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**Tourism Development, Spatial change and Livelihood Dynamics:  
Case of Pumdikot, Pokhara.**

by

Rashmita Ghimire

A THESIS

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IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTER OF SCIENCE IN  
URBAN PLANNING

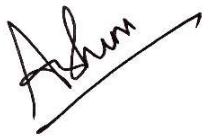
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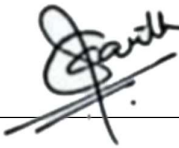
  
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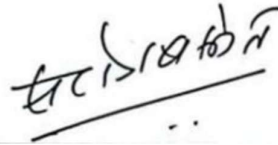
  
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## DECLARATION

I hereby declare that the thesis titled “Tourism Development, Spatial Change and Livelihood Dynamics: Case of Pumdikot, Pokhara,” submitted to the Department of Architecture in partial fulfillment of the requirements for the degree of Master of Science in Urban Planning, is the result of original research conducted under the supervision of Assoc. Prof. Dr. Sanjay Uprety at the Institute of Engineering, Pulchowk Campus. This thesis includes only my own work, except where references to consulted sources have been clearly cited and acknowledged.



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## **ABSTRACT**

The sharp rise in tourism in Pumdikot, following the construction of Nepal's second-tallest Shiva statue, has brought profound changes to region's socio-economic and physical environment. Once a serene hill station near Pokhara, the area now faces unregulated construction along roadsides, which has not only strained the natural landscape but also degraded the architectural value of the place.

The sudden development of tourism, driven by an influx of visitors, has created economic opportunities but lacks proper planning, posing significant threats to sustainable tourism development. This study explores the impacts of these changes on local livelihoods, settlement patterns, and the environment, highlighting the dual nature of tourism as both a driver of growth and a challenge to sustainability. It calls for sustainable planning practices, emphasizing proper zoning, and community engagement, to ensure tourism development in Pumdikot aligns with long-term ecological and cultural preservation goals.

Key words: Sustainable Tourism and Livelihood, Community Based Tourism, spatial change

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## **LIST OF ACRONYMS**

CBE Community-Based Enterprise.

CBT Community-Based Tourism

PPT Pro-Poor Tourism

SLA Sustainable Livelihoods Approach

DFID Department for International Development

UNWTO United Nations World Tourism Organization

TRPAP Tourism for Rural Poverty Alleviation Programme

SNV Netherlands Development Organization

UNDP United Nations Development Programme

GoN Government of Nepal

MoCTCA Ministry of Culture, Tourism and Civil Aviation

NTB Nepal Tourism Board

IDF Infrastructure Development Fund

VCF Venture Capital Fund

GIS Geographic Information System

PMC Pokhara Metropolitan City

## CHAPTER ONE: INTRODUCTION

### 1.1 Background

“If social and economic development means anything at all, it must mean a clear improvement in the conditions of life and livelihood of ordinary people.” (Friedmann, 1992).

As globalization progresses, the importance of safeguarding the environment and natural resources has become a major societal concern. At its heart, sustainability represents an increasing consciousness about preserving the environment and using resources responsibly. This heightened awareness has paved the way for alternative tourism models—such as community-based tourism (CBT), sustainable tourism, ecotourism, and pro-poor tourism (PPT)—that strive to harmonize economic benefits with environmental protection and social accountability.

In the past ten years, sustainable tourism development has gained significant attention from both tourism scholars and industry professionals. It is increasingly regarded as an effective means to promote sustainable development and has grown in prominence within development policy discussions. Today, it is widely embraced as a key goal in tourism planning and policy, with numerous destination authorities and tourism sector organizations. (Sharpley, 2000).

The lives of local residents are inevitably impacted when their community transforms into a tourist destination (Wu & Hui, 2018). The social and cultural impacts of tourism refer to the ways in which tourism influences shifts in value systems, personal behavior, family dynamics, shared lifestyles, ethical norms, artistic expression, traditional rituals, and community structures. In essence, these impacts represent the effects—both direct and indirect—that interactions with tourists have on members of host communities (Pizam & Milman, 1986). Like other forms of economic development, tourism brings about changes that can either enhance or undermine the quality of life within host communities. These changes are largely shaped by two key factors: the interaction between tourists and residents, and the overall growth of the tourism industry. Tourism

can lead to shifts in local value systems, traditional ways of life, family dynamics, individual behaviors, and community structures. As such, tourism acts as a catalyst for change, generating both positive and negative impacts—social, cultural, economic, and environmental—on destination areas.

In developing countries, where economic transformation and urbanization are occurring rapidly, land-related challenges in tourism development become more pronounced. The conversion of agricultural land in rural areas for tourism purposes, as well as the expansion of protected areas, raises critical concerns regarding land use, ownership, and management. Landscapes often serve as the primary attraction for tourists, making their preservation, presentation, and interpretation essential for sustainable tourism. Striking a balance between tourism development and environmental preservation is essential for sustaining both the tourism sector and the well-being of local communities in the long run. However, tourism presents a paradox—it can enhance and revitalize natural landscapes in some instances, while in others, it leads to environmental degradation due to the pressures of tourism and recreational activities (Morrison, 2022). Therefore, proper planning and sustainable management are essential to balance tourism growth with environmental conservation and community well-being.

Tourism typically takes place in locations with distinct natural, cultural, or historical attributes, known as tourism destinations. The development of tourism in these areas inevitably leads to land use and land cover (LULC) transformations, altering the physical and socio-economic landscape. To effectively manage these spatial changes, systematic tourism planning is essential. Such planning should be responsive to market demands while being integrated into the overall development framework of the area.

Tourism ranks as the second-largest industry in Pokhara, contributing 25.4% to the city's overall economic transactions (Upreti et al., 2013). Initially known as a transit hub for mountaineers, Pokhara has evolved into a major tourism center, offering a diverse range of activities such as trekking, paragliding, boating, and sightseeing. While these developments have contributed to economic growth, they have also introduced challenges related to environmental sustainability, land-use changes, and socio-cultural shifts.

Pumdikot, one of the emerging tourist destinations in Pokhara, is situated in the southern region of the city at an altitude of 1,500 meters above sea level and

approximately 10.5 kilometers from Pokhara Bazaar. It has recently gained significant attention following the construction of a 52-foot Shiva statue, which has established the area as a prominent religious and scenic site, attracting thousands of visitors each day. As a result, Pumdikot has experienced swift infrastructure growth—including the development of hotels, restaurants, and commercial facilities—leading to changes in traditional land-use practices and affecting the livelihoods of local residents.

This study examines the implications of tourism-induced land-use changes and shifting livelihood dynamics in Pumdikot. As the influx of tourists continues to rise, it is essential to assess how these transformations affect local communities and whether they promote sustainable development. Understanding the socio-economic and environmental consequences of tourism expansion in Pumdikot will provide valuable insights for policymakers, urban planners, and stakeholders involved in tourism management.

## **1.2 Need of Research**

The rapid expansion of tourism in Pokhara has significantly impacted the local community, creating both opportunities and challenges. The growing tourism activity creates barriers to the synergy between the residents and the tourists. Pokhara has been facing a similar issue. There should be strategies to ensure a synergy between residents and the touring people. The concentration of tourism in certain areas and the lack of control over development pose a threat to Pokhara's natural beauty and assets (STAP, 2023).

In 1981 only 33536 tourists excluding Indians visited Pokhara but in 2019 the number increased up to 372522 (Tourism Office, Pokhara 2020). The growing influx of tourists in Pokhara each year is contributing to various environmental issues and posing challenges for sustainable tourism development. Pokhara is not only prepared to welcome a growing number of tourists but also aims to ensure long-term tourism development for future generations by placing strong emphasis on pollution control. (Upadhyay, 2020).

Tourism development can bring economic benefits, but it also raises critical concerns related to land use, environmental sustainability, and local livelihoods. In rapidly developing areas like Pumdikot, Pokhara, the transformation of agricultural land into

tourism infrastructure has significant implications for the community and environment.

This research is necessary to:

- Understand occurred spatial change
- Access Socio-economic impact to people living in Pumdikot
- Sustainable planning and policy recommendation

### **1.3 Problem Statement**

Although tourism development has the potential to bring economic prosperity to both the tourism industry and related local sectors, it may also adversely affect the livelihoods of residents, depending on how and to what extent it is implemented. Literature points out that a major inevitable concern at tourism destinations in developing countries is an issue of sustainability, since tourism development can cause significant impacts on environments, society, culture, and economy. From the economic point of view, past studies observed that rapid tourism development often entails increases in the costs of living, prices for goods and services, and costs of housing and properties. From the environmental perspective, tourism caused significant impacts on natural environments and ecosystems, including increases in emissions of waste and different forms of pollutants (Tuntipisitkul et al., 2021).

Pumdikot's rapid transformation from a traditional hillside settlement to a bustling religious and scenic destination has accelerated land-use changes. Haphazard hotel construction, informal businesses, and infrastructure development have emerged to meet tourist demands, often without proper regulations. This raises key challenges such as:

- Change in land use and development of temporary building structures.
- Environmental Stress: Solid waste management, water shortages, and landscape degradation threaten long-term sustainability.
- Livelihood Dynamics: Traditional occupations are evolving, creating opportunities while displacing existing jobs.

Research is needed to understand these interconnected dynamics and propose solutions that ensure balanced development, protecting both the environment and local communities.

## **1.4 Research Objectives**

Tourism development plays a significant role in shaping land-use patterns and influencing local livelihoods, particularly in emerging destinations like Pumdikot. The construction of the 52-foot Shiva statue has transformed the area into a major tourist attraction, leading to rapid changes in infrastructure, economic activities, and social structures.

In light of these transformations, this research aims:

- To analyze spatial changes in around Pumdikot shiva statue.
- To analyze the changing livelihoods of local residents and how they are coping with tourism-driven transformations.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Global Trend in Tourism Development

Tourism refers to the activities undertaken by individuals recognized as visitors. A visitor is defined as a person traveling to a primary destination outside their normal environment for a period of less than one year, for various purposes such as leisure, holidays, recreation, business, health care, education, or other reasons. This definition expands beyond the traditional view of tourists, which typically included only those traveling for leisure purposes (World Tourism Organization, 2011).

Tourism is commonly understood as the act of traveling from one country to another, or within a country, for purposes such as business, education, vacations, or other reasons. Following the Second World War, tourism has experienced rapid growth globally. It encompasses both leisure and business travel, where individuals temporarily leave their usual residence to engage in activities like work, recreation, or adventure. If people stay away from their normal environment for less than a year or even for just 24 hours, with the intention of business, leisure, or any other purpose, it is classified as tourism.

In recent years, the global tourism landscape has experienced a significant transformation, driven by a complex interaction of emerging trends, challenges, and opportunities. Modern travelers are increasingly moving beyond traditional sightseeing, seeking instead authentic and immersive experiences that allow them to connect deeply with the cultures and landscapes of their destinations. This shift towards experiential travel is just one aspect of the broader changes that are reshaping the global tourism industry (Tso, 2017).

In navigating the future of global tourism, stakeholders, including policymakers, businesses, and destination managers, must adopt a holistic approach that considers economic, environmental, and socio-cultural factors. The emphasis on responsible tourism practices, community engagement, and the development of smart tourism destinations will play a pivotal role in shaping a sustainable and resilient industry. As we move forward, the evolution of global tourism requires ongoing collaboration, interdisciplinary research, and a commitment to balancing economic growth with environmental and social responsibility. By addressing these challenges and leveraging

the opportunities presented by technological advancements, the tourism industry can continue to thrive while preserving the integrity of destinations and enhancing the overall travel experience for present and future generations.

## 2.2 Tourism Scenario in Nepal

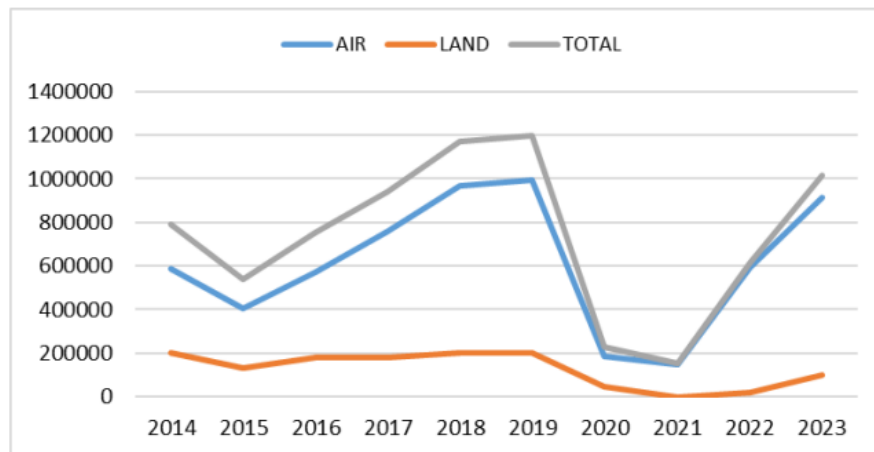


Figure 1 Tourist Arrival in Nepal 2014-2023 (MoCTCA, 2024)

Over the past four decades, Nepal has experienced remarkable growth in international tourist arrivals, with tourism contributing around 30% to the country's total foreign exchange earnings (MOCTCA, 2018). Tourist arrivals in Nepal have fluctuated over the past several years, influenced by the instability of the country's political system, the 2015 natural disaster, and the global COVID-19 pandemic in 2020. However, following the promulgation of Nepal's Constitution as a Republic, tourism activities have shown remarkable growth in recent years.

