

NORWEGIAN UNIVERSITY OF LIFE SCIENCES



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This thesis is dedicated to my parent villagers of Ghale Gaun.

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Abstract

This paper examines the tourism income in one of the rural village 'Ghale gaun' of Lumjung district of Nepal. This village has 115 household, 106 household were interviewed. Mass tourism has been widely criticised for failing to benefit local community and causing environmental and cultural damage. Homestay tourism is an alternative to this mass tourism. In this homestay tourism, tourists stay with the family of local people in rural areas instead of living in hotel or lodge like in traditional tourism. It is based on sustainable development principle, where local community will be benefited and protection of natural environment and traditional culture is covered by tourism development project. The village was selected because homestay tourism has been in practice here for many years.

Tourism income contributed 23 % of the net total income, which is about three times more than livestock and agriculture income. The highest income share is from pension, which is 30%, and remittance contributes to 20.8%. On the basis of wealth, total house hold was divided into five groups, each group with same population of 21, except one group with 22 households. Among the five groups, the poorest and rich income groups are more benefited from tourism income. Tourism income has a share of 31.6% to total income of the poorest group and share of tourism income to total income in rich income group is 46%. Tourism industry has played important role in income equalling among rural household. A reduction in number of tourist arrival and stay in the study village would greatly affect the welfare of the people and widen the income gap among households.

Table of Contents

Chapter 1: Introduction	1
1.1 Background	1
1.2 Rural Tourism:	2
1.3 Sustainable development	5
1.4 Homestay tourism:	7
1.5 Economic Impact of tourism.....	9
1.6 Social impact of tourism:	13
1.7 Objective of study:	15
1.8 Significant of Study:	15
1.9 Limitation and problem of the study:.....	18
1.10 The organization of dissertation.....	18
Chapter 2: The study area and data collection technique	19
2.1 The study area:	19
2.2 Myself as a researcher:.....	20
2.3 Data collection Technique:	22
2.4 Tourism Income valuations:	23
2.5 Methodology:	24
Chapter 3: Result.....	26
3.1. Basic data characteristics:	26
3.2 Income level and sources:	26
3.2.1. Livestock Income:	26
3.2.2. Agriculture Income.....	28
3.2.3 Income from Tourism.....	29
3.2.4. Income from remittance.....	29
3.2.5 Income from Pension.....	30
3.2.6 Income from House rent.....	30
3.2.7. Income from trade	30
3.2.8 Income from salary and wages:	30

3.3 Importance of tourism Income.....	31
3.4 Determinant of tourism Income	35
3.5 Determinant of tourism income dependency	37
3.6 Distribution and tourism income:	39
Chapter 4. Discussion and Recommendation	40
4.1 Discussion.....	40
4.2 Conclusions and Recommendations	46
References:.....	49
Appendix:.....	54

List of Tables:

Table 1: Nepal Main market and sources of tourism (1996-2008) %9

Table 2: Gross Foreign Exchange Earnings in USD and Local Currency (2002-2006)..... 11

Table 3 : Nepal growth rate of tourism during year (1999-2008) % 12

Table 4: Population Distribution on the basis of Total Wealth25

Table 5: Total number of livestock in ghale gaun, 2012.27

Table 6: Different agricultural product produced during last 12 month in Ghale gaun, 2012.29

Table 7: Annual Income sources by wealth groups, in percentage (a) and in Amount (b), in Ghale gaun, 2012.32

Table 8: OLS regression of tourism income against other sources of income35

Table 9: OLS regression of household tourism income against socio-economic characteristics.....36

Table 10: OLS regression of household net income against socio-economic characteristics .37

Table 11: OLS regression of household relative tourism income against socio-economic characteristics.....38

Table 12: Gini coefficient with tourism and without tourism income.....39

List of figures:

Figure 1: Division of Total Income Percentage (%)31

Figure 2 : Net Tourism Income Distribution on the basis of total Population.....45

Chapter 1: Introduction

1.1 Background: The concept of travelling has as long history as human civilization, people used to travel from one place to another place in search of food during the time of hunter and gather or in ancient time of evolution (Agarwal and Upadhyay,2006). The development of human civilization has led to the development of human culture, tradition, values and religions (Thapa 1985). People started to worship different god and goddess and believe in different religion and practice different culture, some practice in worshipping natural icons such as sun, moon, rivers, and stones and see the human kind in those natural things (Thapa 1985). Human being have always been curious to find new things and places from the ancient time and they have loved to travel and find new places and resources which give them more satisfaction. The main motives for travelling are for relaxation and pleasure, health, desire to learn new culture, for business or professional activities, religion purpose and interpersonal reasons (Agarwal and Upadhyay, 2006). If we look our human history we can trace back to ancient Greeks where people use to travel from place to place, in the history it is written that Herodotus 6 (484-425 BC) had visited many countries like Egypt and Athens. In the ancient times travelling was affordable to rich people. Rich people of Rome travelled to Egypt and Greece to have relaxation, to see the sanctuaries and to take the hot baths (Lasurain, 1996). At present travelling is both accessible and affordable for middle level income people too, but still the term 'tourism' is generally coined for luxury (Kamala Sharp, 2000). The word 'tourism' is believed to be derived from the French 'Tourisme' in the 19th century (Lasurain, 1996). 'Tourism' in oxford dictionary is 'the business of providing accommodation and services for people visiting a place' (Oxford dictionary). The term tourism in general can be defined as the act of movement of people from one place to another place away from their home place for specific reasons, not for seeking permanent residence and employment at destination (Agarwal and Upadhyay, 2006). Accomplishment of peace agreement after Second World War opened the door for people to move freely without fear from one place to another. Many countries have utilized this new opportunity by developing the tourism sector, opening market for other people to come and see their culture and heritage (Kunwar 1997). Tourism can be defined in many different ways, the definition more often depends on the interest and participation of user (S.Smith, 1998). For economist, tourism is main source of earning foreign currency, for private sector it is an act of developing product and its returns, for conservationists, it is a sustainable use of wild resources and its conservations, for tourist

receiving community it is a vector of change of lifestyle, for traveller it is a set of activities that motivate individual to leave home temporarily (Ashley, 2000, Liu 2002).

‘tourism is the study of man(sic) away from his usual habitat, of the industry which respond to his needs, and of the impact that both he(sic) and the industry have on the host’s socio-cultural, economic and physical environment’(Jafari,1977,P.6).

Tourism is a set of activities carried out by traveller and residence of particular destination, host community. It can be coined as temporary movement of people outside their normal place of residence and work places, activities carried out by such group of people in those destinations, services and product created to meet their needs (Mathieson and Wall,1982).

Depending on the motives of tourist, who voluntarily visit a place away from home, tourism has been developed into different form (V.Smith, 1989). From demand side perspective, it is visitors’ desire and motive for travelling for particular destination and objective associated with it (Mathieson and Wall 1982). From supply side prospective, ‘the aggregate of all business that directly provide goods or services to facilities business, pleasure, and leisure activities away from the home environment’ (S. Smith 1998,p.183).

Tourism can be divided into many categories based on the purpose of visit; it can be cultural tourism, ecological tourism, luxurious tourism, rural tourism and so on (Gurung et.al 1996).

1.2 Rural Tourism: It is possible to see unique culture and life style in rural places; rural places are rarely invaded with the modernization and other life style. To see real picture of people lifestyle of any nation, tourists have to visit villages (rural places) where traditional lifestyle and culture is preserved in its primitive form (Gurung et.al 1996).

In general, rural tourism is defined as the tourist spending time in different environment and culture, as compared to the city area. The concept of rural tourism involves with making rural village as the final destination to tourist. The first concept of rural tourism was coined by club Mediterranean, the objective behind was to provide totally different environment and location to people living in the city. The first rural tourism by the club was started back in 1950 with the name ‘Vocation Village’ which is in the Majorca, a Spanish Island. The rural tourism is demand centric, desire of tourist to see ‘other’ culture and lifestyle which is often considered as primitive and unique from their own. (Kunwar, 1997).

In term of Nepal, organized rural tourism was first practiced by Sirubari ,Bandipur, Ghandruk, Ghale gaun villages, which was totally a new concept and ideas in Nepal. People

have not imagined that the village could be turn into the tourist destination. The ancient concept was, tourism is for relaxation, luxurious star hotels are essential to develop particular place as tourist destination. With the development of rural tourism around globe, people's concept about tourism has changed, tourist can visit places without any luxurious hotel and resort. Rural tourism includes activities ranging from walking, climbing, horse riding, adventure, fishing, hunting, seeing culture, heritage, monastery, temples (Kunwar ,1997).

Nepal is a small land locked country with terrain diversity ranging from plain regions to the highest mountain of the world in a small area. Nepal is physically divided into three parts, Mountain region, Hilly region and Plain or Tairi region. It also has diverse vegetation ranging from Tundra to Tropical. People in Nepal practice different religion and cultures. Hinduism, Buddhism, Christianity and Islam are common religion followed in Nepal. For every 11 Km distance, one will observe different culture. Nepal has different world cultural heritage sites like Lumbini, PashupatiNath, and so on. Out of ten highest mountains, eight highest mountain, including world's highest peak - Everest are in Nepal. So having all this quality, Nepal is one of the best destinations for tourism in the world (Joshi, Upadhyay, 2006).Nepal is the birth place of Buddha, so for Buddhist it is the famous religious destination. Many Hindus from India come to Nepal every year to participate in different religious festivals. The famous temple of lord Shiva, PashupatiNath is in Nepal. Visitors come to Nepal to practice meditation which is gaining popularity even in the western society at present. In the high mountains there are monks and nuns, who practice meditation and believe in supernatural power, they have their own monasteries. So in short, visitors will find the blend of Hinduism and Buddhism in Nepal (Banskota and Sharma, 1995).

In community-based natural resource management (CBNRM) program, communities are involved in establishment of loges, campsites, safari, game viewing, and selling handicrafts (Mbaiwa, 2008).Rural tourism in Nepal is characterized by its differentiation, uniqueness, specialty and peculiarity than the luxurious tourism. The term rural tourism in Nepal is generally understood as the village tourism, where visitor can explore endanger species; participate in the adventure that they have not experienced before, observe lots of unknown and unidentified cultural heritages and places (Gurung et.al 1996).

The concept of tourism is changing with time, before many tourists used to visit Nepal to see the mountains or to scale them, but at present they come to see different animals, birds, green slopes, culture, villages and their lifestyle (Gurung et.al, 1996). Nepal government promotes the rural tourism because it cannot give all the facilities to the mass tourist as provided by the

developed countries. The important thing is to find out one's own capacity and strategies must be designed accordingly to exploit it (Joshi, Upadhyay, 2006). Rural tourism has direct benefits to locals, such tourism can play vital role to protect the natural resources and old heritage. When people make money out of tourism, they will realize that natural resources and cultural heritage are the main source of attraction for tourists and protection of such is essential to have more tourists (Pandey, 1995).

Gurung et.al (1996), in his report describe that local indigenous people are to be promoted as broker and filter in development of tourism in rural community. Rural tourism should be design in a way to maximize the economic benefits to local community and to increase opportunity to grasp expenditure made by visitor directly to local resident. Development of tourism in rural areas has increased employment, but it is selective as young people with certain ability and skill are only employed. As a result of rapid increase in magnitude and frequency of tourism in rural areas, local community has to change course of action from primarily serving the need of tourist to protecting local resources and culture resulting from tourism.

Mass tourism has created many social problems in the developed countries; problems are noise pollution, over consumption of alcohol, commercialization of sex, illegal trading and consumption of drugs. Tourism has also promoted begging in the developing countries, where people make begging their profession. Not only this, it has negative impact on the lifestyle of the local people, making them lose their own traditional culture and heritage (Pandey, 1995). Tourism is blamed for deforestation and degradation of the environment. This results in loss of benefits to the local community and loss of healthy environment, the loss incurred form such activities is high compare to the economic gain made from the tourism (Banskota and Sharma-1995). Eco-tourism will never degrade the natural environment; instead help to protect the environment (Ceballos- Lascurian, 1996).

