyay, M. (1991). Impact of rural tourism on the environment, income and employment in the Makalu-Barun area, working paper no. 17. Kathmandu, Nepal: The Makalu Barun Conservation Project.
- Bhatta, K.D. (2019). Exploring socio-cultural impacts of ecotourism in Annapurna Conservation Area, Nepal. *Journal of Engineering Technology and Planning (JOETP)*, Vol.2, (1), pp. 55-74.
- Bhatta, K.D. (2014). Ecotourism planning and sustainable community development in Nepal. An unpublished doctoral dissertation, The University of Hong Kong.
- Brandon, K. (1996). Ecotourism and conservation: A review of key issues. Washington, D.C: The World Bank.
- Britton, S. (1982). The political economy of tourism in the third world. *Annals of Tourism Research*, 9 (3), pp.331-358.
- Butler, R.W. (1980).The concept of tourist area cycle of evolution: Implications for management of resources. *The Canadian Geographer*, 24, pp.5-12.
- Chan, R. and Bhatta, K. D. (2013). Ecotourism planning and sustainable community development: Theoretical perspective for Nepal. *South Asian Journal of Tourism and Heritage*, 6(1), pp. 69-96.
- Cohen, E. (1982). Marginal paradises: Bungalow tourism on the islands of Southern Thailand. *Annals of Tourism Research*, 9 (2), pp.189-228
- Dearden, P. (1991). Tourism and sustainable development in northern Thailand. *Geographical Review*, 81(4), pp.400-413.
- Duffy, R. (2002). A trip too far: Ecotourism, politics and exploitation. London: Earthscan Publications Ltd.
- Freitag, T.G. (1994). Enclave tourism development for whom the benefits roll? *Annals of Tourism Research*, 21(3), pp. 538-554.
- Gunn, C. and Var, T. (2002). Tourism planning: Basics, concepts, cases. New York: Routledge
- Holder, J. (1989). Tourism and the future of Caribbean handicraft. *Tourism Management*, 10(4), pp.310-314.
- Lacher, R. G., and Nepal, S. K. (2010). From leakages to linkages: Local-level strategies for capturing tourism revenue in northern Thailand. *Tourism Geographies*, 12(1), pp.77-99
- Lee, C-K, and Back, K-J. (2006). Examining structural relationships among perceived impact, benefit, and support for casino development based on 4 year longitudinal data. *Tourism Management*, 27 (3), pp.466-480.
- Lindberg, K. (2001). Economic impacts. In D. B. Weaver (Ed), The encyclopedia of ecotourism (363-377). Oxon and New York: CABI Publishing.
- Lindberg, K. and Enriquez, J. (1994). An analysis of ecotourism's contribution to conservation and development in Belize (Vol. 2). Washington, DC: World Wildlife Fund
- Lindberg, K., Enriquez, J. and Sproule, K. (1996). Ecotourism questioned: Case studies from Belize. *Annals of Tourism Research*, 23, pp.543-562.
- Lindberg, K. and Johnson, R. L. (1997). The economic values of tourism's social impacts. *Annals of Tourism Research*, 24 (1), pp. 90-116.
- Liu, J. and Var, T. (1986). Resident attitudes toward tourism impacts in Hawaii. *Annals of Tourism Research*, 13 (2), pp.193-214.
- Milman, A. and Pizam, A. (1988). Social impacts of tourism on central Florida. *Annals of Tourism Research*, 15, pp.191-204.
- Nepal, S. K. (2003). Tourism and the environment: Perspectives from the Nepal Himalaya. Lalitpur, Nepal: Himal Books
- Nepal, S. K. (2007). Indigenous perspectives on ecotourism in Nepal. In J. Higham (Ed.), Critical issues in ecotourism: Understanding a complex tourism phenomenon (pp.349-369). Oxford, UK and Burlington, USA: Butterworth-Heinemann.
- Nepal, S. K., Kohler, T. and Banzhaf, B. (2002). Great Himalaya: Tourism and the dynamics of change in Nepal. Berne: Swiss Foundation for Alpine Research.
- Nyaupane, G. P., and Thapa, B. (2004). Evaluation of ecotourism: A comparative assessment in the Annapurna Conservation Area Project, Nepal. *Journal of Ecotourism*, 3(1), pp.20-45
- Page, S. and Dowling, R. K. (2002). Ecotourism. Harlow, UK: Pearson Education.
- Saarinen, J. (2010). Local tourism awareness: community views on tourism and its impacts in Katutura and King Nehale Conservancy, Namibia. *Development Southern Africa* 27(5), pp.713-724.
- Saarinen, J. Rogerson, C. and Manwa, H. (2011). Tourism and millennium development goals: Tourism for global development? *Current Issues in Tourism*, 14 (3), pp. 201-203
- Scheyvens, R. and Watt, H.v.d. (2021). Tourism, Empowerment and Sustainable Development: A New Framework for Analysis. *Sustainability*, 13(22), 12606.DOI: <https://doi.org/10.3390/su132212606>
- Sherpa, M. N. (1985). Resource budget planning: A strategy for resource self-sufficiency and nature conservation in Sagarmatha National Park. An unpublished Master of Natural Resources and Management Dissertation, The University of Manitoba.
- Spoon, J. (2013). From yaks to tourists: Sherpa livelihood adaptations in Sagarmatha (Mount Everest) National Park and Buffer Zone, Nepal. In L. Lozny (Ed.), Continuity and change in cultural mountain adaptations: From prehistory to contemporary threats (pp. 319-340). New York: Springer.
- Stevens, S. F. (1993). Claiming the high ground: Sherpas, subsistence, and environmental change in the highest Himalaya. Berkeley: University of California Press.
- Telfer, D.J. & Wall, G. (1996). Linkages between tourism and food production. *Annals of Tourism Research*, 23 (3), pp.635-653.
- Telfer, D. J., and Sharpley, R. (2008). Tourism and development in the developing world. Oxon: Taylor and Francis.
- Walpole, M. J., and Goodwin, H. J. (2000). Local economic impacts of dragon tourism in Indonesia. *Annals of Tourism Research*, 27, pp.559-576.
- Weaver, D. B. (2001a). Ecotourism in the context of other tourism types. In D. B. Weaver (Ed.), The encyclopedia of ecotourism (pp. 73-83). Oxon: CABI Publishing.

- Weaver, D. B. (2001b). Ecotourism as mass tourism: Contradiction or reality: *Cornell Hotel and Restaurant Administration Quarterly*, 42(2), pp.104-112.
- Wells, M. and Brandon, K. (1992). People and parks: Linking protected area management with local communities. Washington DC: World Bank.