Tourism is a key source of international revenue for Nepal. As reported by the WTTC (2019), foreign earnings from tourism amounted to NPR 240.7 billion, while the sector directly and indirectly created 1.05 million jobs. Despite this, the industry's average contribution to GDP was 7.9%. In total, Nepal's travel and tourism sector contributed NPR 195 billion to the GDP, reflecting a growth of 3.9% compared to 2017.

Tourism plays a crucial role in Nepal's economy. The rise in international visitors creates opportunities for investors and entrepreneurs, leading to increased income, employment, and tax revenue. However, the growth of tourism is influenced by several factors, including the availability of tourist-friendly infrastructure, effective

communication and information systems, improved transportation, and ensuring safety and security(PAUDEL et al., 2021).

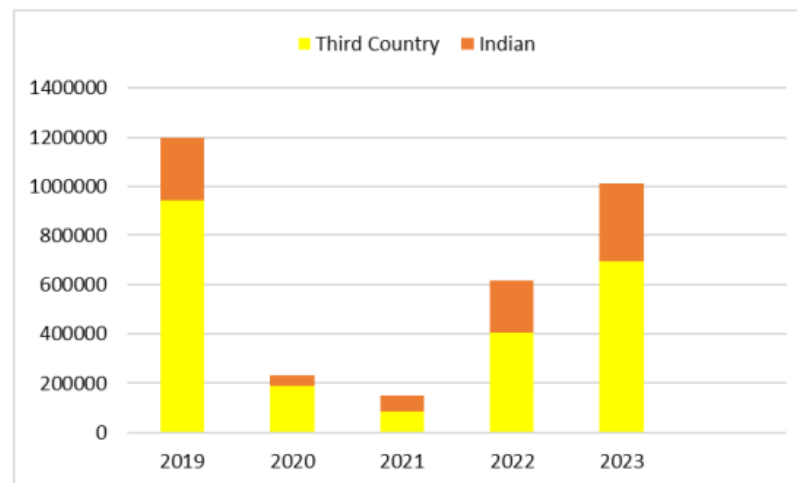


Figure 2 Tourist Arrivals by Country 2019-2023 (MoCTCA, 2024)

Among the countries visiting Nepal, India consistently ranks as one of the top sources of international tourists. Due to its geographical proximity, shared cultural ties, and ease of access, a significant number of Indian tourists visit Nepal each year. Popular attractions for Indian travelers include pilgrimage sites such as Pashupatinath Temple, Muktinath, and Lumbini, along with adventure destinations and hill stations like Pokhara and Kathmandu.

### 2.3 History of Tourism in Pokhara

Before the establishment of democracy in 1951, Nepal lacked proper records of tourism. The country had not yet opened its doors to tourists. However, with the advent of democracy, Nepal saw significant progress in its political, social, and economic spheres, paving the way for foreign visitors. Mountain tourism played a crucial role in the early stages of tourism development in Nepal, as it marked the beginning of the industry. The successful ascent of Mt. Everest in 1953 by Sir Edmund Hillary and Tenzing Norgay Sherpa brought global attention to Nepal, highlighting the country on the world stage (Shrestha & Shrestha, 2012).

Pokhara, the second-largest city in Nepal, is located about 200 km from the capital, Kathmandu. In the 1950s and 1960s, Pokhara was primarily known as a stopover for climbers. In 1962, thousands of tourists began recognizing Pokhara as a waypoint for those heading to the mountains. The historic ascent of Mount Annapurna (8,091m) by

French climber Maurice Herzog and his team on June 3, 1950, was a landmark event, putting Pokhara on the global map for mountaineering. Another significant moment in Pokhara's history came in 1966 when British travel pioneer Thomas Cook discussed the city and its surroundings from a tourism perspective.

In the 1960s and 1970s, Western hippies, known for their adventurous spirit, were among the first to explore the Annapurna region, making Pokhara a popular destination among them. Their photos and stories helped spread the city's reputation worldwide. Over time, Pokhara's legacy as a destination for mountain tourists grew, and today it is a renowned city in Nepal for its various attractions, with a steadily increasing number of visitors.

In 1961, the establishment of a Tourism Information Center and the drafting of a physical development plan marked the beginning of organized tourism development in Pokhara. The construction of the Siddhartha Highway in 1968 further connected Pokhara to the outside world, boosting tourist arrivals. By the end of the 1970s, tourism development began to take off in the city. During its growth, Pokhara was recognized by the Pacific Asia Travel Association (PATA) as a leading Himalayan adventure destination. Historically, Pokhara also served as an important trade route between India and China during the 18th and 20th centuries. (Upreti et al., 2013)

## **2.4 Tourism in Pokhara**

Pokhara has many varieties to offer in the tourism sector of Nepal. It is a geographical landscape of beauty and its prime attractions include 3 of the tallest mountains in the world, the large number of lakes, religious sites, cultural heritages, trekking and hiking routes, and other manmade tributes. Visitors to Pokhara, whether for adventure, relaxation, or other reasons, are likely to have their expectations met and experience something unique. Often regarded as a top adventure destination, Pokhara offers activities such as paragliding, zip-lining, bungee jumping, and treks to Annapurna Base Camp (ABC). As a result, it is recognized as the number one city for both adventure and leisure (*MOCTCA*, 2018).

Pokhara is a city rich in natural beauty, featuring the famous Himalayas, serene lakes, and waterfalls, as well as a vibrant culture and warm hospitality. It is widely considered a prime tourist destination for those visiting Nepal. Pokhara serves as a key hub that connects major trekking and mountaineering routes in the country. One of the most

iconic views in Pokhara is the reflection of the Fishtail Mountain in Phewa Lake. The city offers some of the best trekking experiences, including routes to Annapurna Base Camp (ABC), Ghorepani Poonhill, Mardi Himal, Dhampus village, and Upper Mustang, where trekkers can get a close-up view of various mountain peaks.

Situated at an altitude of 827 meters above sea level, Pokhara boasts a range of climatic variations, diverse flora, and numerous scenic lakes, as well as the stunning Seti River Canyon and snow-capped mountains. The city is home to nine lakes, three of the world's highest peaks—Annapurna I (8091m), Dhaulagiri (8167m), and Manaslu (8164m)—a remarkable climate, caves, the Seti-Gandaki river system, and the famous Davis Falls. The reflection of the Fishtail (Machhapuchhre) Mountain in Phewa Lake remains one of Pokhara's most captivating features, drawing thousands of tourists from around the globe (Upreti et al., 2013).

Pokhara holds a strategically important position in Nepal, as it is centrally located on the map. The city is equipped with essential infrastructure such as a well-developed road network, an airport, restaurants, hotels, motels, drainage systems, and power supply, all of which contribute to its strategic significance. Pokhara serves as a key transit point for access to various natural and tourist attractions, including national parks, wildlife reserves, and hunting reserves across the western, mid-western, and far western regions of Nepal. The city is part of three major travel circuits: the Pokhara-Kathmandu-Chitwan (Golden Triangle), Pokhara-Chitwan-Lumbini (Silver Triangle), and Pokhara-Manang-Mustang (Adventure Triangle). It is a gateway for a wide range of activities such as trekking, mountaineering, paragliding, skydiving, rock climbing, and river rafting. Tourists visiting Pokhara can enjoy a variety of experiences and events that showcase the region's nature, culture, heritage, sports, adventure, and traditions (Upreti et al., 2013).

In 2005, Nepal received 375,398 foreign tourists by air, with 20% (75,000) visiting Pokhara. By 2009, total arrivals increased to 599,956, and Pokhara's share doubled to 40% (203,000). However, after 2010, the government stopped tracking Pokhara's tourist numbers, and growth has slowed. By 2025, only 45% of foreign tourists visiting Nepal by air come to Pokhara, marking just a 5 percentage point increase over 15 years. Tourism researcher and a former member of the Nepal Tourism Board (NTB) Tikaram Sapkota describes this as very slow growth, despite rising investments. He attributes

this stagnation to challenges in accessing Pokhara and a decline in trekking tourism (S. Pokharel, 2025).

| Year | Tourist Arrivals in Pokhara |
|------|-----------------------------|
| 1957 | 119                         |
| 1962 | 681                         |
| 1976 | 31,026                      |
| 1987 | 50,275                      |
| 1997 | 92,717                      |
| 2007 | 165,177                     |
| 2017 | 160,606                     |

(Source: Nepal Tourism Board Pokhara, 2011 and 2017)

Figure 3 Tourist arrival data in Pokhara

Although there is no formal system in place to track tourist records, Pokhara attracts a significant number of visitors. In 2018, the city is estimated to have hosted over one million tourists, with nearly 60% of them being Nepali nationals (Dahal, 2024).

## 2.5 Types of Tourism in Nepal

Nepal provides a wide range of tourism activities, catering to tourists eager to explore its diverse geography, natural landscapes, mountains, rivers, lakes, terrain, historical monuments, temples, and cultural sites. The country's tourism activities are rooted in its natural beauty, with a few key forms of tourism that have expanded into various other types. Nepal is a popular destination for those seeking a peaceful retreat, while also offering extreme tourism for adventure seekers. Additionally, Nepal attracts visitors interested in religious and cultural tourism, offering an opportunity to experience its rich traditions and heritage. The country also provides opportunities for business, eco-tourism, and official travel.

**Adventure Tourism:** Adventure Tourism may be defined as “A broad spectrum of outdoor touristic activities, often commercialized and involving an interaction with the natural environment away from the participant’s home range and containing elements of risk; in which the outcome is influenced by the participant, setting, and management of the touristic experience”(Hall, 1992). Different types of Adventure Tourism Activities one can do in Nepal are: Mountaineering, Trekking, Rafting, Canyoning, Bungee, Paragliding, Jungle Safari.

**Religious and Cultural Tourism:** Religious tourism is a type of tourism primarily driven by religious motivations. As one of the oldest forms of tourism, it is a global

phenomenon rooted in religious history and can be categorized into different types. Short-term religious tourism typically involves visits to nearby pilgrimage centers or participation in religious conferences, while long-term religious tourism refers to extended stays, lasting several days or weeks, at national or international pilgrimage sites or religious gatherings. (Rinschede, 1992).

Religious and cultural tourism is a significant sector in Nepal, attracting thousands of visitors each year. This form of tourism is also known as 'Pilgrimage Tourism.' People from around the world travel to Nepal to visit its religious sites and embark on spiritual journeys. While Nepal has a predominantly Hindu population, it welcomes individuals of all faiths who come for religious purposes. The types of religious tourism include pilgrimage, which is a ritual journey undertaken with a sacred intent, where each step of the journey holds spiritual significance.

**Pilgrimage:** As stated by Gladstone,(2013), Pilgrimage tourism involves traveling to temples, shrines, or other places that hold religious significance for the visitors. It is closely related to religious tourism. A pilgrimage is a sacred journey to heritage sites with the goal of achieving peace and spiritual liberation (moksha). These sites are seen as places of transformation, where every step along the journey holds deep spiritual meaning.

Every year thousands of tourists visit Nepal for religious purpose. The tourists who visit with this purpose are primarily people following Hinduism and the highest visitors are from India. They travel to Nepal for the excursion of temples and other religious places. A lot of people do this to seek inspiration, desire a new perspective, change in mind, seeking ways of life, attain spiritual adventure and calm their mind to find inner peace.

**Leisure Tourism:** Leisure travel refers to trips taken to escape the routines of daily life, often involving stays in luxurious hotels or resorts, relaxing on beaches or in rooms, or participating in guided tours to explore local attractions. In Nepal, leisure tourism is highly popular, drawing visitors from around the globe who seek to unwind in the lap of nature. Nepal offers a range of experiences for those looking to relax, with its stunning lakes, rivers, hills, waterfalls, and the majestic Himalayas. Tourists can also enjoy organized city tours, visiting famous sites such as temples, monasteries, monuments, and natural areas. Some popular leisure activities in Nepal include

sightseeing, boating and kayaking, relaxing, village tours, yoga and meditation, and jungle safaris.

**Business Tourism:** Business tourism refers to travel undertaken for commercial, governmental, or educational reasons, where the leisure aspect is secondary. This type of tourism includes various forms, such as individual trips, group trips, and travel related to events like Meetings, Incentives, Conventions, and Exhibitions (MICE), as well as team-building and training trips (Nicula & Elena, 2014).

In Nepal, there is a growth of investment in business tourism. Many city centers, facilities of conferences and exhibitions, conference and exhibitions centers organizing companies, events organizing companies, suppliers of events, destinations management companies are being established. Many business tourism suppliers are getting direct benefit from this tourism by providing services to tourists as well as other tourism service industries.