Industrial development makes most people aware that the environment must be protected and natural resources should be used in the proper way - by reducing the carbon footprint of industrial activities as much as possible. People are aware that depletion of environment can lead to many unseen problem and the earth may turn a place unsuitable for living (Banskota and Sharma-1995). This realization of importance of natural environment has given birth to terms like sustainability, conservation of nature, protection of culture of indigenous people, protection of the interest of local community (Joshi and Upadhyay, 2006)

A case study conducted by Naomi M. Savill(2001) in rural district of Humla, western part of Nepal, shows that poor people are not involved in tourism activities, as they lack skills and knowledge about what tourists need and want. Moreover she claims that, there is no support from government to involve poor in sustainable tourism industry. People lack English language skills, cooking skills, bread making, webbing and netting, vegetable growth, hotel management, lack of capital to run any business related to tourism by poor people. It seems government policy to promote tourism is in favour of some elite and educated people, not poor people (Naomi M. Savill, 2001).

Kamala Sharp (2000) in her report about eco-tourism in Nepal claims that Nepal government is not marketing tourism industry properly and is attempting to sell its product without focus. This is the reasons why rural community is not benefited by such program. It is clear that development of tourism industry is vital for economic progress of Nepal, to achieve this objective it needs more technical assistance and the government should spend on infrastructure development such as drinking water, transportation, communication. 'If the country's major foreign exchange earner is to be saved, then peace and security have to prevail. A lot of work needs to be done, and it is vital that all groups in Nepal do everything they can to end the pain and suffering this conflict has cause' - (Kamala Sharp, 2000).

Mass tourism is often blamed for not benefiting local and indigenous communities directly. In mass tourism some elite people and multinational companies are benefitted directly, not local communities. Few elite and multinational companies decrease the local economic benefits by 'leakage'; indigenous people are always employed at low level such as cook, cleaner, with low wages and salaries (Patullo 1996, Bookman 2006, Barnett 2008).

1.3 Sustainable development

In a broader perspective, development is a multidimensional component, not only related to the material gain, increased in income and employment but also compromises of social and cultural issues, relative increment in political power, possibility of widened future options (Altman, 1989).

'Sustainable development is development that meets the need of the present without compromising the ability of future generation to meet their needs' (World Commission on Environment and Development 1987, p.43). The term sustainable development is related with meeting needs of poor and marginalised people, with limited technology and resources

without damaging natural environment. Development of tourism initially was related to economic growth, later it incorporates environment, social and empowerment of local people (Telfer, 2002). Such sustainable development policy can be best developed with the participation of local people, considering their aspiration for development and local knowledge and experience (Wallance and Pierce, 1996).

‘Indigenous people and their communities and other local communities have a vital role in environment management and development because of their knowledge and traditional practices. States should recognise and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development’ (UN,1992).

The world eco-tourism summit and the Quebec declaration 2002, has promoted the principle of sustainable tourism highlighting social and environmental impact of mass tourism (Carnaffan, thesis). It has laid down some basis for the development of eco-tourism project in particular place, which are:

- It must focus for the conservation of natural and cultural heritage.
- Participation of local and indigenous communities in planning and implementation, such program ending with their well-being.
- Provides insight knowledge and importance to visitor about natural and cultural heritage of destination.
- Promote independent traveller and small size groups rather than unorganized mass.

(UNEP and WTO, 2002)

To overcome the problem of exploitation of economic benefit of local and indigenous people, sustainable tourism was put forward. The underlying assumption of sustainable tourism is inclusion of indigenous and local community in tourism development and sharing revenue generated out of such act in ethical and fair way (Mitchell and Ashley 2007, Ashley and Goodwin 2007)

1.4 Homestay tourism:

Concept of community-based tourism was first coined in the 1970s (Mitchell and Muckosy 2008). Current community-based, home stay tourism is the output of Rio summit of 1992, which gave rise to the concept of sustainable development (Carnaffan, thesis). In homestay tourism, environment and culture are commoditized; market value is created with the demand of visitor. This provides financial reward to local indigenous community for conservation of environment and their culture, conservation can be added into tourism development project with no cost to funder (Laurie et al, 2005). Conventional tourism approaches basically focus on economic, culture or environmental impact, usually single factor at a time. Livelihood approach, considered multiple interaction between these different factors, putting interest of local people at centre (Teresa, 2006), under this approach tourism is consider as component of development, give emphasis to explore ways of expanding positive impact of development and reducing negative ones (Ashley, 2000). Need, interest and priorities of poor people are to be addressed at first place before attending qualitative objective of environment and development (Chamber 1986).

‘Homestay are such stays where a guest instead of being put up in a lodge or guest house or hotel is accommodated to a local house where he/she gets to partake in the activities of the house’ (Timlasana, 2012).

The objective of home stay tourism in rural area is to attract tourist and generate revenue and use the revenue for infrastructure development of destination, conservation of the heritage, culture of local community and protect natural habitat of different animals, birds, flora and fauna (Carnaffan, thesis).

Nepal government has introduced a new concept in tourism in the 2007, homestay tourism, though this concept around the world is old, but it is new concept and has important role for the development of rural sector life style in Nepal (Devkota, 2010). In home stay tourism visitors are accepted as a family member by the host family and get a chance to spend time with the family observing their customs, values and culture, which gives them the opportunity to feel the taste of rural life (Devkota, 2010). Cultural, religious and its geographical structure makes Nepal one of the famous destinations for homestay tourism (Kandel, 2011).

Nepal government has passed directive and working procedure of home stay tourism 2010. As per the directive, home stay has been divided into two, private home stay and rural community home stay. In urban areas, private house owned and managed by single person is called private home stay and in rural area a house owned and managed by minimum of five family members is called rural community home stay. In rural community home stay, house for home stay should meet some criteria like house should have minimum four room for tourist, a single room should not have more than two beds, house should be in ancient and cultural design, it should have toilet and bathroom. Nepal government has mentioned that the owner of such home stay should conduct cultural dances and show in open space and are free to organize fete and cultural festival. They also take tourist for jungle visit and ecological visit. Committee is responsible to manage the fund collected from rural community home stay. They should spend the fund in the development of local community and advertisement of such rural home stay tourism. By passing such directives and procedure government has claimed that it has regulated the honesty tourism. Also if any rural community is unable to meet the criteria set by Nepal government, their license to run such business will be terminated automatically. Each and every community should renew their license after every five years (Ministry of culture, tourism and civil aviation, Nepal).

Home stay tourism as major equipment for the reduction of rural poverty, it integrates all activities of tourism like trekking, cultural tourism, agro-tourism, health tourism, and eco-tourism. The integration of all these tourism is the most suitable way to develop the rural tourism industry of Nepal (Devkota, 2010). Development of tourism at particular place has both positive and negative impact on livelihood of people of that place (Andriotis, 2003).

The crisis of middle east during the year of 1981, Gulf war of 1990 have great impact in tourism industry around the globe during 80's and 90's, so Nepal cannot escape from these crisis and has negative impact. During the 90's there is a sparkling of internal war in Nepal, which is conducted by Maoist, which has affected the crawling tourism industry of Nepal. The great terrorist attack of 9/11 has created fear and anxiety around the globe, this security dilemma has negative impact on the tourism industry around the globe (Kandel, 2011). Also the royal Massacre which took place during 2002 in Nepal, which has carried the negative message to the other world, after that the dismissal of elected government created the political instability and Maoist insurgency has reach its peak. These entire conditions lead heavy declines in the flow of tourism after 2000 (Kharel, 2002). Despite of the various negative impacts around the world and within Nepal, the tourism industry has steadily grown

until 2000 which has helped new inborn industry to survive during difficult situation. This situation remains until 2006; during 2006 Maoist come into peace agreement which give message to other countries now Nepal is safer to travel. Many countries like USA have issued the warning to its citizen not to visit Nepal during the period of insurgency, after the peace agreement between the Maoist rebel and political parties during 2006, all these countries has lifted their warning and announced that now Nepal is safer to visit. All these condition once again made the situation better and give hope to the nation for an excellent future in the tourism industry (Kandel, 2011)

Table 1: Nepal Main market and sources of tourism (1996-2008) %

Country	1996	1997	1998	00	02	03	04	06	07	09
India	31.1	31.6	30.9	21.4	30.4	25.5	23.4	25.2	25.1	25
UK	7.5	7.1	7.7	7.84	8.1	6.5	6.4	7.4	7.5	7.6
USA	6.4	7.1	7.7	8.9	7.2	5.6	5.5	4.7	4.8	4.7
France	5.1	5.1	4.7	5.5	4.9	4.7	4.9	4.6	4.8	4.7
Sri Lanka	1.5	1	2.4	2.3	0.5	4.1	4.2	5.3	4.8	4.7
Germany	6.3	5.3	5.2	5.8	5.9	4.4	4.2	5.3	5.5	5.6
Japan	7.3	8.3	8.1	8.9	8.4	8.1	6.3	-	-	-

Source: Tunner and witt, 2006

As per Table 1, India is main market of tourism for Nepal; it has always dominated other sources, after India Japan is another highest source of tourism. UK, France and Germany are also good market of Nepal.

1.5 Economic Impact of tourism: Around the globe, tourism industry has played important role in development of rural economy since the period of 1950s (Joshi and Upadhyay, 2006). The main factor behind the development of rural economy is demand of tourist and such demand addressed by local government understanding demand of visitor (Joshi and Upadhyay, 2006). The development of tourism industry has brought many changes in world, like development of infrastructure, decentralization of government economic policy, exchange of cultural between people, awareness to protect local natural resources, reduction of pollution and development of English as secondary language (Fainstein and Judd, 1999). This has integrated common interest people beyond the national boundaries into one forum

through share publication. More over cites are involved in identifying their strength to address the demand of tourist to increase their market share. (Fainstein and Judd, 1999).

The importance of tourism industry for poverty reduction especially in poor countries is highly recognized and it is consider as the major source of economic growth. In 2007 the tourism industry earns more than USD 260 billion in developing countries. (UNWTO, preliminary estimated for 2007, Madrid (2008)). Out of 49 LCDs, tourism industry is of the major of foreign exchange in 46 LCDs, which is major export source of poor countries. ('tourism and poverty alleviation' UNTO (Madrid, 2004), p.9).

Economic growth is the pre condition for the poverty reduction, but it is not only sufficient unless there is a change in institution, law, regulation and practices that creates favourable condition for growth of poor. Development policy must always consider poverty as problem of nation; tourism development policy must include every individual, economic impact of program has to be positive and should contribute to all despite of his past economic condition (Agarwal and Upadhyay, 2006).

With the development of tourism, traditional economy of destination changed to market-based economy (Albrecht, 2004).Nepal government has considered tourism industry as main export industry of Nepal to earn foreign currency. By acknowledging the importance, Nepal government has included tourism industry in every long and short plan of government. Nepal government has expected the contribution of tourism industry in GDP by 3% in 2007 and has expected this rate to reach 3.5% by 2018. In the same fiscal year 2007, government has expected 5.3% of total employment in tourism industry and has expected the contribution in employment to grow to 6.2% by 2018. The main objective of government of Nepal behind the development of tourism industry is to increase employment, which is one of the major tools for rural poverty alleviation-(Subedi.et.al, 2007)

Tourism industry is getting popular among the people, seeing the importance of tourism in Nepal, many tourist colleges and schools are opened and they are popular among the students. After the information technology and management, tourism management is popular among students of Nepal. They all have realized the importance of tourism industry and are eager to grab the opportunity. Also more than 70% of Nepali website is about travel and tour. About 20 years ago Kathamadu and Pokhara were the famous destination of tourism, but now government has opened other rural destination such as Dang, Manag, to promote rural tourism.-(Subedi. et.al, 2007).