## **2.6 Tourism Development Process**

Tourism is a core sector of any economy. Development of tourism must be considered a driving force in any economy. While tourism is a very big industry on a global scale, at the local level it is very small. That is, the vast majority of tourism companies are small or medium sized operations, all offering a wide range of goods and services to the traveler in one form or another. This fragmentation in supply, however, can lead to variable quality in the local product, unnecessary competition; poor information flows and missed opportunities.

Tourism is fundamentally a commodity that relies on synchronized production and consumption. To understand tourism development, it is essential to define it as encompassing all actions related to providing services for travelers at a destination. This includes enhancing services, creating employment opportunities, and fostering economic growth. The promotion of various tourist destinations, coupled with the education and support of local tourism establishments, plays a crucial role in stimulating tourism development. Recognizing the significance of tourism in developing countries highlights its commercial impact and potential for economic transformation (Rhaman, 2016) .

Tourism development occurs when an area leverages its cultural, natural, and economic resources to attract visitors. This process typically involves strategic planning, infrastructure improvement, and the creation of attractions and services. Factors influencing tourism development include:

- **Natural and Cultural Attractions:** Unique landscapes, historical landmarks, or cultural heritage.
- **Accessibility:** Well-developed transport and communication infrastructure.
- **Safety and Security:** Political stability and low crime rates.
- **Economic Investment:** Funding for infrastructure, facilities, and promotional activities.
- **Sustainability:** Efforts to protect the natural environment and local culture.
- **Community Involvement:** Participation and support of local residents.

## **2.7 Tourism Area Cycle of Evolution**

Tourist areas are never static; they continuously change due to various influencing factors. One of the key reasons for this evolution is the shift in visitor preferences. Travelers seek new and unique experiences, and what is considered attractive today may lose its appeal over time. For example, a location known for its pristine natural beauty may become overcrowded, leading tourists to search for quieter, less-explored alternatives (Butler, 1980).

The concept presented here follows the product cycle model, which suggests that tourism in an area develops in distinct stages. Initially, visitor numbers are low due to limited accessibility and facilities. As awareness grows and infrastructure improves, tourism increases rapidly. However, once the area reaches its carrying capacity—determined by environmental, physical, and social limits—the growth rate slows down. Eventually, overuse and competition from other destinations may lead to a decline in visitor numbers.

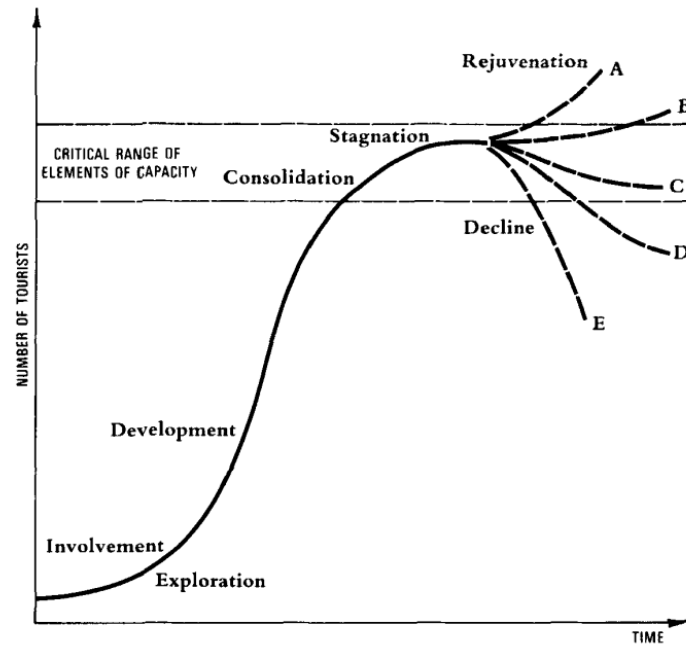


Figure 4 Hypothetical evolution of a tourist area. (Source: Butler, 1980)

The first stage, exploration, is marked by a few adventurous tourists who visit the area for its unique natural or cultural features. There are no dedicated facilities, and visitors rely on local infrastructure, leading to high interaction between tourists and residents. As word spreads, the involvement stage begins, where locals start providing services such as accommodations and transportation. Tourism becomes more structured, and advertising efforts emerge to attract visitors.

During the development stage, tourism expands rapidly with significant external investments. Local businesses may be replaced by larger corporations, and infrastructure is built specifically for tourists. Marketing efforts intensify, and the area's physical and cultural landscape undergoes noticeable changes. At the consolidation stage, tourist numbers are still increasing but at a slower rate. The local economy is heavily dependent on tourism, leading to tensions between residents and visitors. Large hotel chains dominate, and some older facilities become outdated.

In the stagnation stage, the destination reaches its peak visitor capacity. The tourism industry struggles with environmental degradation, declining visitor interest, and an outdated image. Over-reliance on repeat visitors and conventions becomes common, while new development occurs outside the original tourist center. If the area fails to innovate, it enters the decline stage, where it loses appeal to vacationers. Tourism-

related businesses may close, and properties are repurposed for residential or other commercial uses.

However, some destinations experience rejuvenation by introducing new attractions or rediscovering overlooked natural resources. This can involve creating artificial attractions, such as casinos, or shifting focus to alternative markets, like winter sports. While rejuvenation can temporarily restore tourism, long-term sustainability depends on maintaining the uniqueness and adaptability of the destination. Only a few locations, like Niagara Falls, may retain their appeal indefinitely due to their exceptional natural or cultural significance.

### **Christaller's Tourism Development Cycle**

Areas that attract tourists frequently follow a typical cycle:

- **Artists and Thinkers Arrive:** At first, painters and artists looking for inspiration are drawn to isolated and distinctive locations.
- **Cultural Elite Follow:** The burgeoning cultural community attracts poets, filmmakers, and foodies.
- **Commercialization of Tourism:** After seeing the possibilities, entrepreneurs begin turning local homes into lodging for visitors.
- **Mass Tourism Takes Over:** As commercial tourism infrastructure and hotels expand; they draw sizable crowds.
- **Original Appeal Declines:** The now-commercialized area is avoided by early visitors (poets, artists, and affluent tourists) who relocate elsewhere.
- **Cycle Repeats:** The same process is followed as new, unexplored locations turn into the newest tourist destinations.

## **2.8 Rural Tourism**

Rural tourism has traditionally been viewed as a way to diversify the rural economy. It plays a significant role in shifting the economic foundation of rural communities, thereby promoting their vitality and long-term sustainability (Roberts et al., 2004). Rural tourism has emerged as a valuable development tool for many communities looking to diversify their economies. It helps generate local employment, attract external investment, and complement traditional industries (Yiannakis, 2012).

The UNWTO (2021) defines rural tourism as a form of tourism where visitors engage in activities related to nature, agriculture, rural lifestyle and culture, angling, and sightseeing. Rural tourism has been adopted as an effective development strategy in both developed and developing countries. This approach aims to support the growth of rural communities while preserving their traditional cultures.

In the modern day, sustainable rural tourism means preserving the environment and enhancing community capabilities. The ultimate goal of tourism policy is to harmoniously combine the economic, political, cultural, intellectual, and environmental advantages of travel with individuals, nations, and destinations in order to raise the standard of living worldwide and lay the groundwork for peace and prosperity. Rural tourism needs to be multifaceted and incorporate the idea of sustainability. It should strive to preserve the long-term viability of the rural economy, the landscape and habitats, the host communities' culture and character, and the tourism sector.

Rural tourism plays a vital role in promoting rural community development, offering multidimensional benefits across economic, sociocultural, environmental, and leisure-educational perspectives. It is increasingly recognized as a tool for achieving sustainable rural development by addressing issues such as depopulation, economic stagnation, and environmental degradation.

### **Economic Contributions**

Rural tourism stimulates economic growth and strengthens local and regional economies. By clustering activities, it fosters cooperation and partnerships among local communities, leading to enhanced employment opportunities, increased household incomes, entrepreneurial ventures, and capital formation. Additionally, rural tourism supports investment, improves agricultural production value-added, and contributes to local tax revenue, thus fostering economic resilience (Y.-L. Liu et al., 2023). These economic benefits help stabilize rural communities and provide avenues for livelihood diversification.

### **Sociocultural Contributions**

Beyond economic benefits, rural tourism offers significant sociocultural advantages by introducing farmers to potential markets and facilitating interactions with consumers and value chain stakeholders. It plays a crucial role in cultural preservation, revitalizing

local crafts, customs, and traditions while promoting community pride and visibility. Rural tourism can prevent rural depopulation and promote social stability, contributing to the restoration of historical buildings, community identities, and the enhancement of cultural integrity (López-Sanz et al., 2021). It also fosters social contact and exchange, enabling rural areas to connect with urban communities in meaningful ways (Kelliher et al., 2018).

### **Environmental Contributions**

Environmental sustainability is a critical dimension of rural tourism. Economic improvements from tourism activities empower communities to conserve their natural resources, such as scenic landscapes, forests, wetlands, and biodiversity. By preserving the natural environment, rural tourism mitigates pesticide use, prevents land degradation, and enhances environmental awareness. It imbues vitality into rural communities, ensuring family farms and lands remain viable (Ryu et al., 2020). This environmental stewardship aligns with the broader goals of sustainable rural development.

### **Leisure and Educational Contributions**

Rural tourism provides opportunities for leisure and education, offering authentic and memorable experiences for urban visitors seeking refuge from the stress of modern life. These experiences allow tourists to engage with rural landscapes, participate in agricultural activities, and gain ecological and cultural knowledge. Rural tourism promotes psychological well-being and fosters nostalgia by providing a sense of authenticity and connection with nature. Such leisure and educational opportunities enhance the appeal of rural areas, attracting more visitors and reinforcing the bonds between rural and urban communities.

### **Synergistic Impact on Rural Development**

The interplay among these four perspectives—economic, sociocultural, environmental, and leisure-educational—creates a synergy that strengthens the relationship between rural families and their communities. By addressing rural challenges and unlocking development opportunities, rural tourism serves as a catalyst for regional resilience and sustainable development. Its multifaceted contributions position it as an essential

component of rural development strategies, warranting the attention of policymakers and stakeholders for further investment and advancement.

## **2.9 Sustainable Tourism Development**

Sustainable tourism development aims to fulfill the needs of current tourists and host regions while safeguarding and enhancing opportunities for future generations. It focuses on managing resources in a way that meets economic, social, and aesthetic needs, while preserving cultural integrity, vital ecological processes, biological diversity, and life support systems.

Sustainable tourism development is a key strategy for ensuring that economic growth, environmental conservation, and social equity work together positively, while minimizing the negative impacts of tourism. It encompasses the principles of economic viability, environmental responsibility, and sociocultural sustainability.

Key Aspects of Sustainable Tourism Development:

### **2.9.1 Economic Sustainability**

Sustainable tourism should generate long-term economic benefits for local communities, businesses, and governments. It should:

- Create stable employment opportunities and encourage local entrepreneurship (Streimikiene et al., 2021)
- Balance mass tourism with sustainable business models in order not to depend on tourism as a main driver in the economy.
- Ensure competitive tourism markets through innovation, technology, and responsible business operations (Z. Liu, 2003).

However, (Z. Liu, 2003) critiques many sustainability initiatives for ignoring the changing nature of tourist demand. Without understanding and adapting to these shifts, destinations risk economic instability.

### **2.9.2 Environmental Sustainability**

Tourism has significant environmental consequences, such as resource depletion, pollution, and habitat destruction. Sustainable tourism must:

- Reduce carbon emissions and excessive energy consumption (Streimikiene et al., 2021)
- Promote green tourism initiatives, including the use of renewable energy, sustainable waste management, and conservation programs
- Encourage nature-based tourism that prioritizes ecological balance, such as eco-tourism and wildlife conservation efforts (Z. Liu, 2003).

While sustainability efforts often emphasize resource conservation, Liu (2003) argues that tourism resources are dynamic, requiring flexible policies that balance preservation with responsible utilization.

### **2.9.3 Sociocultural Sustainability**

Tourism affects local cultures and communities, often causing cultural commodification and social conflicts. Tourism will be truly socio culturally sustainable if:

- It respects and preserves cultural heritage, with modernization allowed (Z. Liu, 2003).
- It engages the local community in tourism planning and development processes.
- It ensures equitable distribution of tourism benefits to avoid social exclusion and economic inequalities at all levels.

Streimikiene et al. (2021) also emphasize that social tourism, ensuring access for the most vulnerable sectors of society, such as elderly people and people with disabilities, is an important approach to ensure social inclusion. This type of tourism increases social cohesion with market enlargement.

### **2.10 Sustainable Livelihood Analysis**

The concept of Sustainable Livelihoods (SL) can be traced back to the 1987 Brundtland Commission Report, which first introduced the idea of sustainable development. That same year, the Advisory Panel on Food Security, Agriculture, Forestry, and Environment presented a report to the World Commission on Environment and Development (WCED), officially proposing the concept of SL (Shen et al., 2008).

In reviewing the WCED panel's definition, Chambers and Conway offered their interpretation of Sustainable Livelihoods (SL). They defined a livelihood as the

combination of capabilities, assets (such as resources, stores, claims, and access), and activities needed to secure a means of living. A livelihood is considered sustainable if it can withstand and recover from stress and shocks, preserve or improve its capabilities and assets, and provide long-term opportunities for future generations. Additionally, it should generate net benefits for other livelihoods at both local and global levels, in both the short and long term (chambers & Conway, 1991).

A livelihood is a way of life. It includes the skills of people, goods, income and jobs needed to protect the necessities of life. (IFRC)

A tourism-livelihood approach should be comprehensive, incorporating core livelihood assets such as natural, human, economic, social, and institutional capital, along with tourism-related activities and access to these resources to ensure a means of living. A sustainable tourism livelihood is rooted in a tourism context that allows it to withstand vulnerabilities and achieve outcomes that are economically, socially, environmentally, and institutionally sustainable, without negatively affecting the livelihoods of others (chambers & Conway, 1991).

The relationship between tourism and livelihoods is closely interconnected, especially in rural areas where tourism is seen as a potential strategy for alleviating poverty. Studies show that although tourism can offer substantial economic opportunities to local communities, it does not always lead to poverty reduction unless there is effective management and active community participation (Shen et al., 2008). The Sustainable Livelihoods Approach (SLA) highlights the significance of incorporating local assets and community involvement in tourism development. It suggests that a more comprehensive perspective is needed to fully grasp the impacts of tourism on livelihoods. (Shen et al., 2008). This approach highlights the need for a Sustainable Tourism Livelihoods Approach (STLA) that reconciles the tensions between tourism as a development tool and the sustainability of local livelihoods, advocating for institutional assets such as community engagement to be prioritized alongside traditional economic benefits. Thus, effective tourism policies must not only focus on economic growth but also ensure that local communities are actively involved in governance processes to safeguard their livelihoods and cultural integrity. The sustainable livelihood approach places people's livelihood assets at its core. These assets include: human assets (such as skills, knowledge, health, and the capacity to

work), natural assets (like land, soil, water, forests, and fisheries), financial assets (including income from jobs, trade, remittances, savings, and access to credit), physical assets (basic infrastructure such as roads, sanitation, schools, information and communication technologies, and tools for production), and social assets (such as informal support networks, participation in organized groups, and trust-based relationships that encourage collaboration).(DFID, 1999). Poverty is frequently seen as stemming from a lack of adequate livelihood assets, especially in the areas of human and financial capital. Erenstein et al. (2010) suggest that the negative correlation between livelihood assets and poverty indicates that enhancing people's asset base can help reduce poverty. They emphasize that a strong and balanced foundation across all five types of assets is typically essential for achieving livelihood security and for enabling individuals to lift themselves above the poverty line. Erenstein (2010) and DFID (1999) both state that, “those with more assets are more likely to have greater livelihood options with which to pursue their goals and reduce poverty”.

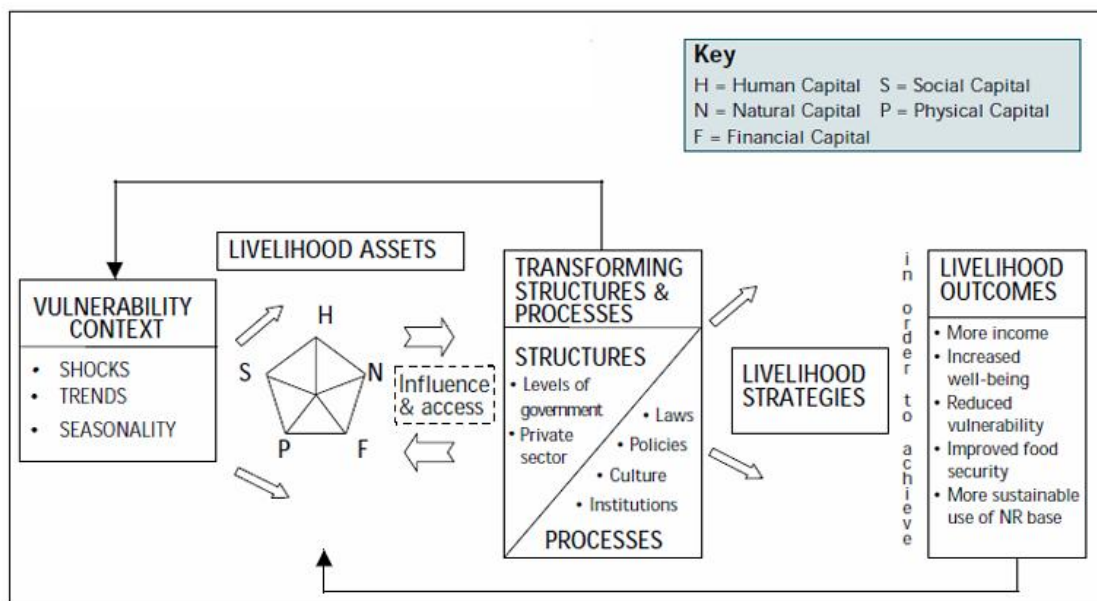


Figure 5 DFID's Sustainable livelihoods framework (Source: DFID, 1999).

### 2.10.1 Tourism Context

In a wider tourism context, consumers' profiles first need defining — international tourists, domestic tourists or both. Different market orientations shape tourism products and the local community in different ways, Economically, international tourists generally require high quality accommodation and services needing high levels of

investment. This need, however, is an obstacle to local people, especially the local poor, getting involved in tourism. Domestic tourists, in contrast, ‘may prefer medium quality, lower priced forms of accommodation ... domestic tourism industry may be serviced largely by local people and supplied mainly from the local markets(Archer, 1978). Thus, domestic tourism likely contributes more to local incomes. Culturally, international tourists come from different backgrounds to domestic tourists, especially in developing countries. The impact of domestic tourists on local social and cultural integrity might therefore be much less than from international tourists.

The work on Sustainable Livelihoods (SL) by Chambers and Conway (1992) is considered foundational and has influenced various government departments, international agencies, and (I)NGOs. Organizations such as the UK Department for International Development (DFID), United Nations Development Programme (UNDP), Oxfam, and CARE have adopted their own interpretations of SL and applied SL approaches to support rural development. When comparing the livelihoods work of different agencies, their approaches largely overlap, although there may be some variations in operational focus. Among these, the pentagram-based model developed by DFID (1999) is the most widely recognized and is believed by many to effectively capture the core concept of 'livelihood' (Baumgartner & Hogger, 2004).

### 2.10.2 Livelihood Assets

This research focuses on five key livelihood assets—human, physical, financial, social, and natural capital—on which the impacts will be assessed. These assets are likely to influence people's livelihood strategies. For instance, if individuals lack access to food, they will prioritize securing it before investing in education. It's also important to recognize that a single physical asset can provide multiple benefits (DFID, 1999).

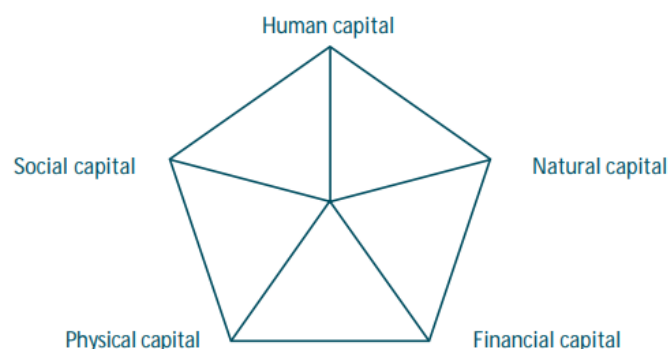


Figure 6 Pentagon Livelihood Assets (Source: DFID1999)

### **2.10.2.1 Human capital:**

Human Capital refers to the skills, knowledge, labor capacity, and good health that empower individuals to pursue various livelihood strategies and achieve their goals. At the household level, it reflects both the quantity and quality of available labor, influenced by factors such as household size, skills, leadership potential, and health. It is a crucial livelihood asset required for achieving desired outcomes and effectively utilizing other assets. The development of human capital, such as improving health or education, serves as both a means and an end, addressing key aspects of poverty.

According to (Raj, 2008), human capital is crucial in the tourism industry, as the quality of service provided by individuals is key to a destination's success and sustainability. Skilled and well-trained staff are vital not only for ensuring visitor satisfaction but also for enhancing long-term competitiveness by encouraging repeat visits. Human resource development in tourism encompasses issues such as the quality of the workforce, working conditions, access to training and educational opportunities, and the roles of both the private sector and government in addressing challenges and finding solutions. The availability of skilled and trained personnel is essential for the sustainable development of a tourist destination. Ultimately, a well-trained workforce ensures the delivery of high-quality service to visitors, which is a fundamental component of a successful tourism product.

Raj (2008) emphasizes that government involvement in human resource development is crucial for the effective functioning of the Travel & Tourism sector. This can be achieved through the organization of formal education and training programs aimed at enhancing both general and vocational skills, as well as improving service quality. National education and training policies should address labor and social concerns, with the goal of stabilizing the workforce and reducing employee turnover.

Human capital refers to the stock of knowledge, skills, abilities, health, and other attributes embodied in individuals that contribute to their economic productivity and societal participation. Through Literature Review Different criteria of Human Capital can be identified which are:

- Educational Indicators
  - Access to education
  - Educational Attainment
  - Quality of Education
  - Education Impact
- Health Indicators
  - Physical and Mental Health
  - Nutrition
  - Healthcare Access
  - Health Inequalities
- Skill and Knowledge
  - Practical and Local Knowledge
  - Technical and Professional Skills
  - Soft Skills: (Communication, Leadership, Problem Solving)
  - Application of Knowledge

The support to human capital development can be either direct, such as education or health services, or indirect, such as addressing structural barriers like policies or norms. Additionally, effective investment requires the willingness of individuals to participate in opportunities for training or schooling. For human capital development, sharing knowledge is very important; thus, communication channels should be available and innovative to make sure ideas and technologies reach intended beneficiaries.

#### **2.10.2.2 Social capital:**

Researchers have long been interested in understanding the relationship between community residents and tourism development. Rural tourism brings significant changes to a community's environment, making the community's positive experiences with tourists and related developments crucial for ensuring successful and sustainable tourism (Hwang & Stewart, 2017). Residents often seek to minimize the negative impacts of tourism while maximizing the positive effects, especially when they have a strong sense of community belonging. Additionally, involving residents in the process encourages the community to direct their efforts towards tourism development in ways that align with their values and aspirations.

The networks, connections, and common standards that allow communities to act as a unit are referred to as social capital. Social capital is essential for the effective and sustainable development of the tourism industry, particularly in rural areas. It encourages cooperation between locals, gives communities the ability to participate in tourism, and guarantees a fair distribution of duties and rewards.

The World Bank Group refers to social capital as the ‘institutions, relationships and norms that shape the quality and quantity of a society’s interactions’

DFID (1999) defines social capital as the social resources that individuals and communities rely on to achieve their livelihood goals. This includes networks, memberships, and relationships built on trust, reciprocity, and exchange. These elements work together—memberships help build networks and trust, which in turn enhance collaboration, access to institutions, and provide informal safety nets, especially for vulnerable populations.

A body of tourism research emphasizes the importance of social capital in fostering sustainable community-based development. By adopting both relational and structural approaches, these studies explore how residents’ collective action and participation are shaped. Findings suggest that strong social ties and trusting relationships among community members are key factors in maintaining local support for tourism development. These connections help ensure that tourism initiatives align with community interests and sustain long-term collaboration.(Macbeth et al., 2004). Social capital refers to the bank of resources built up through interpersonal networks and associations upon which individual members of a community can draw.

Social capital revolves around networks, relationships, and mutual support. We all have connections—family, friends, colleagues, politicians, business owners, local leaders, coaches, and others—that not only offer us information but also foster a sense of belonging and connection. These networks form the foundation of social capital, acting as both the bonds that unite people and the grease that helps our "business" run smoothly. (Macbeth et al., 2004) . Thus from the literature review, Key aspects of Social Capital are mentioned below:

- Networks and Relationships
  - Bonding Social Capital: Strong ties within the community

- Bridging Social Capital: Connections between the community and external stakeholders (e.g., government agencies, NGOs, and tourism operators)
  - Networking through Social Organizations: Membership in groups such as youth associations, women's organizations etc.
  - Trust and Reciprocity
    - Trust among Residents: Building trusting relationships is important for decreasing conflicts and promoting communal cooperation.
    - Reciprocity Norms: A common understanding that contributions (such as labor, resources, or support) would be repaid within the community, hence reinforcing social relationships.
  - Shared Norms and Standards:
    - Social Norms: Commonly accepted rules or behaviors that promote group well-being over personal interests.
    - Sense of Belonging: a sense of belonging and shared identity that inspires residents to cooperate in pursuit of shared objectives.
  - Collective Action and Collaboration
    - Coordinated Efforts
    - Role of Community Leaders
  - Information Sharing: Knowledge sharing
- ❖ Challenges:
- Over-dependence on a few influential individuals can lead to unequal participation.
  - Some inhabitants, especially newcomers, may be discouraged from freely participating due to social pressure to fit in.

### **2.10.2.3 Natural capital**

Natural capital refers to the stock of natural sources that provide essential services and resources beneficial for livelihoods, such as nutrient cycling and erosion protection. It encompasses a broad range of resources, including intangible public goods like the atmosphere and biodiversity, as well as tangible assets like trees, land, and other resources directly used for production (DFID, 1999).