Rural poverty is about 42% (CBS 1996), out of total population of country, 86% people live in rural areas, out of which 44% people live below the poverty line, where as urban sector poverty is about 23%, Nepal poverty is rural based poverty (Bista. Raghu ,2009). Nepal government has launched a pilot project called Tourism for Rural Poverty Alleviation (TRPAP), pilot sites are six districts which were selected based on the income level of local people. These includes Dolpa, Lumbini, Chitwan, Rasuwa, Solukhumbu and Taplejung, beneficiaries of such pilot project are 160,732 people (Bista. Raghu, 2009). For implementation of program, local people formed a community and functional committee, in which there must be women representative. TRPAP is successful in addressing rural poverty and improvement of quality of women life in rural setting. More over this program has motivated people to preserve their culture and natural environment (Bista. Raghu, 2009).

According to case study by United States Institute of Peace in three developing countries Kenya, Nigeria and India, which have successful tourism industry, Nigeria, lacking in development of tourism industry is due to lack of peace and security in the country, lack of good governance, lack of infrastructure development. Tourism is not always a magic bullet that changes the life style with in a night, lots of work has to be done to make it sustainable, if it is not managed well it can create lots of problem in culture, social setting, ecology, and in politics and policy. Good Policies alone are not sufficient for development of tourism, effective implementation and regulation of such policy is the most. Well managed and regulated tourism can lead one nation to economic growth and foster peace in the world. (United States Institute of Peace). ‘Tourism is a goose that lays golden eggs, but it can also foul its own nest’- (Gurung and Decoursey, 1994), explain the importance of tourism but it should be well manage otherwise it will back fire.

Table 2: Gross Foreign Exchange Earnings in USD and Local Currency (2002-2006)

Year	Earning in USD '000'	Earning in NPS '000'
2002	106882	8300553
2003	192832	14508396
2004	179941	13146354
2005	148441	10600345
2006	162790	11784644

Source: Nepal Rastra Bank, 2008

Table 2, shows Nepal has earned highest currency in year 2003 during 5 years. Flow of foreign currency has increased from in 2003 by about 44% compare to previous year. It show decreasing trend in earning foreign currency after 2003 till year 2005. In 2004 it has decreased by 7% compare to previous year and in 2005 it has decreased by 21% compare to year 2004. Again in 2006 flow of foreign currency has increased by 8% compare to previous year. Tourism industry is one of the main sources of earning foreign currency after remittance. Table 3 explains reasons for earning more foreign currency during year 2003. Flow of tourism has increased by 56% compare to previous years. The flow of tourism only not explains exact reasons for increased in earning of foreign currency but is one of the main reasons

Table 3 : Nepal growth rate of tourism during year (1999-2008) %

Year	Arrivals	AAGR(%)
1999	421188	-9.16
2000	451065	7.09
2001	362644	-19.6
2002	215932	-40.46
2003	338132	56.6
2004	385297	13.95
2006	423789	4.88
2007	455525	7.49
2008	486756	6.86

Source: Tunner and witt, 2006

Table 3 explain there is positive growth in year 2000, 2001 is there is negative growth, 2001 is worst year in term of tourist flow in Nepal. The number of tourism has decreased by more than three times compare to previous year. The trend of decreasing was same in 2002, 2003 there is dramatic increases in growth of tourism. Then after year 2003, there is always positive growth of tourism in Nepal.

Summarised economic impact of tourism:

Positive

It is a good source of earning foreign currency. It reduces gap of balance of payment, increased tax revenue, giving rise to economic development of nation.

Provides new opportunity to marginalised people and women for economic independence, since it offers wage-based economic.

Provides employment opportunities to local people, helps increase the standard of living and it is another new livelihood option, increased income security of local people. It may provide new market for local people to their products, such as agricultural product, livestock and others.

Negative:

There is high risk of shifting traditional economy to market based economy, over dependent on single tourism industry. Living cost of local community may increase, may increase the demand for foreign goods and technology. It provides only seasonal employment, leaving people unemployed for rest of time. Some time it may exert pressure to import technology and infrastructure that the host-country economy cannot afford

Higher the per capital income of people in the country, the chance of civil war goes on decreasing, so per capital income and civil war have inverse relationship. The main component of civil war is, per capital income, endowment of natural resources, size of population and ethnic-linguistic fragmentation. (Collier and Hoeffler, 1998). Income level of people has positive co-relation with maintaining peace in the country, improvement in the income of rural people of Nepal may help to end the ongoing conflict.

1.6 Social impact of tourism: To understand the culture of a particular place it is important to know the value and custom of local people. Values and custom includes their clothes, music, dance, religious believes, art, historical place, different ceremonies, their unique lifestyle and food (Gurung et.al 1996). Tourism always brings new people with new culture and values to local people. In short tourism is such an industry which brings people with different culture and religion into one place. Sometime it is common to be influenced by culture of one group and tries to adopt it. This may influence local people and people may lose their local culture and tradition(Bhaat, 2007). In Nepalese culture kissing in public place

is not accepted, which is common in western society, so it is important to respect local culture by tourist. Also it will be more beneficial for tourist if they study about society of particular place before they make visit to that place (K.C, Rabin, 1998). The main attraction of rural tourism in Nepal is its culture. Culture must be preserved in its originality. There are also other negative impacts of tourism in society such as increase in crime, increase of sex trade among women, increase in consumption of alcohol, negative impact in lifestyle of local people, exploitation of local resources, impact in religion and practice of local people, negative attitude toward tourism (K.C Rabin, 1998). Tourism must always preserve culture and promote to use local resources and manpower to promote economy of that place (Bhaat, 2007, p107-108). On the other hand increased flow of tourists may aggravate the problem of traffic and parking in city areas, increases urbanization in places where there is more flow of tourism increasing noise and environmental pollution (Gurung et.al 1996). Construction of new hotels and resort may have negative impact on monuments and buildings of historical significance as construction of big building near ancient monuments may decrease its beauty (Banskota and Sharma-1995). Local youth are motivated for consumption of alcohol and uses of drug as they are enjoyed by tourist (Gurung et.al 1996). It also increases illegal hunting and killing of wild animals for souvenir hunting (Godfrey and Clarke, 2000). The negative impact of tourism in social and cultural life of people is change in value system, change in lifestyle, individual behaviour, family relationship, safety and security, celebration of traditional ceremonies and community unity, creates some socio-cultural conflict among young and old generation to preserve it or go for some change (K.C Rabin, 1998). Tourism has created pollution in mountain region of Nepal, there is high demand of firewood due to increase number of tourist, to fulfil these need there is lots of deforestation, and harm in wildlife habitats, also there is lots of tin and plastic bottles, batteries that pollute the environment. Consumption of firewood in Annapurna conservation area project (ACAP) by tourist is twice the consumption of firewood of local people. (Banskota and Sharma-1995)

There are many positive impact of tourism; it increases interaction among different culture and religion helping each other understanding one culture and religion. More interaction with other culture and religion give ample of opportunity to understand that culture and religion which lead to more respect to each other culture and religion which increases harmony around the globe. Today our world is facing many problems due to lack of understating religion of each other, tourism may help to reduce such differences by bring all cultural and religion people at a place. More flow of tourism increases awareness among local people to

preserve their local culture and tradition, which is a main attraction of tourism. This further increases more flow of tourist to such places (Mrababayer and Shagazator, 2011). Growth of tourism increases sanitation and hygienic of local people in least developed countries like Nepal. People built toilet for tourist and they start to use it for their own purpose too, improving hygienic and sanitation practice (Gurung, D.K, 1990).

People are motivated to pursue high education to obtain new job, increase literacy rate. Local people develop tolerance habit and attitude to appreciate other culture. It provides opportunity for social and recreational activities, increase individual confident.

This gives a platform to exchange culture between people around globe, local people and tourist. It preserve old and traditional handicraft skills, motivate new generation to learn it. Local people are motivated to promote communal identity rather than self-identity. It provides opportunity for new generation to redefine and reclaim cultural and ethnic identity.

Daily exposure and communication with outsider may motivate local people to adopt their lifestyle and values, loss of community identity.

1.7 Objective of study:

- To find out income generated from homestay tourism.
- To find out the percentage of income from tourism industry in total income of people.
- To find out level of employment generated by such program.
- To find shift in agro-production system from traditional to modern system.
- To find out the development activities in ‘Ghale ghaun’ after introduction of home stay tourism in this area.
- To see the impact of program in culture and attitude of the local people

1.8 Significant of Study:

It has been more than three years since the government of Nepal introduced homestay tourism in rural parts of Nepal. The main objective of this program is to eliminate the rural poverty by bringing those rural people in productive economic stream (Devkota, 2010). Government hopes such program will create employment and proper utilization of local resources to its fullest. The government has motivated many rural villages with their unique culture and natural resources to adopt homestay program to develop village as tourist

destination. At present, there are many villages in Kaski and Lamjung district, western part of Nepal where they are motivated to develop their village as the tourist destination and few have gained popularity for their homely environment with cheap food and lodging facilities as compared to luxurious hotels and resorts (Dhakal, 2012). 'Ghale' gaun is one of the villages where home stay tourism has been growing slowly and it is gaining popularity in terms of its traditional gurung culture, and homely environment (Timilsina, 2012). The village lies in Lamjung district, with most of the population of 'ghale' one of the ethnic group belonging to gurung community (Timilsina, 2012). Many people claim that though the policy of government seems to be very attractive and fruitful in paper, it has not brought any significant change in life of rural people. The poor people in the village are not able to exploit the opportunity and some elite people in the village have been benefited by such home stay tourism. The poor lack the resources, skill and education to run guest houses and services to tourist (Naomi M. Savill, 2001). Tourism industry in Nepal is still centralized and tourists spend their duration in luxurious hotels and resort in selected destination (Subedi et.al 2007). No any research work has been done in this field whether there is some change then before or not, they only claims that it has not contributed for economic development of rural people by increasing employment. Other objective of government of Nepal through this home stay tourism is to increase awareness among people for conversation of eco-system and cultural heritage of Nepal (Devkota, 2010). I am interested in understanding what significant differences has home stay tourism brought about in the life of rural people, what is the share of income that they earn form home stay tourism compared to their total income and would also like to find out the level of knowledge people acquire from home stay tourism about modernization and how it affects their attitude.

This study could help me to understand the relationship of tourism income and reduction of poverty, development of the infrastructure of the village and local people awareness to protect and preserve their traditional culture, also the impact on their culture by introducing tourist in their village.

Tourism industry is considered as the one of the largest industry to earn the foreign currency. Especially for countries like Nepal where the total value of export is low compared to import, tourism industry could be the only one industry to earn foreign currency to maintain the balance of payment. This industry has huge potential to earn revenue and create employment in the country for sustainable development (Agarwal and Upadhyay, 2006). Tourism brings changes in attitude, knowledge, people understand and respect each other culture and

religious, result into peace and harmony in world (Fainstein and Judd, 1999). Tourism industry provides job to both skilled and unskilled manpower reducing the poverty. Everything has both positive and negative side, the negative impact of tourism can be increases in sexual trade, drugs and consumption of alcohol and copying of other culture loosing own identity and culture ((Teresa, 2006)).So at present the goal of the tourism has to be defined in term of maximizing the positive benefits and reducing the negative impact on the life of local people, there should not be any harm to the natural resources and environment (Gurung et.al 1996).

Nepal is a country rich in culture and tradition. Many different ethnic group lives in Nepal having their own culture and language. Every culture is unique to other because it has its own attitude, norms, values, perspectives and perception to its society. There are basically two types of culture in general, one is dynamic and progressive and second one is static and conservative in the similar environment like geography, climate and resources (Kandel, 2011). In the era of globalization, where the world is changing to small village, the culture become the strong factor to distinguished one group form other group, so preservation of culture in globalized world is very important and necessary. In other hand, reducing poverty is the major challenge to the present world, the economic gap between rich and poor is increasing day by day, some major steps are necessary to reduce economic gap, which ultimately result to peaceful and green world. The main objective of new millennium development goal is to reduce the extreme poverty to half from the world by 2015. To reduce the poverty, the rural and poor people must be empowered and women must be empowered and should be provided equal opportunity to participate in the productive economic activities. Realizing the fact, Nepal government has focused its input toward reducing the rural poverty by creating job at the local level, through tourism. Ghalegaun is one of the rural village, people of this village have promoted rural tourism from the 2000 (Timilsina, 2012). The village is similar to other rural villages in Nepal but they are deriving the benefits in a different way from similar condition and opportunity availableto other villages. Sometimes good things turns into worst if they are not managed well, so it is essential to know whether home stay tourism is essential and important factor to reduce the rural poverty in general.