Natural capital refers to the biophysical and geophysical processes, along with their outcomes, such as fish in the sea, timber in forests, and oil beneath the ground. It also encompasses the relationship between these natural resources and human needs over the long term (Butcher, 2006).

The natural environment is increasingly recognized as a form of capital, known as natural capital. This concept also encompasses ecosystems that deliver essential goods and services to the economy (Barbier, 2019). The world's ecosystems are considered capital assets. When managed effectively, they provide a continuous flow of essential services, including the production of goods like seafood and timber, life-supporting processes such as pollination and water purification, and conditions that contribute to well-being, such as beauty and tranquility.

Thus the collection of natural resources and ecosystems that offer products and services necessary for both economic activity and human well-being is referred to as natural capital. Forests, water, soil, air, minerals, biodiversity, and ecosystem services like pollination, water purification, and climate management are examples of both renewable and non-renewable resources.

Natural capital refers to the natural resources and ecological services provided by ecosystems. It plays a critical role, especially for those who rely on resource-based activities such as farming, fishing, forestry, and mining for their livelihoods. However, its significance extends beyond this; our survival depends on the environmental services and food produced by natural capital. Human health (human capital) can suffer in areas with poor air quality, resulting from industrial activities or natural disasters like forest fires. Although our understanding of the connections between resources is still developing, it's clear that our health and well-being are deeply tied to the continued functioning of complex ecosystems.

#### **2.10.2.4 Physical Capital**

According to DFID (1999), physical capital includes the essential infrastructure and producer goods required to support livelihoods. This encompasses assets such as transportation systems, communication networks, buildings, equipment, and technology that are necessary for economic activities and community well-being.

- Infrastructure involves modifications to the physical surroundings that assist individuals in fulfilling their essential needs and improving their productivity.
- Producer goods are the tools and machinery utilized by individuals to enhance their efficiency and productivity in various activities.

The following components of infrastructure are usually essential for sustainable livelihoods:

- affordable transport;
- secure shelter and buildings;
- adequate water supply and sanitation;
- clean, affordable energy; and
- access to information (communications).

Infrastructure is typically considered a public good that is used without direct payment. Exceptions include shelter, which is often privately owned, and certain types of infrastructure that require a fee for access, such as toll roads or energy services. Producer goods, on the other hand, can be owned individually or collectively, or accessed through rental or "fee-for-service" markets, which is common for more advanced equipment.

Physical capital, particularly infrastructure, can be costly. It requires not just an initial investment but also ongoing financial and human resources to cover operational and maintenance expenses. Infrastructure becomes an asset only if it enhances service delivery, helping the poor meet their needs. For instance, a participatory assessment might reveal that a major challenge for a particular group is the difficulty in transporting goods to the market, especially during the rainy season. A response to this issue would involve not only improving physical infrastructure, such as better water crossings or draining roads during the rainy season, but also promoting affordable transportation services with suitable vehicles.

Lack of infrastructure, such as water and energy access, is a key aspect of poverty, as it impacts health, education, and productivity. Poor infrastructure leads to high opportunity costs, limiting access to services and income generation. Improved infrastructure can address basic needs, reduce vulnerabilities, and support livelihoods. Tourism often drives infrastructure improvements like roads and boat ramps, benefiting

local communities indirectly. These developments should be studied for their broader impact on livelihoods.

#### **2.10.2.5 Financial capital**

Financial capital refers to the monetary resources that individuals or households rely on to maintain and enhance their livelihoods. This includes both assets (such as savings) and income streams (like regular earnings or transfers). Financial capital plays a crucial role in enabling the adoption and continuation of various livelihood strategies, as it allows households to invest in education, healthcare, and productive endeavors, thereby improving their overall quality of life (DFID, 1999).

Finance holds equal importance in the global South as it does in the global North. Although poverty levels may limit access to finance, it remains just as crucial. Access to financial resources dictates access to opportunities in urban areas. Cash is essential for daily survival, while financial resources are necessary for investments in housing and livelihoods. Although factors like education, health, and location also influence opportunities, they often only become accessible with the availability of finance (Mitlin et al., 2018). The capacity to distribute funds based on a community-led development approach is essential for successfully enhancing the wellbeing of low-income individuals and households.

Previous research on tourism has characterized economic capital as the income derived from tourism-related activities, including employment in tourism establishments, earnings from tourism services, and income from owning tourism businesses such as restaurants, hotels, arts and crafts sales, entry fees for tourist attractions, and payments for traditional dance performances (Matiku et al., 2020).

The Sustainable Livelihoods Approach (SLA) was created with the understanding that livelihoods are considered sustainable when individuals or households can bounce back from challenges while preserving their capital stocks, including natural resources. The SLA often focuses on five key capital assets: human, economic, social, natural, and physical. These five capitals are typically seen as the foundational elements that support and build livelihoods within the SLA framework (Baumann & Sinha, 2001). A capital can be transformed into another type of capital. For instance, natural attractions like wildlife or landscapes (natural capital) can generate financial capital through entry fees. This income can then be invested in developing physical infrastructure (physical

capital), such as restaurants and accommodation. These developments not only create job opportunities for local communities but also stimulate demand for local products, thereby boosting the local economy and enhancing the sustainability of the community's livelihoods.

Building financial capital among the poor requires a sensitive approach to the context, combining access to financial services with the addressing of unique challenges. Key strategies include strengthening microfinance institutions that offer affordable savings, loans, and group lending. Efficient remittance systems, trusted institutions, and regulatory reforms that ensure fair access to credit are also vital. The programs on financial literacy, vocational training, and access to markets are the ways in which people are empowered to put financial resources to effective use. Further, cultural contexts include livestock as collateral in pastoralist communities. Financial capital must be integrated into broader efforts in education, health, and policy in order to create sustainable solutions to poverty.

Key information that may be used to analyze financial capital includes:

- Financial Service Providers: Types of formal and informal organizations, services offered (savings, loans, etc.), and access barriers.
- Savings and Loans: Current levels of savings and loan activity in the community.
- Savings Behavior: Forms of savings, risks associated with those forms, and liquidity.
- Remittance Income: number of households receiving, means of transmission, reliability, use, or control of income.

### **2.10.3 Livelihood strategies**

A central aspect of the Sustainable Livelihoods (SL) approach is understanding the choices, opportunities, and diversity in people's lives—essentially, their livelihood strategies—and providing support for these strategies (DFID, 1999). Livelihood strategies refer to the various activities and decisions individuals undertake to reach their livelihood goals, which in turn influence their livelihood outcomes. The SL approach enables a deeper understanding of the factors that influence people's selection of these strategies. The ability to choose and the value placed on certain strategies matter, as they offer individuals a sense of agency and the adaptability needed to

respond to changing circumstances. One of the most direct impacts of these strategies is reflected in whether people choose—or are unable—to engage in tourism-related activities (Ashley et al., 2000).

Livelihood strategies are often location specific because the opportunities or possibilities available for communities to undertake survival actions differ according to locations. "Rural livelihoods" are often synonymous with "agricultural livelihoods," but this perspective overlooks the diverse and integrated strategies that marginalized rural households adopt to sustain their livelihoods (DFID, 2003). Thus, it is crucial to have a comprehensive understanding of the diverse livelihood strategies of marginalized rural communities in order to design effective development programs and policies that enhance their livelihoods.

Nepal is a predominantly mountainous country, with around 77% of its land area covered by mountains and hills, which makes the construction of infrastructure and basic facilities challenging. As a result, about 80% of the population resides in rural areas, where most people rely on subsistence farming for their livelihoods. However, the small size of per capita arable land (with an average of 0.9 ha in 2010, according to the World Bank 2016), heavy dependence on agriculture, declining farm productivity, and limited opportunities for non-farm income have led to significant poverty in the rural mountain and hill regions of Nepal.

#### **2.10.4 Tourism Impacts on Host Communities**

There has been growing interest in forms of tourism that respond to public concerns about environmental protection, community well-being, and sustainability—such as eco-tourism and Pro-Poor Tourism (PPT). These approaches are grounded in the belief that tourism should progress in ways that are environmentally responsible, economically viable, and socially equitable (Simpson, 2007). In many countries, ecotourism is more than just a supplementary effort for environmental conservation—it serves as a vital industry that makes a substantial contribution to the national economy. For example, nations such as Costa Rica, Ecuador, Nepal, Kenya, Madagascar, and regions like Antarctica rely heavily on ecotourism as a significant part of their GDP and economic activity (Boer, 2012) .

Tourism impacts all stakeholders involved, primarily in economic terms. However, for local communities, its influence extends beyond economics, affecting their daily lives,

cultural practices, traditions, livelihoods, and long-established social and political structures. Unlike most other participants who engage in tourism by choice, communities often have to cope with its effects regardless of whether they have opted to be part of it. (Boer, 2012).

During the late 1980s, the focus of research began to shift toward tourism's environmental, sociocultural, and economic impacts on destinations. According to Smith (1977, 1989 in Liburd and Edwards, 2010), impacts are induced depending on tourist types, resource demands, and destination characteristics related to local culture, natural environments, and carrying capacity. Alternative forms of tourism, such as ecotourism and pro-poor tourism, aim to optimize positive impacts and minimize negative effects.

Tourism can benefit host communities through job creation, use of local goods and services, and sustainable infrastructure development (Scoones, 1998). However, challenges include environmental concerns and socio-cultural shifts, which sometimes occur against residents' will (Lansing & De Vries, 2007). In their study on host perceptions, J. C. Liu et al. (1987) found that while residents expressed concerns about the environmental impacts of tourism, they also recognized its benefits, such as the preservation of historical sites. Their research highlighted the importance of considering local residents' perspectives when assessing tourism development. What might be seen as 'positive' or 'negative' from a Western viewpoint may differ significantly from how local communities perceive these impacts.

Therefore, assessing the impacts of tourism on host communities is challenging, as perceptions of change vary from person to person—what one individual sees as a positive development, another might view as negative. Wall (1997) emphasizes that such evaluations are deeply subjective and context-dependent. In fact, the same individual might regard a single impact as both beneficial and harmful, depending on the specific circumstances and context in which it occurs. As a result, the assessment of any impact can vary, being seen as positive, neutral, or negative, depending on factors such as the observer's perspective, the time of year, or the perceived costs and benefits. For this study, different types of tourism impacts in Pumdikot and its surrounding areas have been analyzed based on the perceptions of various respondents or stakeholders, using a range of indicators and considering the sustainability issues related to tourism.

## 2.10.5 Vulnerability Context

The vulnerability context defines the external environment in which people live, an environment they have little or no control over, yet which can influence their livelihoods in both positive and negative ways, including factors such as critical trends, shocks, and seasonality. These elements directly impact the status of people’s assets and the opportunities available to them in achieving positive livelihood outcomes (DFID, 1999). Shocks, in particular, can have a direct impact on livelihood assets.

Table 1 Possible Tourism Effects

| Possible tourism effects       |  |  |  |
|--------------------------------|--|--|--|
|                                | Direct effects   | Indirect effects   | Income Multiplier effects  |
| Possible tourism opportunities | <ul style="list-style-type: none"> <li>• Cultural exchange / and empowerment</li> <li>• Employment</li> <li>• Financial and economic benefits</li> <li>• Food security</li> <li>• Skills development</li> <li>• Improve access to information</li> <li>• Sustainable income</li> <li>• Strengthen community organizations</li> </ul> | <ul style="list-style-type: none"> <li>• Biodiversity maintenance and improvement</li> <li>• Environmental education</li> <li>• Improved services</li> <li>• New infrastructure</li> <li>• Protected area justification</li> <li>• Reduced vulnerability</li> <li>• Renewed pride</li> <li>• Visitor appreciation and awareness</li> </ul> | <ul style="list-style-type: none"> <li>• Money received by other(non)- tourism businesses</li> <li>• Tax take</li> </ul> |
| Possible tourism threats       | <ul style="list-style-type: none"> <li>• Cultural distortion</li> <li>• Environmental degradation</li> <li>• Increased congestion, littering, vandalism and crime</li> <li>• Tourism dependency</li> </ul>   | <ul style="list-style-type: none"> <li>• Competitive market</li> <li>• Crowding</li> <li>• Environmental degradation</li> <li>• Economic leakages</li> <li>• Excessive development</li> <li>• Foreign ownership</li> <li>• Poverty reduction</li> <li>• Price increases</li> </ul>   | -  |

## 2.11 Projects Related to Tourism and Livelihood in Nepal

### 2.11.1 Sustainable Tourism for Livelihood Recovery

The Sustainable Tourism for Livelihood Recovery Project (STLRP) is a joint initiative between the Nepal Tourism Board (NTB) and UNDP, designed to aid in the revival of the tourism sector by supporting workers who were hit hardest by the COVID-19 pandemic. The project offers short-term employment opportunities while also building the institutional capacity of the NTB and other stakeholders to accelerate recovery efforts, including contributing to the formulation of a post-pandemic National Tourism Recovery Strategy. In addition, the project emphasizes the long-term rejuvenation of

the tourism industry by promoting sustainable employment through collaboration with the private sector, enhancing workforce skills, encouraging tourism-based enterprises, improving data management and digitalization in the sector, and developing a comprehensive recovery roadmap. All activities are aligned with the principles of sustainable tourism and the promotion of a green economy.



Figure 7 STLRP Project in Nepal (Source: STLRP Factsheet 2023)

### Major Achievements

- Partnered with 22 local governments to develop small-scale tourism infrastructure, generating approximately 100,000 person-days of employment and providing jobs to around 6,000 tourism workers, including 1,500 women.
- Constructed more than 60 small-scale tourism facilities such as foot trails, cycling routes, wooden bridges, tourist information centers, visitor shelters, and river protection structures.
- Secured an additional 20% in co-financing from local governments and private sector tourism associations.
- Distributed approximately USD 650,000 in direct cash payments as daily wages to support short-term employment for tourism workers.
- Contributed to the development of the National Tourism Recovery Strategy and formulated four tourism industry service standards:

- “Food and Beverage Service Standards” in collaboration with REBAN for restaurants and bars
- “Tourist Vehicle Operating Standards Guidelines” in partnership with the Nepal Tourist Vehicle Association (NTVA)
- A “Trekking Guide Manual” developed with Nepal Mountain Academy (NMA)
- A “River Guide Training Manual” in collaboration with NARA
- Provided skill-based training to over 300 individuals in areas such as trekking and river guiding, advanced cooking, and restaurant and bartending services.

Duration: 01/01/2021 to 31/08/2023

### **2.11.2 Tourism for Rural Poverty Alleviation Programme (TRPAP)**

The Tourism for Rural Poverty Alleviation Programme started in the year 2001 and lasted up to 2007. It was targeted at alleviating poverty through sustainable tourism within the Nepalese countryside. The said program was conducted within six districts: Taplejung, Solukhumbu, Rasuwa, Chitwan, Rupandehi, and Dolpa, areas where tourism can uplift the poverty burden of the countryside. Funded by DFID (UK), SNV of the Netherlands, and UNDP in collaboration with the Government of Nepal (GoN), the Ministry of Culture, Tourism and Civil Aviation (MoCTCA), and Nepal Tourism Board (NTB), the TRPAP was specifically designed to ensure that the accruing benefits of tourism reach the poor, the marginalized, and the disadvantaged sections through a pro-poor, pro-woman, pro-environment, and pro-community approach.

Among the key strategies adopted by TRPAP was linking tourism development to national and district-level policy planning. The program contributed to the formulation of key documents including the Pro-Poor Sustainable Tourism Policy and Nepal's Tourism Industry Strategic Plan and the National Tourism Marketing Strategy, 2005-2020. TRPAP facilitated the preparation at district level of Participatory District Tourism Development and Management Plans to ensure that tourism development conforms to local needs. It also developed a GIS database for mapping tourism resources, trekking routes, and socio-economic data to facilitate informed decision-making.

Community participation was thus one of the founding principles of TRPAP, ensuring that tourism development would be locally driven and sustainable. In this respect, the

program formed 781 Community Organizations with 15,977 members, of which 50.65% were women, and 170 Functional Groups with 2,127 members in order to manage tourism-related activities. These groups played a very important role in infrastructure development, resource management, and entrepreneurship. For grassroots involvement, TRPAP trained Social Mobilizers and Village Tourism Advisors who could work with and within the local communities. Participatory approaches such as Appreciative Participatory Planning and Action (APPA) and the Development Wheel were also initiated to inspire ownership of tourism planning and management by the communities themselves.

To establish financial sustainability, TRPAP initiated two major funding mechanisms: The Infrastructure Development Fund (IDF) and the Venture Capital Fund (VCF). IDF provided funding for infrastructure projects on a small scale, like trekking trails, visitor centers, bridges, and sanitation facilities to renewable energy projects. One highly successful example is the Langtang micro-hydro project, with electrification reaching 125 households. This has prevented deforestation and improved the way energy is used. The VCF granted soft loans to more than 2,500 rural entrepreneurs to establish enterprises in home-stays, handicrafts, agriculture, and eco-tourism services. Approximately US\$ 150,000 was disbursed at a repayment rate of 70%, reflecting the success of the program in empowering small businesses while ensuring financial discipline.

One of the main focuses of TRPAP was capacity development and enhancement of skills. The program trained local people in hospitality management, trekking guiding, handicraft production, and tourism business development. Special encouragement was given to the participation of women, and as a result, Nepal's first female trekking guide emerged in Rasuwa: Yangjen Tamang. Similarly, handicraft production also started to flourish, with Tharu and Tamang women creating and selling cultural artifacts. TRPAP also implemented environmental awareness programs, which helped the communities understand the importance of conservation and sustainable resource management.

TRPAP introduced several new tourism trails and eco-tourism products to diversify Nepal's rural tourism offerings. These included the Chitwan Chepang Hills Trail, Tamang Heritage Trail, Pikey and Dudhkunda Cultural Trekking Trails, Dolpa Experience Circuit, and Lumbini Village Tour. For the development of these attractions,

TRPAP prepared the marketing and promotion plans, which were published in trekking maps, study tours, visitor centers, and museums. These attracted more tourists, including new economic opportunities for local communities.

Despite its successes, TRPAP faced several challenges. Political instability and the Maoist insurgency affected project implementation, particularly in Dolpa, Taplejung, and Chitwan. During TRPAP's tenure, international tourist arrivals to Nepal fell sharply—from 470,000 in 1999 to 275,000 in 2001—due in part to security concerns and adverse publicity. The absence of elected local governments throughout the period of conflict meant that TRPAP had to work with government-appointed officials rather than locally elected representatives in decision making and accountability. However, these were supposed to include women's involvement in tourism development activities, but cultural and social barriers still hindered them from assuming leadership positions.

Nevertheless, TRPAP had a very significant long-term impact, having more than 160,000 people benefited and showing the way sustainable rural tourism can bring in economic growth, environmental conservation, and social empowerment. It managed to establish institutional linkages at the community to national levels that ensured tourism development beyond its funding period. Because of its effectiveness, other districts in Nepal, as well as international organizations, have shown interest in replicating the model of TRPAP. It has been a global model that shows how tourism can be combined with poverty alleviation, gender inclusion, and environmental sustainability.

In conclusion, TRPAP stands as a landmark initiative in Nepal's tourism sector, reflecting community-led tourism as a powerful catalyst for rural economic change. It was comprehensive, ranging from policy reform and financial sustainability to capacity building and grassroots participation, hence very successful. Lessons learned from TRPAP yield valuable insights into future rural tourism development initiatives within and outside Nepal.

## **2.12 Case Study**

### **2.12.1 Community-Based Tourism and Poverty Reduction in Kenya**

Tourism has been widely recognized as a potential tool for economic development and poverty reduction, particularly in developing countries. The United Nations World

Tourism Organization (UNWTO) emphasizes the role of small and community-based tourism enterprises (CBEs) in fostering economic opportunities for local populations. In Kenya, tourism is a major foreign exchange earner, contributing approximately 10% of the country's GDP. However, traditional tourism models have often marginalized local communities, leading to economic inequalities. In response, the Kenyan government and international organizations have promoted community-based tourism enterprises (CBEs) as a means of ensuring inclusive economic benefits while fostering environmental conservation.

CBEs in Kenya aim to empower local communities by allowing them to actively participate in tourism-related activities. These enterprises generate employment in lodges, wildlife conservation, and tourism services, offering locals alternative sources of income beyond traditional agriculture or pastoralism. Additionally, revenue generated from CBEs is often reinvested in community development projects, such as building schools, improving healthcare facilities, and enhancing access to clean water and infrastructure. As a result, CBEs have contributed to improving the overall quality of life in rural areas, particularly in regions that previously lacked economic opportunities.

Despite these benefits, CBEs in Kenya face significant challenges that limit their effectiveness in reducing poverty. Many of these enterprises rely heavily on donor funding, raising concerns about their long-term sustainability. Additionally, foreign investors continue to dominate the tourism sector, which reduces local control over tourism resources and limits community decision-making power. The lack of education, technical skills, and government support further hinders the ability of local entrepreneurs to manage and expand CBEs successfully. These challenges highlight the need for policy reforms that promote local ownership, skill development, and financial sustainability in community-based tourism initiatives.

While CBEs have contributed to poverty reduction at the community level, their impact at the household level remains limited due to the uneven distribution of economic benefits. To enhance the effectiveness of CBEs, there is a need for stronger government policies, increased local participation in decision-making, and strategies that ensure economic self-sufficiency. By addressing these issues, Kenya can maximize the

potential of community-based tourism as a sustainable pathway for poverty alleviation and economic development.

### **2.12.2 Effects of Tourism on Sustainable Rural Livelihoods (Case Study: Saravan, Rasht County, Iran)**

The study titled "Effects of Tourism on Sustainable Rural Livelihoods (Case Study: Saravan, Rasht County, Iran)" investigates the impact of tourism on rural livelihoods in Saravan, Iran. Using a descriptive-analytical approach with surveys, interviews, and questionnaires (360 households), the research evaluates tourism's role across economic, social, environmental, institutional, and human development dimensions.

#### **Key Findings:**

- **Mixed Impact:** Tourism improved social (e.g., community relations, women's status) and environmental (e.g., conservation awareness) aspects but had limited effects on economic (e.g., income, jobs) and human (e.g., education, skills) development. Institutional support (e.g., local participation) was weak.
- **Economic Limitations:** While land prices rose, household incomes and job creation saw minimal gains.
- **Education Correlation:** Higher education levels among residents correlated with more positive perceptions of tourism's benefits.
- **Challenges:** Unplanned tourism led to waste management issues, inadequate infrastructure, and uneven economic distribution.

#### **Recommendations:**

- Strengthen local participation in tourism planning.
- Develop eco-lodges and markets for handicrafts.
- Improve waste management and environmental policies.
- Promote cultural festivals to enhance visitor engagement.

## CHAPTER THREE: METHODOLOGY

A research paradigm refers to the underlying framework or approach that guides the entire research process. It shapes how a researcher views the world and approaches the problem at hand, influencing how knowledge is gathered, analyzed, and interpreted.

### 3.1 Research Paradigm

Guba and Lincoln (1994, as cited in Kivunja and Kuyini, 2017) who are leaders in the field define a paradigm as a basic set of beliefs or worldview that guides research action or an investigation. It embodies the underlying beliefs and principles that influence a researcher's perception of the world, as well as how they interpret and interact with it..

The research objectives align with the pragmatic research paradigm, which emphasizes practical solutions to real-world problems through the integration of qualitative and quantitative methods. This paradigm is particularly suitable for studying the multifaceted impacts of tourism in Pumdikot, as it allows for a flexible approach to understanding complex issues such as land-use changes, livelihood dynamics, and environmental consequences. Pragmatism focuses on outcomes and actionable strategies, making it ideal for addressing the pressing challenges posed by rapid tourism development. By combining measurable data with residents' perceptions and experiences, this approach ensures a comprehensive understanding of the issues while guiding sustainable and balanced development policies.

### 3.2 Ontology

Ontology deals with the nature of reality and the assumptions made about what exists and how it can be comprehended. In this study, the ontological stance is based on critical realism, which posits that an objective reality exists independently of human perception, though our interpretation of that reality is shaped by social, cultural, and contextual influences. In my study, this means that the impacts of tourism development, land-use changes, and livelihood dynamics in Pumdikot are real and measurable phenomena, but they are also shaped by the perceptions and experiences of local residents and tourists.

### **3.3 Epistemology**

In research, epistemology is used to describe how we come to know something; how we know the truth or reality. Schwandt (1997) defines it as the study of the nature of knowledge and justification. And so, in considering the epistemology of research, you ask questions like: Is knowledge something which can be acquired on the one hand, or, is it something which has to be personally experienced? What is the nature of knowledge and the relationship between the knower and the would-be known? What is the relationship between me, as the inquirer, and what is known? These questions are important because they help the researcher to position themselves in the research context so that they can discover what else is new, given what is known.

Epistemology refers to the nature of knowledge and how it can be acquired. For this research, the epistemology is aligned with pragmatism. This research aims to address real-world challenges related to tourism development, land-use changes, and livelihood dynamics. Pragmatism allows to use a flexible and practical approach to generate knowledge that can inform policy and practice. Study employs a mixed-methods approach, combining quantitative data (e.g., surveys, statistical analysis of land-use changes) with qualitative data (e.g., interviews, focus groups with local residents and tourists). This approach allows me to gather diverse perspectives and generate actionable insights.

### **3.4 Methodology**

This research will be approached through both qualitative and quantitative methodological approach.

- **Qualitative Component:** The qualitative aspect involves semi-structured interviews with key stakeholders, including small and medium-sized enterprises (SMEs), local community members, government officials, and tourism operators. These interviews aim to gather diverse perspectives on the challenges and opportunities related to tourism development and its impacts. Thematic analysis will be used to identify key themes from the data.
- **Quantitative Component:** The quantitative component includes the collection of statistical data on tourist arrivals, economic impacts, land use changes, and environmental indicators from government reports and tourism statistics. This data will help analyze trends and measure the effects of tourism on land use in Pokhara.