1.9 Limitation and problem of the study:

In spite of this research being done carefully, I am still aware of its shortcomings and limitations. First, data is collected within eight week time, it is not enough to cover large population, data is collected only in ghalegaun. Do conclusions about causality hold? In this research I am interested in how the local households perceive the potential influence of home stay tourism on their livelihoods, and how they perceive it to influence, and how they see this influence. Will it be possible to generalize the findings beyond the context of my research? Generalizations beyond the context will be limited as I am investigating the perceptions of a group of people. There may be different views on the matter both within and between different communities. But probably one can expect similar findings if the conditions are similar. Are the results of the study to be found again if the study is repeated? If a representative selection of the population in the chosen villages is included in the study, and the conditions don't change, one should find the same results if the study is repeated at a later time. Are the procedures used in the research clear enough for it to be replicated by someone else? Both the questionnaire and the semi-structured interviews following an interview guide can easily be replicated.

1.10 The organization of dissertation:

The thesis will present an overview of impact of tourism in the economic life of the people of Ghale gaun; also it will cover the attitude and modernization in the life of the people after introduction of the program called homestay tourism in the village. The modernization aspect covers the knowledge of people regarding health and hygiene, infrastructure development, local people's motivation and participation to promote and protect their traditional culture, activities to introduce their culture to outsider and view of local people about negative impact of tourism and way to cope with the gap of traditional culture and modern culture. The whole thesis is organized into four parts; first chapter covers introduction and literature review regarding tourism and homestay tourism. Chapter two covers study area and methodology which includes the study area, data collection technique and tourism income valuation. Chapter three is result which includes basic data character, income level and sources, the importance of tourism income and determinant of tourism income. Chapter four is discussions and recommendation.

Chapter 2: The study area and data collection technique

2.1 The study area:

Nepal is the one of the famous tourist destination in globe, every year thousands of people from different countries visit Nepal. GhaleGaun sleeps in the lap of Mansalu range in East; surrounded by LamjungHimal and Annapurna II in North and Mt. Machhapuchhre in west, lies in Lamjung district (Dhakal, 2012). District has population of 177,149 according to census of 2001, with area of 1692 km square, main occupation of people is agriculture (Wikipedia). The village is situated about 2070 meter from the sea level, lies in east of Kathamandu and west of Pokhara. Local name of ghalegaunis 'KoiuleNasa'. It has 115 houses, 36 houses with facility of toilet and bathrooms. Most of the people in village belong to Gurung community (Indigenous community). It is located in Annapurna Conservation area (ACAP) (Dhakal, 2012).

Migration of youth to cities and abroad for good life and employment, left village with elderly people, agriculture was only source of income of those old people. When some people of this village visited 'Sirubari', village with homestay, they learn every essential component for promoting homestay. ACAP and National Trust for Nature conservation (NTNC) help them to promote homestay in the village. They promoted homestay from the 2000, every year about 1500 internal and 200 external tourist visit the village. It is a community management tourism development program; committee fixed the price of lodging and meal, distribute guest equally to all members, committee member welcome visitor in village by putting tika and garland (Dhakal, 2012).

Popularity of homestay is increasing in Gandaki and Dhaulagiri Zones, 22 certificates has been issued to run homestay in this region (Timilsina, 2012).

The success of homestay tourism is due to the participation of local people in the program. The committee is not only responsible for the proper distribution of tourist among villagers, it is also responsible for setting standard for running guest house, standard of guest room, hygiene, food and snacks and organizing fest and cultural shows. The program looks attractive because it is sustainable tourism development program; it allows all indigenous and local community in planning and implementation and local resources are used for tourist services, no or little economic 'leakage' (Mitchell and Ashley 2007, Ashley and Goodwin 2007). Every household give 20% of their direct tourism income to the management

committee, the collected revenue is used for infrastructure development in the village. There are no hotels and restaurant in the village, as per the rule of homestay tourism, no individual can open restaurant and hotels, tourist has to stay in home of local people as family member. The guest rooms are constructed in the existing house with little investment, so there is no huge investment for running homestay in the local area, which give equal opportunity for all villagers.

2.2 Myself as a researcher:

Travelling always give me an immense pleasure, filed work is a great way to expand our knowledge beyond the book and class room where many theoretical aspect are taught and expect us to imply these theories in our life. Field work always gives us a chance to see the things with real eyes and feel what we see rather than what we are taught in classroom. This filed work has given me an opportunity to understand the gurung culture and life style of the people of ghalegaun. From the academic perspective, it has given me the chance to understand how important it is to bring rural people to main stream economics through various economic activities. It has allowed me to understand different methods and means of economic activities in tourism and its impact on overall development of the society and the nation as a whole. I have seen many documents and read article about the impact of tourism on the life of people but this field study has provided me an opportunity to study the subject and observe it on my own. I am not that much familiar with the gurung culture, but the homely environment of that place did not make me feel that I am an outsider for a second. The attitude and behaviour of the people is so friendly and they take pride in taking their guest as the member of the family.

It was rainy season when I visited this place. I along with my two friends Sabin and Pushpa made a trip from Kathamadu to Besisahar, the headquarter of Lumjung district. From Besishar we made a final trip toghaluegaun through the muddy road in a jeep with as many as 20 people in it. We crossed many cliffs and mountains, playing hide and seek with the cloud. It took nearly 6 hours to reach Deurali, the destination on the way to ghalegaun, from this stop we had to walk for two hours to reach our final destination, Ghalegaun. We could not travel ahead with jeep because it got stuck in muddy road, in winter one can reach the village travelling in a jeep. We all were new to that place and we asked some local people to show us the walking trail to the village. Luckily we met one man from the same village who was going there on foot; he became our local guide and shared a lot of information about the

place and cultural importance of that place on our way to village. When we reached the village, it was so quiet, because most of the people at that time were busy working in their paddy field. We were taken to the home of the management committee head, from where they allocate new guest to member of homestay program on the basis of their waiting list. As a guest I did not have an option to choose a house where I wanted to stay but it was decided by management committee of homestay. I spend my first three days to make myself familiar with the local people and to understand Gurung culture. These three days gave me an opportunity to build rapport into this new Gurung community. I just plan the way I am going to conduct my study, divided the village household into different sector for simplification of my study. Then I conducted the interview with the people of the village by visiting individual house and priority is given to interview the household head only otherwise not reachable other members of the family were interview. I always was conscious about the purpose of my study and informal talk with the people was also related to my study. Since I was new to this place and the questionnaire was related to the household income, people were hesitant to reveal the information at first, may be because they feared the information might be used for wrong purpose. During interviewing some families I realised the psychology of respondents and took some time to chat with the people before I jumped into my research questionnaire. So creating the trusty environment with the people the survey was conducted as there is less chance of under reporting or over reporting of the information. The other import fact about my survey was meeting with so called low-caste people in the village, where they are settled at the bottom of the village, it looks like these people were separated from main stream from the ancient time; they were not as open as other respondent in the village. As per the talk with these people it was revealed that they were not directly involved in tourism business. I was curious to know whether it was only their cast which prevent them from participating in this program or are there are any other factors. So I asked all most every respondent of so called low cast people why they were not participating in the tourism business directly or why they would not keep guests at their home? Most of the respondent answered they did not have enough money to make toilet and bathroom for guest, did not have a big house with proper sanitation. There were strict guidelines regarding the cleanliness and sanitation standards of the houses and these guidelines were monitored regularly by the management of homestay program. The low-caste people lacked basic knowledge of health and hygienic and they were reluctant to implement all the rules and regulation of hygiene to only keep the guest, as per the respondent. They do have their own way of living life which they are practicing for generation, so changes will not come in a short span of time; change always take slow path.

The more detail of economic impact of homestay tourism in the village will be discussed in the coming chapter in details.

2.3 Data collection Technique:

The study was conducted in the ghale guan where there are 115 household; most of the people in the village are 'gurung' which is one caste in Nepal belonging to indigenous community. This Gurung community follow Buddhism. The life style of these people is still in traditional and ancient form; modernization has no any impact in cultural aspect of people. Other most common people in the village are B.K who follows Hinduism, and these people are so called untouchable people 'dalit'.

The questionnaire survey was conducted in 106 households between June and July 2012 in the field, 9 families have migrated to other places during survey period. For the research purpose, one house hold is the single unit in which all of its member live under one roof, cook together and eat together. Quantitative data was collected from each single house hold about their different sources of income, assets holdings. The income heading includes agriculture, livelihood, service and wages, tourism. The income and expenses related to each field was collected, the total expenses was deducted from total income to find out the net income of each heading. Among all income sources, more attention was given to the tourism income. Also the qualitative data was also collected to know the impact of tourism on the daily life of people, such as infrastructure development and impact of tourism on day to day life and culture.

The primary data was collected based on the 9 page questionnaire, the questioner is divided into four groups, Household data, Assets and livestock owned, Income and expenses and Attitudes and modernization. Under the household data, details of the family was taken including family members, religion of head of the family, age of head of family, number of male and female in the family, Literate and illiterate number of family is also collected. Under the Assets and livestock owned, a detail of house owned by family is taken and its market price is considered as the present value. Housed is divided into four types based on the materials used for construction. House type range from concrete house, which construction materials is iron and cement, stone house, which use stone and mud for construction of house; other is the mud house which is constructed using mud only. The total land holding of house is collected and they are group into three types depending on the nature

of its use, cultivated land, Grazing field and forest. The current market price is considered as its current value. The detail of equipment owned is also taken, type of equipment owned by family, its current value. Livestock owned by family is also taken in the survey, the current market price is considered as their current value. The group income and expenses is divided into five sub-group, net incomes from livestock, net income is calculated collecting all the income of livestock from last twelve months and deducting all the expenses incurred for livestock during the last 12 months. In the same way net income from agriculture is collected, net income from vegetables, net income of tourism of last 12 months and other source of income remittances and wages is also collected of last 12 months. Under attitudes and modernization some 'yes' 'no' question are asked to know the attitude and impact of tourism in the day to day life of people. In qualitative research data collection and analysis normally occur simultaneously (Kirby and McKenna, 1989). The planned steps are modify or completely changed as the research proceeds, modification or changed of plan depend on the ideas and connection emerging from collected data (Miles and Huberman, 1994). In qualitative data collection, there is a daily analysis of data; these give to new ideas and themes, which identify gaps in data and plan (Teresa, 2006). Sampling, choice of data collection, all are analytical in qualitative research process (Miles and Huberman, 1994).

The reliability of data can be tested when data is recollected; the reliability of data is harmed when there is over or under reporting, unless there is no under or over reporting, the collected data are reliable. Since the data collection is about the income of the people, so there is a chance of under reporting data, because people may hide their actual income to avoid themselves from tax bracket. I believed that chance of under reporting is avoided by creating familiar environment between villager and interviewer. Also every villager was aware that the purpose of the data collection is for pure study purpose. So these familiarities with local people have avoided chance of over or under reporting.

2.4 Tourism Income valuations:

The tourism income of last 12 months is collected from each household. There are two groups of people in the village who make direct income from tourist, running homestay in their own home and other group of people who provide additional values to the tourist and villager who run homestay tourism. So under tourism income calculation, more attention is paid to both groups of people. The questionnaire is set in the way that can cover both groups of people. People were asked to tell their last 12 month income from running homestay or

guesthouse, selling of handicraft to tourist, running of general store, running of transportation service. Also the expenses incurred to run guest house, purchase of raw materials use for making handicraft and if there are other additional expenses, all were taken into consideration. All the expenses incurred in running guesthouse were deducted from general income from tourism to find net tourism income. All the income is in local Nepalese currency.