- **Data Integration:** By integrating qualitative insights with quantitative findings, the research aims to provide a holistic view of the interplay between sustainable tourism development, land use conflicts, and environmental sustainability. This methodology enhances the validity of the findings and ensures that recommendations are grounded in empirical evidence and local experiences.

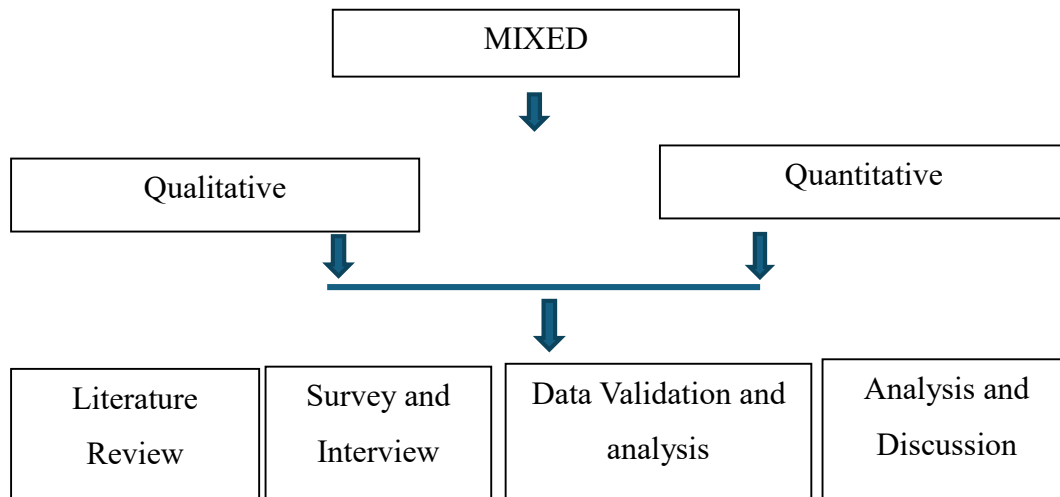


Table 2 Research Method

| Research Method   | Primary or Secondary | Qualitative or Quantitative | Use  |
|-------------------|----------------------|-----------------------------|--|
| Literature Review | Secondary            | Both                        | To understand existing research, identify knowledge gaps, and provide a strong theoretical foundation for the study. |
| KII               | Primary              | Qualitative                 | To understand more on subject and stand on ground.   |
| Survey            | Primary              | Both                        | To understand the perception of general on the subject.  |
| Case study        | secondary            | Both                        | To understand the similar context  |

### 3.5 Conceptual Framework

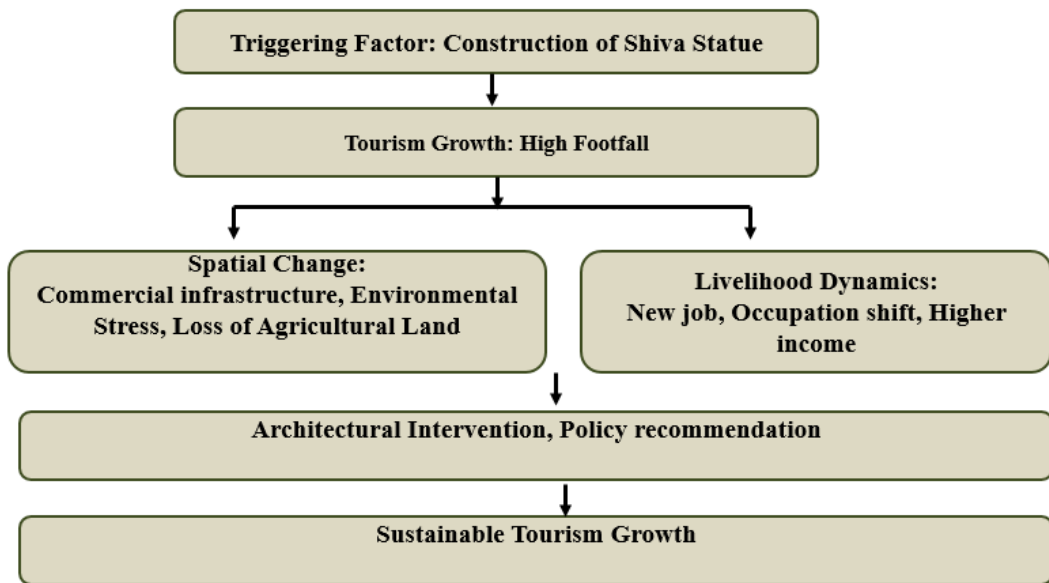


Figure 8 Conceptual Framework

## CHAPTER FOUR: STUDY AREA

Pumdikot is a hill station located near Pokhara in the Kaski District of Gandaki Province, Nepal. Situated at an altitude of 1,500 meters above sea level, it features a popular viewpoint and is home to the second tallest Shiva statue in Nepal, after the Kailashnath Mahadev Statue in the Kathmandu Valley.

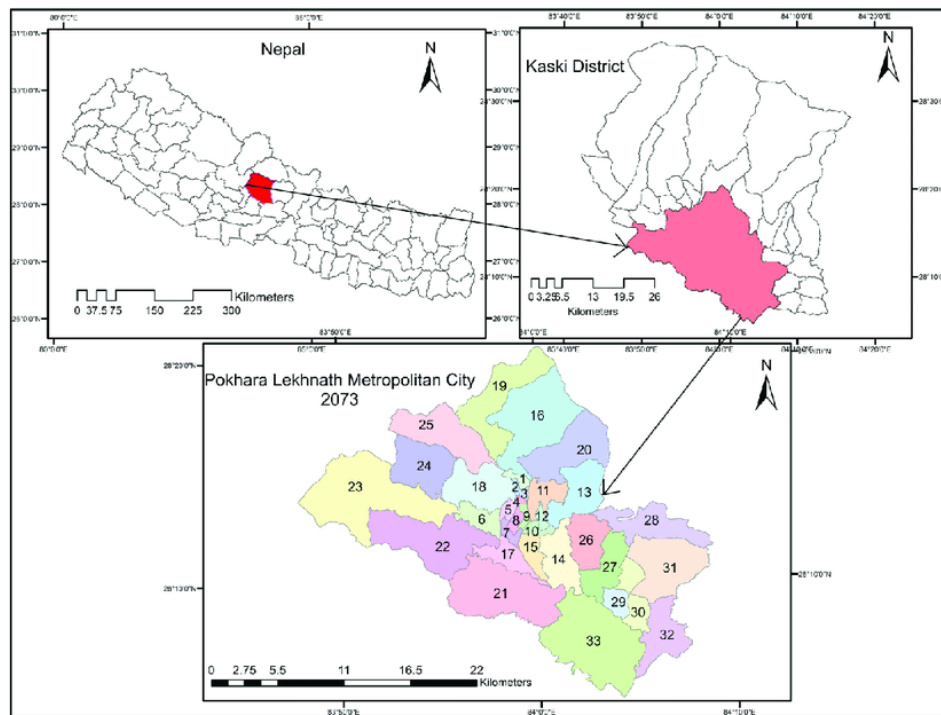


Figure 9 Geographical Location of Pumdikot (source: (R. P. Pokharel & Khanal, 2018))

The Pumdikot Shiva Statue is located in the southern part of Pokhara, within the Kaski District of Gandaki Province, at an elevation of 1,500 meters above sea level, approximately 10.5 km from Pokhara Bazaar. This impressive 52-foot statue of Lord Shiva has become a popular tourist attraction. Built by the local community in Pumdikot, Pokhara Metropolitan City-22, it was constructed on a 22-ropani property granted by the Nepal government with a 30-year right of occupation. The statue, which was brought from Mathura, India, is made of fiber on the outside and steel on the inside. The construction was funded through the collection of over 600 million in cash and products during a Mahayagna. Completed in 2073 B.S., the statue has helped establish the area as a religious tourism destination. Its strategic location offers panoramic views of Pokhara Valley, Fewa Lake, the Himalayas, and the World Peace Pagoda, further boosting its appeal to visitors.



Figure 10 Pumdikot Shiva Statue: major Tourist Destination: (*Source: Shutterstock*)

Pumdikot holds not only touristic appeal but also significant historical and cultural importance as a sacred site. In ancient times, the hill was home to the Bhumeshwor Mahadev Temple, which was revered as a Shaktipeeth—a powerful spiritual site where it was believed that farmers' wishes were fulfilled.

Historically, during the era of the Baise and Chaubise Rajya—small kingdoms that existed before the unification of Nepal—the Shah Kings utilized Pumdikot Hill as a strategic fort and battlefield. It is said that before engaging in battles against the Nuwakot Kings, the Shah rulers would come to the hill to offer prayers for strength and victory, viewing the site as a spiritual source of power.

Pumdikot remains an active religious center, especially during major festivals like Bada Dashain or Nawadurga. During these times, devotees perform daily worship rituals, light incense and aromatic candles, and blow conch shells (shankha) throughout the month of Kartik. Farmers pray for protection from natural disasters such as hailstorms. The Bhumeshwor Temple and the Mai Thaan are also worshipped during Chaite Dashain.

During Haritalika Teej, the area draws large crowds as it is believed that fasting and visiting Bhumeshwor Mahadev on this day can fulfill one's wishes. Additionally, the location offers stunning panoramic views of Himalayan peaks, including Annapurna, Machhapuchhre, Nilgiri, Dhaulagiri, and Manaslu.

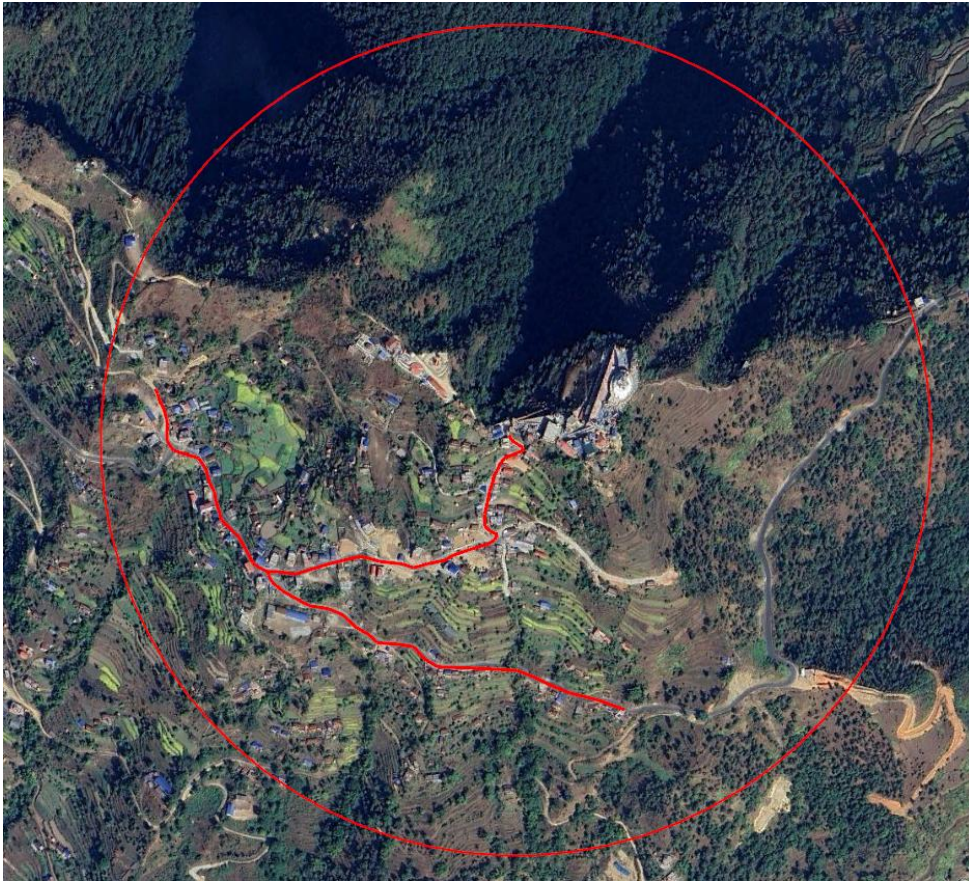


Figure 11 Study Area: Settlements located within a 500-meter radius of the Pumdikot Shiva statue and within 50 meters on each side of the main road

The primary study area is located within a 500-meter radius of the Pumdikot Shiva statue and within 50 meters on each side of the main road have been identified. While the overall ward and the Pokhara Valley are influenced by the tourism growth at Pumdikot, the core focus of the study is to understand the major impacts on households within this study area. To achieve this, a survey was conducted with households situated in this proximity. Additionally, the study also examines the broader connections and influences of tourism growth on the ward and other areas within Pokhara Valley.