2.5 Methodology:

To make study simpler total household of the village is divided into five groups, four groups each having 21 households and remaining one group has 22 households. The group is named as poorest with 22 household, poor 21 households, Medium with 21 households, rich with 21 households and richest with 21 households. The basis of division is total wealth each household acquires and arrangement is according order from group poorest to richest. Wealth is calculated by adding market price of lands, houses, Machinery, fixed assets, holding of livestock by individual household.

The most statistical tool used in this analysis is descriptive statistical tool, single and multiple regressions. The regression testing is carried out to find out relation between total tourism income and other socio-economic character such as age of household head, size of family, religion of family, total income of family and total wealth of family. Also regression testing is carried out to see the relation between relative tourism income and age of household head, size of family, religion of family, total income of family and total wealth.

Table 4: Population Distribution on the basis of Total Wealth

Group on the basis of Wealth	out of total Population	% of Population	Total Wealth Value '000' of the Group(NRP)	% of total wealth
Poorest	22	0.21	7,865.30	12.41
Poor	21	0.20	10,522.10	16.61
Medium	21	0.20	11,647.68	18.38
Rich	21	0.20	13,538.00	21.37
Richest	21	0.20	19,789.50	31.23
Total	106	1.00	63362.58	100.00

USD 1= NRP 94

As per the table 4, poorest group holds 12.41 percentage of total wealth, poor group holds 16.61 percentages, Medium group holds 18.38 percentages, rich group holds 21.37 percentage and the richest group hold 31.23 percentage. Out of five groups, two rich and richest group hold more than 50% of the total wealth. The wealth of richest group is more than the total wealth of poorest and poor group. The total wealth of poorest and poor group is 29.02%, where as total wealth of richest group is 31.23%. The table explains that the wealth distribution in village is not in equal proportions. The reason for poorest group to have low wealth holding is associated with land holding capacity, they have minimum land holding, also most of families in poorest group don't have their own house, and other factor in wealth variation in group is owner ship of fixed assets such as machine and equipments.

Chapter 3: Result

3.1. Basic data characteristics:

The average population of the village is 5.76 per household; the number of male and female is almost equal in the village. The village has high population of Gurung people including ghale, which is also one type of gurung, 79% of people are from gurung community, 19% people belongs to kami community, which is so called untouchable caste in Nepal. 2% people belong to other community like shrestha, thami, who are also the local inhabitant of Nepal. The data shows that 78% household head are male and 28% are females. In the village, 67% people are literate and 33% are illiterate. All most all household head have not completed high level education. Family labor is the main working force for both on and off- farm activities. Though family member is the main labor force for agriculture, during the peak season of plantation and harvest, there is a system of exchange of labor with neighbour in reciprocal way to overcome shortage. People in the village hold 82.67 hector of land, out of which 77.02 is the agricultural land, 1.85 hector is the grazing land and 3.8 hector is forest. The highest land holding of a family is 2.5 hector and lowest landholding is 0.1 hector. Every people in the village have ownership upon the land except some trader who came for purpose of business from other villages and cities. The average landholding per family in this village is 0.7799 hector, which is less than the average landholding of people of Nepal, where the average landholding of population in Nepal is 0.99 hector. (CBS, 1993).

3.2 Income level and sources:

The main income sources are divided into eight groups, which are as follows:

3.2.1. Livestock Income: Livestock keeping is one of a core activity for all rural household but it is not only one activity they carried out to meets their need (Ashley, 2000). The main livestock in the village are Cows, buffaloes, goat, sheep, chicken, mules. Most of the house in village keeps chicken, sheep or goat. It is traditional in rural area of Nepal to keep chicken; all most every house keep chicken except in some so called high cast 'Bharmin'. Gurung people are traditionally well known for keeping sheep herd; they make different woollen items from wool like carpet, jacket, which are 'raddi', 'paki, in the native language. According to respondent, still few old men collect all the sheep of the village and take them

to high hills and live in the forest for couples of month until it get snow. During summer, these high hills are covered with green grass. They get wages from owner of sheep for taking their sheep to grazing field. During winter they bring all these sheep to their farm houses, their waste is used as fertilizer in crop field. Goat is consider as good source of meant, so people keep this animal for meat, mutton is expensive compare to other meat like pork, lamb, chicken. Oxen in rural village are used to plough field. Gurung community use buffaloes as the source of meat and milk production. Cows are main sources of dairy products; beef is illegal according to constitution of Nepal. Livestock income is calculated by adding all revenue made from selling of meat, skin, milk and other dairy products, selling of livestock, renting out during last 12 months. To find out net livestock income all the costs incurred for last 12 months are deducted. Costs include buying of livestock, fodder cost, medicines and veterinarian fees, wages if applicable, renting in. Livestock in particular has some contribution to most household to meet their needs but it is not only sufficient to meet their needs.

During the study period, total number of livestock in village is shown in the following table;

Table 5: Total number of livestock in ghale gaun, 2012.

Items.	Numbers
Milking cows	53
Other cows	52
Ox	53
Buffaloes	67
Sheep	559
Goats	343
Chickens	890
Mule	8

3.2.2. Agriculture Income: Agriculture is the main profession of rural people in Nepal; about 80% people depend on agriculture in rural area for living (Adhikari, 2011). People use their labour, land, capital and knowledge to produce foods. The common crops in the village are rice, wheat, Maize, potatoes, Mustard and Millet. People also produce vegetables, like green leaf which is called 'rayo' in native language; other vegetables are onion, garlic, peas etc. Most of the agriculture product are use for self consumption, it seem that most of the people in the village sales potatoes and some rice and millet. In vegetable, they sales green leaf, onion in small scale in local market during the period of tourist seasons, otherwise all are self consumed. As per respondent they have not carried out vegetable farming as profession, it is due to lack of skill and knowledge, lack of access to market, they don't believe that such farming can generate sufficient revenue to meet their needs.. There is a gap between production and consumption of the food, consumption is higher than production, respondent were asked how they mange the food gap, they answer produced food is sufficient for five to six months for most of the families and they buy food from the market for remaining time period. There are only few families who produced sufficient food for consumption, which is nominal compared to the population size under study. Also respondent answers that yield of the crop are very low and totally depend on the amount of rain fall during plantation period. Some crops like rice need more water where as potatoes doesn't need more water. If potatoes get too much rain then it starts to spoil before digging it, rice must get sufficient water to yield well. Cost in agriculture is higher compare to return, because framer has to pay high amount for seeds and fertilizer. During the time of cultivation, the market price of crop is usually low. One reasons for such market price is due to the monopoly of middle man, who buys agriculture goods from local framer and sales to other wholesaler. The other reason is due to lack of warehousing in the village and lack of commodity market where people can book their future price or store goods in warehouse for future sales. To calculate net income from agriculture, total income is calculated of selling and consumption goods. Average market price of last 12 month is used to find out the total income of consumed good by household itself. All the cost incurred in production of good is deducted to find net income. Cost includes, cost of fertilizer, seeds, pesticides and labour.

Table 6: Different agricultural product produced during last 12 month in Ghale gaun, 2012.

Items	Quantity (kg)
Rice	61685
Wheat	1150
Maize	7210
Finger millet	1685
Mustard	1403
Potatoes	12097
Cauliflower	1394
Greenleaf	2080
Cabbage	273
Onion	479
Garlic	454

3.2.3 Income from Tourism: As per the data given by management committee of homestay³⁶ families keeps guest. Tourism income has different economic impact to local people, earning form tourism vary enormously. Common earning from tourism is keeping them as a guest in house. They will charge money for lodging, for food and service offered at tourist, which is direct income from tourist. Under tourism income only direct income earned from tourism is considered as tourism income for study purpose, though it has indirect and induced economic impact (Daniel J. Stynes). Income from running guest house , selling of handicraft to tourist like ‘radi’ traditional Nepali carpet, bags, caps, sweater and many more, income from running general store, income from transportation service, income from renting out vehicle, for last 12 months are added together to find total tourism income. Cost associated with this tourism income is deducted to find net tourism income. Cost includes, labour cost, renting in shop, material cost for production of handicraft, payment of energy bills, cost of furnishing, cost of materials for repair and construction of guest house, payment of tax, renting in guesthouse, renting in vehicle.

3.2.4. Income from remittance: Household in rural area rely on income from off-farm or remittances rather than on agriculture (Ashley, 2000). Under income from remittance

respondent were asked about the cash they received from abroad and estimated amount of goods they received during the past twelve months, the net income is taken, excluding the tax and other associated cost

3.2.5 Income from Pension: The income from pension is not included in the remittance, but it is consider as the part of income under heading pensions. Most of the people in the village are retired Indian armies, who receive the pension amount form the Indian government but their income is not included in the remittance, so the pension amount means the pensions provided by Nepal government or any other government. But the money earns by the current armies in India and Britain is considered as the remittance.

3.2.6 Income from House rent: some people in a village rent their house to NGO and to other people, all such income receipt are recorded deducting taxes and other cost associated with it, only net income is recorded.

3.2.7. Income from trade: some people are involved in trading of animals, they buy animals form the local people and sales them to the other market and some time with demand of local people they also bring animals from other market and sale to them to local people. Some people are involved in trading of agriculture goods. They buy rice and other product during production seasons form the local people and sales that to other market or store in warehouse and again sales same product or finished rice to local people during off seasons by importing from other market or the stored foods. All the expenses like ware house cost, transportation cost, purchased cost are deducted from selling income to find the net income from trade. The income for past twelve month is recorded.

3.2.8 Income from salary and wages: This heading covers all the income people receive form daily wages or from monthly salary; the amount recorded in this title is net amount after deducting their tax. Salary or wages received inside the country is recorded under this heading, not any salary or wages people earned outside nation.

The following bar diagram show the different income source with percentage to total net income.

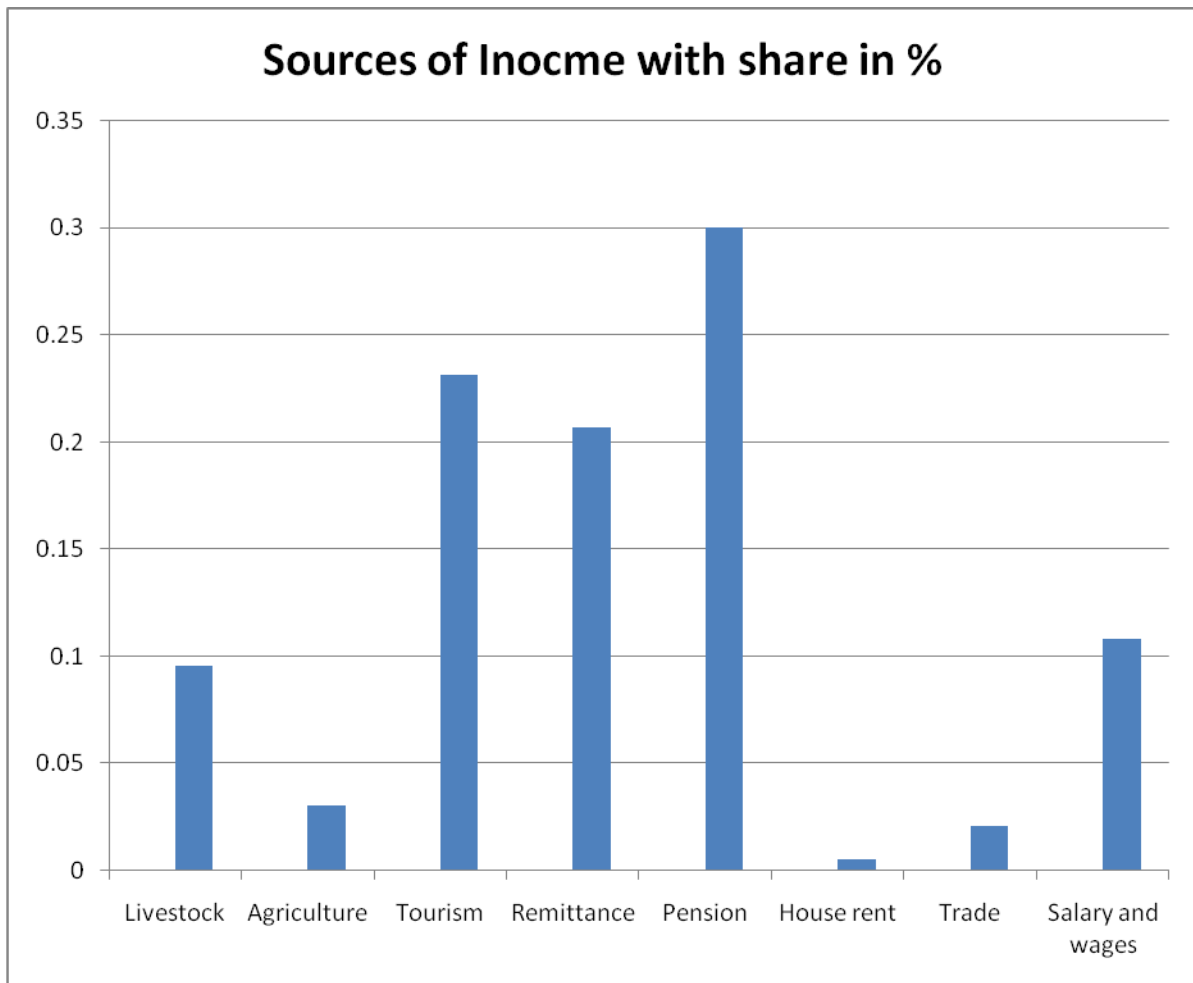


Figure 1: Division of Total Income Percentage (%)

As per the figure 1, main source of income is from Pension. Pension has share of 30% to total income. Tourism contributed to 23%, similarly income from remittance 20.6%. Tourism income is the second highest source of income in the village. The other sources of income are livestock 9.5%, Agriculture 3%, house rent 0.5%, trade 2 % and salary and wages is 10.8% to total net income.

3.3 Importance of tourism Income:

The main objective of the study is to determine to what level do people of ghal gaun depend on tourist income? The general method to determine the tourism income dependency is to find out share of tourism income to total income of the people. Moreover it is also important to see dependency on basis of other available options, to find out whether the involvement in tourism activities is necessary or optional. To see tourism income impact on total income, it is essential to know the socio-economic factor of household. As per figure 1; the main source

of income is Pension, which has share of about 30%, tourism income is the second main source of income with share of about 23%, though agriculture is the main occupation of Nepal, it has only 3% share in income. Poverty is the condition of living life with little money or without it, goods and materials or means of support (Dictionary.com).

Table 7: Annual Income sources by wealth groups, in percentage (a) and in Amount (b), in Ghale gaun, 2012.

a.

Annual Income sources by Wealth groups in percentage, Ghale gaun, Lamjung, Nepal 2012

Income sources	Poorest(N=22)	Poor(N=21)	Medium(N=21)	Rich(N=21)	Richest(N=21)	Total(N=106)
	Percentage total	Percentage total	Percentage total	Percentage total	Percentage total	Percentage total
Livestock	0.03	0.131	0.085	0.028	0.03	0.095
Agriculture	0.08	0.042	0.029	0.012	0.081	0.03
Tourism	0.316	0.209	0.165	0.467	0.316	0.234
Remittance	0.17	0.142	0.25	0.14	0.171	0.208
Pension	0.197	0.253	0.309	0.267	0.196	0.3
House rent	0	0.021	0	0	0	0.005
Trade	0.049	0.024	0.006	0.016	0.049	0.02
Salary and Wages	0.158	0.178	0.156	0.07	0.157	0.108

b.

Annual Income sources by Wealth groups in Value, Ghale gaun, Lamjung, Nepal 2012

Income sources	Poorest(N=22)	Poor(N=21)	Medium(N=21)	Rich(N=21)	Richest(N=21)	Total (N=106)
	Income(NRP)	Income(NRP)	Income(NRP)	Income(NRP)	Income(NRP)	Income(NRP)
Livestock	11077	10266	12209	4714	36000	12931
Agriculture	5278	3343	4193	2241	5713	4164
Tourism	20477	16342	23395	82419	17861	31989
Remittance	11136	11142	0	24761	57714	20858
Pension	12727	19761	44380	47142	80380	40613
House rent	0	1714	0	0	5485	14262
Trade	3181	1904	1000	2619	5428	2830
Salary and Wages	10000	13476	22428	12380	132857	37962

USD 1= NRP 94

More than 30% people in Nepal live under poverty with income level of \$ 12 per month per person. The urban poverty is declining but rural poverty is increasing. More than 80% of population in Nepal live in rural village, whose main source of income is agriculture farming (IFAD, 2005-2009). These rural people in Nepal generally have small land holding, illiterate, large number of children. The rural poverty in Nepal is ethnic and caste based. In general, so called low caste people ‘Dalit’ and indigenous people ‘adibashi’ are poorest people in rural Nepal (Adhikari, 2011). In ghale gaun, majority is of indigenous people ‘adibashi’ , Other remaining group of people are associated with so called untouchable caste ‘dalit’. To make our analysis more effective, total population is divided into five groups on the basis of wealth, people having least wealth is placed in poorest and having highest is in richest group

Table 7 shows the importance of tourism income to poorest group which has share of 31.6% to total income. The average tourism income per household in village is NRP 31989, where average tourism income of poorest group is NRP 20447, which is higher to richest group and poor group. Also agriculture income is important for this group which has 8% share in total

income. Poorest group make more income from tourism compare to poor group. The reasons is, small amount of tourism income contribute more share in the total income compare to other group. Tourism income have significant share in poorest and medium groups. In all five groups; tourism, pension, remittance, salary and wages has significant contribution compare to nominal contribution of livestock, agriculture, house rent and trade. As per table 7, rich group has highest share of tourism income with 46.7%, all most half percentage of income of the group, in average all household of rich group makes NRP 82419, where average tourism income for all household is NRP 31989. Medium group has lowest share of income among all group with 16.5% from tourism but in absolute value it has second highest amount in all groups after rich group, with figure NRP 23395.

Poorest group in the village are involved in the tourism services such as running of stores, selling of handicraft and providing other additional services. Poor group in the village are mostly going to foreign country for employment. Rich group people are mostly involve in running of guest house, involvement in government services, retired Indian armies or current Indian armies. Also ordinary least square regression is carried out to analyse the impact of various sources of income on total tourism income, to see if people have high income from other sources, do they prefer to involve in tourism income or not. The other sources of income are income from livestock, income from agriculture, income from remittance, income from pension, income from wages and salary and income from trade, in income from trade house rent is also added to make calculation easier.

Tourism income is one of the major components of the total income of house hold in ghale guan, Tourism income is regretted against other source of income; income from livestock, agriculture, remittance, pension, salary and wages, trade and rent. The OLS regression shows that none of the other source of income has significant impact on tourism income. The finding of OSL regression is shown in table 8.

Table 8: OLS regression of tourism income against other sources of income

Variables	Coefficients	Standard Error	t Stat	P-value
Intercept	52025.030	16644.6	3.12563	0.0023
Income from livestock	0.01436	0.38864	0.03697	0.97058
Income from agriculture	-3.315641	3.06187	-1.0829	0.2814
Income from remittance	-0.165152	0.1296	-1.2743	0.2055
Income from pension	-0.133317	0.14748	-0.9039	0.3682
Income from salary and wages	-0.32959	0.25312	-1.302	0.1959
Income from trade and rent	-1.113684	0.88235	-1.2621	0.2098

N=106, R square=0.0528, Adjusted R square=-0.0045, f=0.92113, standard error=103353.8

3.4 Determinant of tourism Income:

Every house hold has different socio-economic characters, such as size of family, age, religion, wealth holding, and income. These socio-economic characters has vital role in involvement of house in homestay tourism, which are related to running of guest house, running of department store, production and selling of handicraft, running of tourist service such as transportation, guide or other additional services. Table 9 present the result of ordinary least square regression method where tourism income was regressed against age of household head, Religion of HH, Ethnic of HH, Size of family, Male, Female, working force, Literate, Illiterate and Wealth of family.

Table 9: OLS regression of household tourism income against socio-economic characteristics

Variables	Sign	Coefficients	Standard Error	t Stat	P-value
Intercept	-	4324.428	75272.89873	-0.0575	0.954
Age of HH	+	670.075	854.6089273	0.784	0.434
Religion of HH	-	11053.712	50919.4977	-0.217	0.828
Ethnic of HH	+	27003.483	48616.0742	0.55	0.579
Size of family	-	4278.64	30882.20799	-0.138	0.89
Male	+	1752.77	35623.41656	0.049	0.96
Female	+	10481.932	35376.54423	0.296	0.767
Working force	-	12038.13	10320.51781	-1.166	0.246
Literate	+	10110.75	30966.02026	0.326	0.744
Illiterate	-	4279.088	30903.02354	-0.138	0.89
Wealth	+	0.012	0.04610422	0.28	0.779

N=106, R square=0.0549, Adjusted R square=-0.4820, f=0.552, standard error= 94476.44

As per the table 9, Age of household head, household head, Religion of HH, Ethnic of HH, Size of family, Male, Female, working force, Literate, Illiterate and Wealth of family has no significant with tourism income, tourism income is independent of all these socio-economic variables of household.

To see relationship between total income and socio-economic character of household, I have run multiple regression of total net income of household against the same socio-economic variables of households. As per table 10, I found age of HH ($p < 0.005$) is significant and positively co-related with net income of household. The positive relation is because most of the old people in the village are retired Indian armies or wife of retired armies, those who get pensions, so if the household head is older there is chance of getting pension income, so age of HH is positively correlated with total income of family, it is supported by figure 1, which shows that pension is the main source of income among all other sources in the village. Also wealth of family ($P < 0.003$) is significant and positively co-related with net income of household, reasons is that, higher the total wealth of people higher is the income, wealth people have more income from different sources than less wealthy people, which is also supported by table 7. But net tourism income is not statically significant to Age of HH and wealth of family as per table 9, because the homestay tourism is managed by committee; the

policy is to distribute all guests equally among the people who participated in homestay, so age of HH doesn't play any role in determining tourism income. Also every, despite of their wealth background can participate in running homestay but they have to have sufficient space and maintain hygienic standard listed by management committee, so wealth doesn't only determine whether to run homestay or not.

Table 10: OLS regression of household net income against socio-economic characteristics

Variables	Sign	Coefficients	Standard Error	t Stat	P-value
Intercept	-	176552.044	101624.698	-1.737	0.085
Age of HH	+	3291.569	1153.793	2.852	0.005
Religion of HH	+	78230.707	68745.57	1.137	0.257
Ethnic of HH	-	81130.742	65635.759	-1.236	0.219
Size of family	+	48981.46	41693.559	1.174	0.243
Male	-	34514.819	48094.586	-0.717	0.474
Female	-	5249.556	47761.288	-0.109	0.912
Working force	-	11894.755	13933.56	-0.853	0.395
Literate	-	36723.099	41806.712	-0.878	0.381
Illiterates	-	30282.498	41721.662	-0.725	0.469
Wealth	+	0.1843	0.062	2.962	0.003

N=106, R square= 0.27, Adjusted R square=0.193, f= 3.52597, standard error= 127551.0944

3.5 Determinant of tourism income dependency: I have used relative tourism income-the total share of household income contributed by tourism income, to find out degree of dependence on tourism income. The relationship is analysed between tourism income dependence and socio-economic characteristics of household by running ordinary least square regression of relative tourism income.

Table 11: OLS regression of household relative tourism income against socio-economic characteristics

variables	Sign	Coefficients	Standard Error	t Stat	P-value
Intercept	+	0.605	0.213	2.834	0.005
Age of HH	-	0.0002	0.0024	-0.12	0.904
Religion of HH	-	0.379	0.1445	-2.624	0.01
Ethnic of HH	+	0.375	0.138	2.723	0.007
Size of family	-	0.038	0.087	-0.44	0.66
Male	+	0.035	0.101	0.347	0.728
Female	+	0.071	0.1	0.712	0.477
Working force	+	0.05	0.029	1.709	0.09
Literate	-	0.024	0.087	-0.274	0.784
Illiterates	-	0.0515	0.087	-0.587	0.558
Wealth	-	1.0784	1.309	-0.823	0.412

N=106, R square= 0.167, Adjusted R square=0.08, f= 1.913, standard error=0.268

Table 11 shows that religion of HH ($p < 0.01$) is statically significant to relative tourism income, the sign is negative. The reasons is that people with so called lower cast people are not involved in running any homestay or have participated in direct tourism business, only they make indirect income from tourism industry and they also have lower income compare to other religious people, it is also supported by table 10, where total income is positively correlated with age of HH, where table 9 show that age of HH has no significant relation to tourism income.

3.6 Distribution and tourism income:

Table 12: Gini coefficient with tourism and without tourism income

Gini for total income	Gini without tourism income	Difference
0.44	0.53	(0.09)

N=106

As we discuss earlier that poverty in Nepal is rural based, also it is based more on caste system. 'dalit' who are called untouchable caste and 'adibasi' indigenous people. So we use gini coefficient to see whether there is disparities in distribution of tourism income and house hold income in a village. To conduct this test, gini coefficient of total income is calculated and gini coefficient of total income minus tourism income is calculated, gini without tourism income is deducted from gini with tourism income. Table 12 shows that tourism income has reduced income inequality among the house hold in villages. When we removed tourism income from total income, gini coefficient has increased by 0.09.

Chapter 4. Discussion and Recommendation

4.1 Discussion: The result is based on questioner survey conducted during period of June and July of 2012 in Ghale guan, thus respondent accuracy and intension on giving information are subject to various biases. The familiarity with local people have reduced chances of incorrect information, usually when it come to provide information about wealth and income of house hold, people try to hide information to avoid tax from government and also people in Nepal are not open to share information about ones property because of security reasons, different kind of revolution are underway in the name of making all people equal by sizing property of rich and distributing it to poor. So it is not possible to completely avoid biases of people in proving information about income and wealth. Figure on tourism income and dependency thus should be treated here as conservative estimate.

This study has supported much other study about the economic importance of tourism in life of people and economy of nation. In particular, the study has supported the objective of Nepal government to reduce rural poverty by means of developing rural place as tourism destinations. Nepal government has forwarded objective to reduce rural poverty by introducing homestay tourism in such places, with this objective they introduced this homestay tourism in 2007 with some rules and regulations. It is clear that tourism income has share of about 22% of total income in ghale gaun, which is more than agriculture income. It is the second highest source of income in the village after service and remittance. More over poor family are seem to be more benefited from homestay tourism, tourism income contribute about 34% share to total income of such group. As per statistical analysis, tourism income is independent of age of house hold, size of family, wealth, and income of family and religion. The finding is quite controversial to hypothesis, that rich and elite people always take advantage of such income program supported by government (Naomi M. Savill, 2001). Caste based societal system is a main hurdle to reduce rural poverty, so called low caste people always lack opportunity to participate in economic activates due to lack of resources and skill or so called high caste people forbid them (Adhikari,2005). But in ghale gaun some of so called untouchable people are benefited by homestay tourism. The gini coefficient with tourism income is low compare to gini coefficient without tourism income, this explain that tourism income has played role to reduce wealth distribution gap, which our result support in study village. Saying this, it should be understood that tourism income equalizing effect will truly represented when household in study area adopt tourism despite of other employment

options. The study already shows importance of tourism income in poor people in country like Nepal where there are not many option for income. So it can be one tool to eradicate rural poverty in such places.

Due to the development of home stay tourism in the village, the infrastructure has developed. There is significant improvement in the local school building, health centre and water supply pipes. As new class rooms are added the students are now able to study in their own class rooms instead of different classes merging in one room. This has increased the child literacy rate and school enrolment in the village. Due to the availability of the drinking supply in the village the women do not have to travel for long time to fetch the drinking water. Following are the impacts of homestay tourism in Ghale Gaun Nepal.

Nepal in recent years is doing well in the sector of rural tourism. There is unexpected tourism growth in recent years with homestay being one the most popular program in rural tourism. Significant increase in tourism in rural areas of Nepal has generated economic as well as social benefits. From what I have gathered from my field site, Ghale Gaun people are getting direct benefits of tourism. But on the other hand younger generation are westernized or modernize and they are out migrating from their own villages to the other urban areas or abroad. The other danger with the increasing tourism can be child prostitution, therefore it is important for the villagers to focus on this and control any kind of abusive culture from entering in their community. With the increase need of money and capital there is always a danger of local labor force getting involved in sex trade to have it in short time in easiest way. (Pandey, Chhetri & Kunwar 1995)

The concept of individualism is now developed like elsewhere in Europe and America but the Nepalese elderly people are worried that this might lead to the conflict among the old and the young members of the family and among the community members. Many younger people have stopped giving respect to the elder community member which gives old generation sense of hopelessness. With the increase in the income in the family spending patterns are changing. Young people are spending a lot of money in buying fancy clothes and food. This habit of spending money on unproductive goods reduces the family ties. (Pandey et al. 1995). One of my respondent says, 'previously the young people use to look after the family and made good use of the money in taking care of every family member of the family but now as they get money from tourist they spend like tourist without much paying attention to the

family members.' This narrative clearly indicate that tourism bring instability in the social ties with the increasing western material and individual culture.

Although there are many advantages of economic benefit from the tourism sector in the villages, recently the people are more involved in drinking. With the increased alcohol consumption there are argument and fight among local people. The reason that most of the respondent from the community provides while asked is, 'tourist pay in cash, and as soon as money comes in the hand of the people, they just spend buying alcohol and have fun.' This indicates that with the increasing tourism and income generation there is indirect problem of alcoholism which has direct impact on youths and the old people. (Pandey et al. 1995)

There are also several positive benefits of rural tourism, the host community or the family can have exposure with the outer world through the people who visit the village. The sharing of cultural practices and lifestyle contributes in solidarity among the people from different backgrounds. For example people at the tea shop told us that he has learned a lot about the American culture and he has learned to do things on time. And he has also taught the American how to be wife instead of being so self-centred. 'That is how we share our life style and this has given us chance to learn and teach things'. He further adds ' I think this way we can have peace among the people from the world'. On top of solidarity and peace the interaction among the tourist and the local community contributes in psychological satisfaction.

It is important to outline some of the economic impacts of tourism in Ghale Gaun. In general tourism is one of the sectors in Nepal which is largest and fastest growing service industry. With the development of the infrastructure it can always increased the chances of gaining more foreign currency. With the homestay program individual household can earn money with turn which will provide equal distribution of resources among the villagers(Bista. Raghu, 2009)

While talking to the villager one of the respondent says, 'All this change in the village would not have been possible if Nepal government would not give us the money to develop our infrastructure for home stay tourism. And also due to increase in the general income among the villagers we look after our own community and do the repair and maintenance to preserve the infrastructures that we have.

Road is considered to be the major vector of change in the village and is considered one of the symbol of development. The muddy road has reached the village, during the dry seasons people can reach the village by cars. This accessibility has not only reduced the travel time of the villagers but the prices of the goods have reduced. The cheaper price of the goods is attracting villagers to be involved in income generating non agricultural practices. The women are encouraged with the less work load they have to bear due to reduce in the travel time and availability of the cheaper goods in the village. But beside the new accessibility of the road, the villagers complain that the tourist find it difficult to travel on those unfinished roads to avoid the danger of accidents. The roads are swept by the flood during the rainy season creating pits on the road which affects villagers' life on daily basis and also harms the structure of the roads.

In Nepal the major supplier of communication are Nepal telecommunication and Ncell, both the communication companies have established their tower in the village making the village with good communication facilities compare to other villages nearby. The popularity among the villagers to use mobile phone is becoming popular. As most of the household are involved in home stay tourism they say their income has increased which makes them easier to buy the recharge cards (buy credits for the mobile phone) which have made their life easier in staying in touch with their family members and friends within their village, Nepal and also abroad. More over for the entertainment of guest, the villager has brought the cable TV network from Bashishare, which is about 6 hours walking from the village. Before the development of tourism in the village most of the people in the village are involved in cultivation, hunting and gathering. But after the development of tourism in the village, Ghale people are involved in the tourism activities like running guest houses, producing vegetables, running small groceries, selling of handicraft, transportation business. They use labour, land, capital, knowledge to produce goods, use their social networks to sell the goods to generate income. Only few household in the village can meet their needs through agriculture. Most of the people combine different resources and activities to meet their needs. In such combination people have to balance time, resources and risk allocated to various activities, proper balance can result to meet more needs (Tao, 2006). There was widespread dependence on off-farm income than agricultural income in village but tourism has slightly contributed in agricultural diversification; people are more focused to produce vegetable than conventional crops like millet, wheat and crones. Development of tourism program has offered a new market for the sales of agricultural products, alternative for household income.

Shift from grain crop production to cash crop has increased income level but on the other hand reduce in grain crop production, result in reliance of the villagers on the food from outside. Though the tourism has offered many opportunities to local community, youth in the village prefer to go to gulf countries or join the Indian or British armies, because of high amount of money they make from abroad employment compare to the income generated from the tourism. Also the tourism business is seasonal here in the village, during the month from mid of May to mid of September, the weather is bad and always covers with clouds and heavy rainfall, and there is almost null or little flow of tourist during this period. Due to seasonal nature of the tourism business, it is challenging for the people to adopt this as full professional. The other ethnic group who lived in the village are 'Kami', they are called the lower cast and untouchable as per the caste system practice in Nepali society. As per the study, these ethnic people have not involved in the tourism business directly. None of these people have run the guest house for the tourist. Most of the respondent said that they hold little amount of land and lack knowledge to deal with visitor, they have traditional profession of making iron equipment like sickle, axe, knives; they feel this is their culture. Most of these people are poor and uneducated; they don't have enough money to run the guest house or have sufficient space in home to keep guest. So, the generalization of overall impact studies on rural tourism does not address or talk about the marginalization of the lower caste people in the community in context of this village. As the people who are considered as untouchable with their less capacity to offer 'standard' infrastructure and 'cleanliness' are unable to participate in the home stay tourism directly, this again re-enforces the elite capture of the resources by the upper caste people. This marginalization not only discriminate the poor people from the village but also contribute in pushing them to migrate to some other places or go to middle eastern countries to work in poor condition with less payment.

From the research that I conducted during my study time I observed that the village has benefitted from the tourism or home stay income. 23% of the total income in the village is generated by the home stay tourism program. It has contributed to 106 families in the village directly and indirectly. The figure 2 shows the distribution of tourism income on the basis of population, total population is divided into five groups on the basis of income generated from homestay tourism, other factor keeping constant. The first group which has 53 families with no any direct tourism income is place together, since they don't have any direct income it is insignificant to divided into different groups, as our motive is to see direct tourism income generated by each house hold. Other remaining house hold is divided into four equal groups

of 13 and one with 14 household. The distribution of income is unequal, top 14 house which is richest group, has the share of 77% of total tourism income, other 13 house which is group rich has 12.81% of tourism income, other 13 house which is medium has share of 7%, other 13 families which is poor group has share of 3% and 53 families which is group' poorest has no any share as direct tourism Income. Though the gini coefficient shows that it has reduced the equality of income distribution, but it has contributed to most to top 14 families.

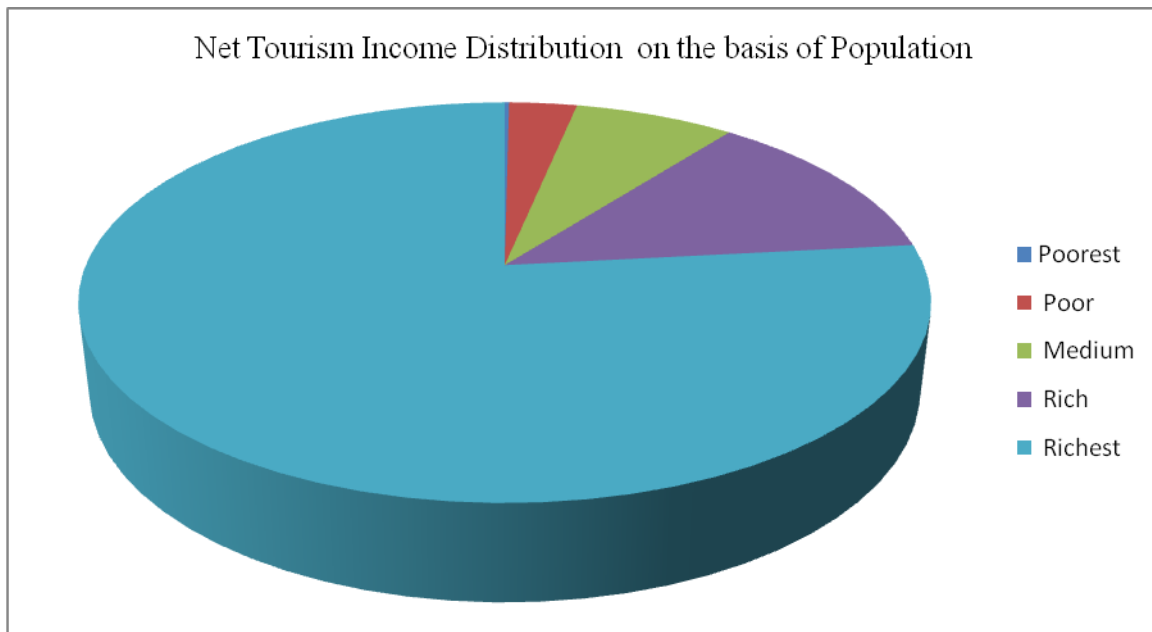


Figure 2 : Net Tourism Income Distribution on the basis of total Population

Now beside these economic benefits, there are various impacts that the village is undergoing. The food habits are changing. As I have mentioned before about shift from grain to cash crop, people are eating more vegetable which is positive aspect. But at the same time with the increasing import of unhygienic food from the southern Nepal which is of poor quality is also consumed. Due to poor calories and contamination different kinds of diseases are emerging which again is a challenge in villages like Ghale Gaun.

Tourism industry impacts the environment equally as it does in social and economic sector. The development of infrastructures like roads, trekking trails, houses, lodges and restaurants contributes in the adverse negative impacts. Local environment can be degraded with the increased construction work that contributes in flooding and landslides (Pandey et al. 1995.). In this study I have seen significant change in the land use and land cover in the villagers. Most of the villagers from the community told me that their agricultural land is used for cultivation which is positive. Forest is cleared for the construction of the roads which has

degraded natural environment. People have stopped growing crops, instead are building houses and restaurants in the agricultural land which is affecting in the overall production and ecosystem of the villagers. Therefore, it is very hard to analyze the relationship between environment and tourism. But if every stake holders give more emphasize in protecting environment and serve the tourists then both the tourists and the community can benefit from sustainable development and aesthetics.

4.2 Conclusions and Recommendations:

Larger the size of business, large will be volume of revenue generated from it, tourism industry is very large and it generates more revenue. Around the globe, tourism industry only generates more revenue than petroleum and chemical industry. After manufacture and production industry, it is the industry which generate large revenue. Government of Nepal has realized tourism industry importance for its economic growth. To promote tourism it has celebrated 2008 with the slogan visit Nepal 2008, it has promoted 2011 as tourism feat with slogan 'together for tourism'. Nepal government has plan to reduced rural poverty by promoting rural tourism (Joshi and Upadhyay, 2006). Country like Nepal where there is neither any source of oils nor any automobiles, only thing to export is tourism for which they have abundant resources. Tourism is multidimensional product, for development of tourism product, other infrastructure has to be developed, like transportation, communication, drinking water, education of people and also it demand protection of natural resources (Banskota and Sharma, 1994). All these infrastructure developments have direct benefits to local people who are always marginalized form main stream economy. Development of tourism has increased awareness among local people to preserve their natural resources. Illegal killing of wild animals and deforestation and other leakage has reduced (Gurung et.al 1996). Such program always encourage to use local resources and product, which in one hand provide employment opportunity to local people and other hand it reduces waste, garbage and environmental degradation. So it is very important to design strategies which encourage tourist to consume local foods and products, which in long run can help to reduce rural poverty and encourage local people to preserve their cultural heritage and natural environment. Gourish K. Kharel has conducted study in different two remote village of Nepal with same infrastructure, access to road, development and altitude, namely Namche and Juphal. Namche is located in Shulukhumbu district, one of famous tourist destination in Nepal, where as other village Juphal, village of Dolpa district but without tourisms business. The study shows, Namche household has comparatively higher income than income of Juphal

household. The income gap between these two villages indicates tourism industry has great economic impact on life of rural people (Kharel, 2002).

Nepal is one of the fastest growing tourism destinations in the world. Although there was significant decrease in tourist number during the conflict period from 1996-2006, there is a dramatic increase since the peace process started in 2006 .Since the peace process has started, the tourist number doubled with large contribution to the national economy (Kandel, 2011). Tourism has not only contributed in income generation but also has provided different employment opportunities. Keeping in mind the positive socio economic impacts of the tourism, Nepal government started homestay tourism in rural community. The purpose of this program is not only to increase the income and reduce poverty but also to share the local culture and traditions to outside world. Among various rural villages, Ghale Gaun is one of the villages that started the homestay resulting to one of the most important component in shaping the communities overall development to livelihood patterns.

It is observed that in Ghale gaun many people are getting employment opportunities and earning good income. They are sharing their traditional cultural and lifestyle with solidarity. But there are unequal opportunities among the villagers from different background. Poor families are unable to take the advantage of this opportunity due to lack of capital and skills. Therefore, government should provide financial assistance and training and education to developed skill of poor people and so called lower caste people.

Local people participation in decision making process and management of tourism has positive impact for growth of homestay tourism. Greater participation of local people and enhanced marketing of tourism may help to grow tourist flow in village and people will be more benefited. Though there are many economic and social benefits of homestay tourism, it is complicated to relate it with environment and sustainability. While developing infrastructure to attract the tourists the local environment is affected. Therefore, protecting environment, providing good service, preserving local tradition and culture should be the main motto of the government and the community to make the best out of rural tourism industry in Nepal This study give idea that it is very important to identified one own potential in which they are strong, that will ultimately pay. It also recognize that there must be aggressive marketing through Nepal Tourism Board and Management committee of homestay with co-ordination to different NGOs and INGOs which work for conservation of environment and sustainable development. This will increase the number of tourist in next 5-

10 years, and government must organize a skill development of local people to meet these demands arising from sustainable tourism development.

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Appendix:

Research Questionnaire designed to see Impact of Homestay Tourism in Livelihood of people of Gale gaun, Lumjung, Nepal.

Question Number:

0. Household Data

Name of Head of family			
Age of HHH			
Education of HHH			
Religion			
Ethnic			
Total Family Size			
Male			
Female			
Age of Family	0-7	8-15	16+
Literate Number			
Illiterate Number			

Q. How many years have you been living in this village

1. Assets

SN	House	Type of House(1,2,3,4)	Market Price
1			
2			
3			
4			
5			

(1=concrete, 2=Stone, 3= Mud, 4= if any other type specify)

Land

SN	Description	Plot1	Plot2	Plot3	Total Units
1	Size of plot in hectares				
2	Land Quality(1,2,3)				
3	Rented In				
4	Rented out				
5	Value				

Land quality (1-Cultivation Land; 2-Grazing Field; 3-Forest)

Livestock Owned

Types	Number/Unit	Current Value
Milking Cows		
Other Cows		
Oxen		
Sheep		
Goat		
Buffaloes		
Chicken		
Duck		
Others		

Equipment Owned

SN	Types of Equipment	Current Value
1		
2		
3		
4		
5. Rented In		
6. Rented Out		

3. Income and Expenses

Income from Livestock

SN	Sources of Income	Income Last 12 Months
1	Milk Production	
2	Selling of Animals	
3	Selling of Meat	
4	Selling of Skin	
5	Renting of Animals	
6	If other specify	

Expenses incurred in livestock

SN	Types of Cost	Cost of Last 12 Months
1	Fodder	
2	Medicine and Veterinarian fees	
3	Buying of Animals	
4	Renting In	
5	If other Specify	

Income from Agricultural products

Types of Crops	Production Units	Selling Units	Consumption units	Selling Income	Total Income last 12 month including consumption
Rice					
Finger Millet					
Maize					
Potatoes					
Wheat					
Mustard					
Others					
Others					

Production cost of crops

SN	Types of Inputs	Unit of Measure	Total Cost last 12 month
1	Fertilizer		
2	Seeds		
3	Pesticides		
4	Labor		
5	If other Cost Specify		

Income from Vegetables

Types of Crops	Production Units	Selling Units	Consumption units	Selling Income	Total Income last 12 month including consumption
Cauliflower					
Cabbage					
Kharela					
Green Leaf(Saag)					
Turnip					
Bhodi					
Onion					
Others					

Production cost of Vegetables

SN	Types of Inputs	Unit of Measure	Total Cost last 12 month
1	Fertilizer		
2	Seeds		
3	Pesticides		
4	Labor		
5	If other Cost Specify		

Income from Tourism Industry for Last 12 months

SN	Heading	Income of last 12 months
1	Running of Guesthouse	
2	Selling of Handicraft	
3	General Store	
4	Renting out Vehicles	
5	Guide to tourist	
6	Transportation Service	
7	If other Specify	

Expenses Incurred to Tourism Industry

SN	Heading	Expenses of last 12 months
1	Renting in Store	
2	Labor Cost	
3	Renting In Vehicle	
4	Material Cost for Production of Handicraft	
5	Payment of Tax	
6	Payment of Energy Bills	
7	Cost of Furnishing	
8	Material cost of Maintenance of house	
9.	If any other specify	

Remittances and other Income

Q. Do you have any family members in abroad?

- a) Yes
- b) No

If 'yes' have you received any gifts from your member during last 12 months? (Net income)

- a) In cash Amount.....
- b) In kind estimated Amount.....

If your families have any other sources of income specify? (Net Income after deduction of all taxes and cost of last 12 months)

SN	Source of Income	Amount
1	Salary	
2	Wages	
3	House Rent	
4	Trade	
5	If other sources Specify	

Q.3 Attitudes and Modernization

Are you native to this place?

- (a) Yes (b) no

If 'no' where is your place of origin?

Q. Why did you come to this place?

Is the production of crops sufficient for year round consumption to your family?

- a) Yes
- b) No

If 'No' how many months do you face the shortage of food?

Q. How do you acquire the rest of the food for your family?

Q. Are you directly involved in tourism?

- i. Yes
- ii. No

If 'no' what are the factors that inhibit you from involving in this sector?

- i. Lack of capital to run business
- ii. Poor return to labor and capital
- iii. Other(specify)

Q. Could you please tell me, in what ways is tourism beneficial to this village?

Q. In what ways does tourism cause problem to this village?

Q. Has tourism caused you to change your agricultural production system?

- i. Yes
- ii. No

If 'yes', how?

Q. Has Local authority discovered any new destination near to your village to attract more tourists?

- i. Yes
- ii. No

If 'yes' Name it.

Q. Has any infrastructure been developed after introduction of tourism in this village?

- i. Yes
- ii. No

If 'yes' how and what are those?

Q. How local government is supporting to develop tourism in this village?

Q. What are the negative impacts of tourism for you?