## 4.1 Demography

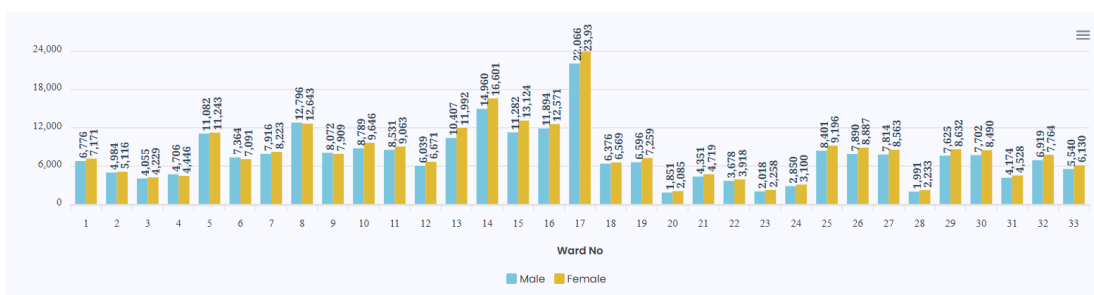


Figure 12 ward wise population distribution (source: CBS 2021)

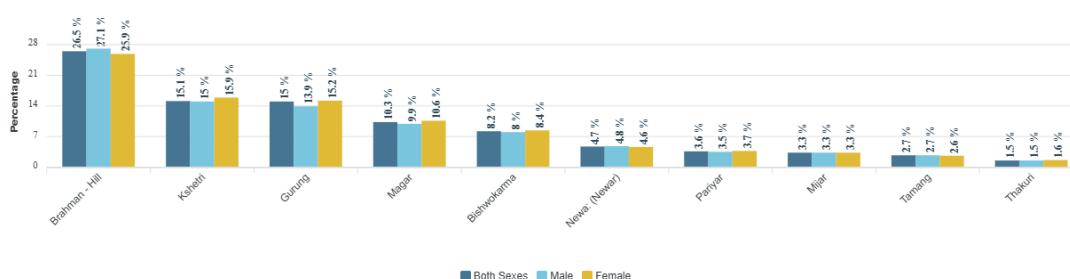


Figure 13 Caste and ethnicity of PMC (Source: CBS 2021)

The total population of Pokhara Metropolitan City, according to the census of 2021, is 513,504, and 48.2% are males. The population density is 1,106 people per square kilometer. The total number of households is 140,459 (*Census Nepal 2021*, n.d.). There are 33 wards in Pokhara, and the study area falls under Ward No. 22. The population distribution graph shows that out of 33 wards, Ward No. 22 is the fifth least populated.

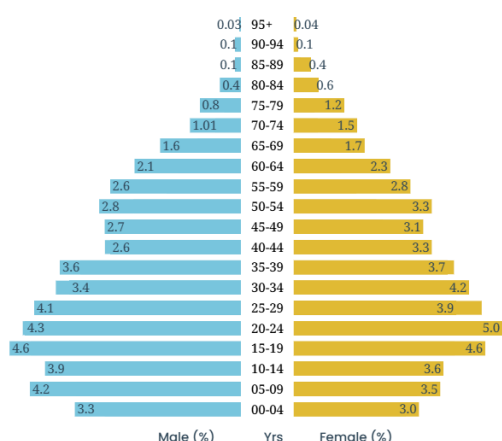


Figure 14 population pyramid (2021) of ward 22

Source: CBS 2021

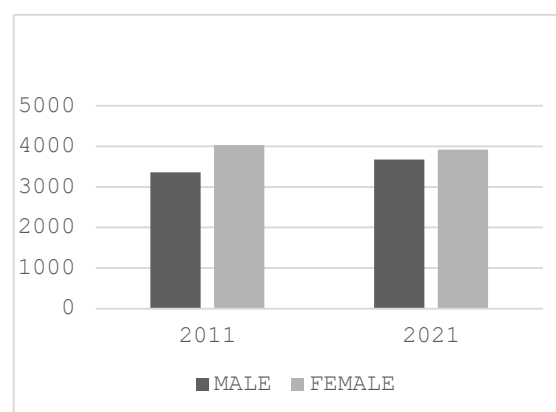


Figure 15 ward population comparison

Source: CBS 2011 & 2021

## 4.2 Physical Infrastructure

### 4.2.1 Accessibility

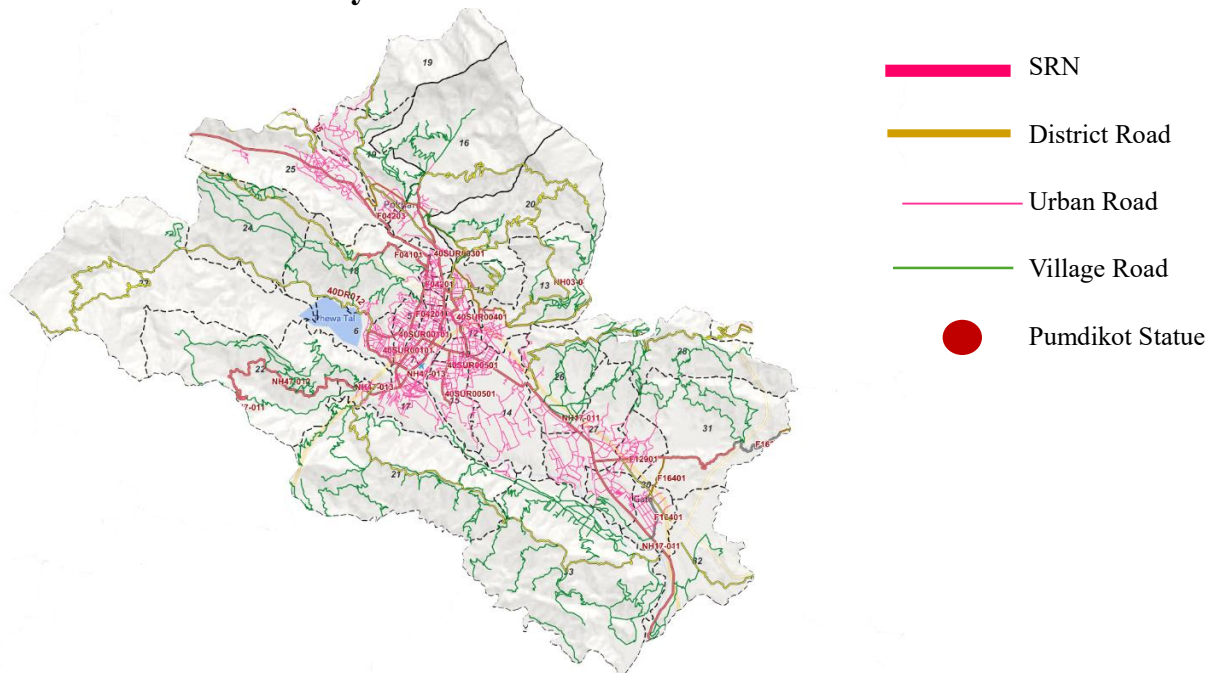


Figure 16 Road Network of Pokhara Metropolitan City (Source: nwash.gov.np)

Siddhartha Highway passes through Ward 22, with several roads connecting different settlements. As shown in Figure 11, two roads provide access to Pumdikot. The Pumdikot Shiva Statue is located approximately 5.5 km from Chhorepatan. Additionally, the Nagar Bus operates five times a day between Pokhara (Prithvi Chowk) and Pumdikumdi, facilitating local transportation.

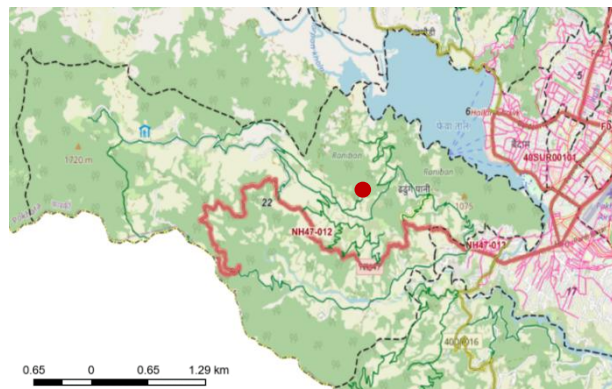


Figure 17 Road connectivity in ward 22



Figure 18 Nagar Bus Route to Pumdikot

## 4.2.2 Settlements around Pumdikot

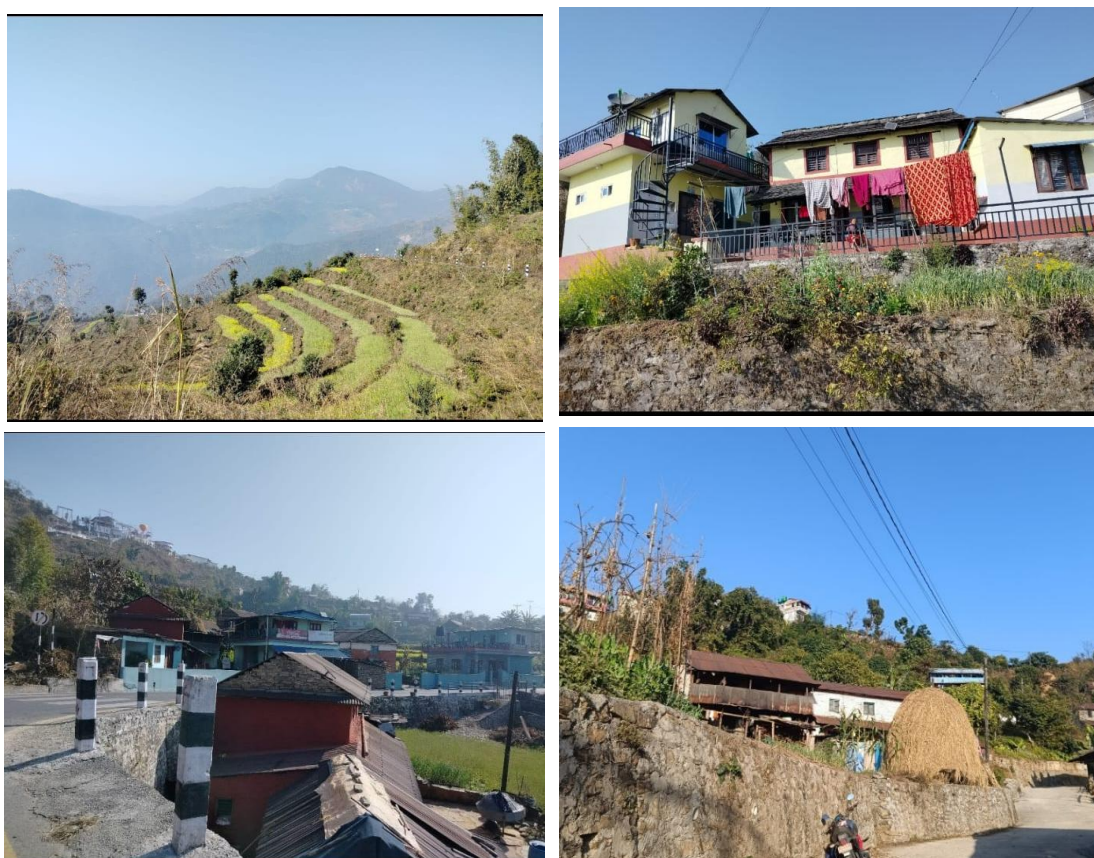


Figure 19 Settlements around Pumdikot

The vernacular architecture of this place is characterized by sloped roofs, mud houses, and typical two-story structures with a sitting patio space in front, locally known as *dalan*. As most people are engaged in farming, heaps of straw (*paral ko tauwa*) are commonly seen around houses, reflecting the purity of traditional architecture. If preserved and promoted, this authenticity of culture and tradition could serve as a unique attraction for tourism, highlighting the region's rich heritage.

The area exudes a strong rural charm. For 23 years, the roads remained earthen, and it was only two years ago that they were finally paved, significantly improving the daily lives of residents. The local economy primarily relies on agriculture and foreign remittances. The construction of the road has eased transportation, facilitating better access to markets and services.

During an interview, a local resident shared, "*Despite being close to Pokhara Bazaar, this place remained one of the most backward areas. It was only after the construction of the Pumdikot Shiva statue that people started recognizing and visiting this place.*"



Figure 20 Traditional Houses



Figure 21 New houses with Shutters

Newly constructed buildings follow a modern architectural style, with shutters facing the road. While many of these shutters remain empty, the increasing number of such structures suggests that residents anticipate market expansion and future growth. However, this shift also indicates a decline in traditional architecture, as more people move away from vernacular building styles in favor of contemporary designs.

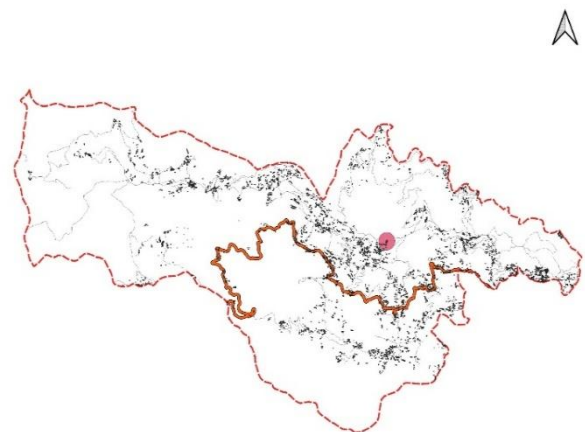


Figure 22 Settlements in ward 22

### 4.2.3 Education Infrastructure

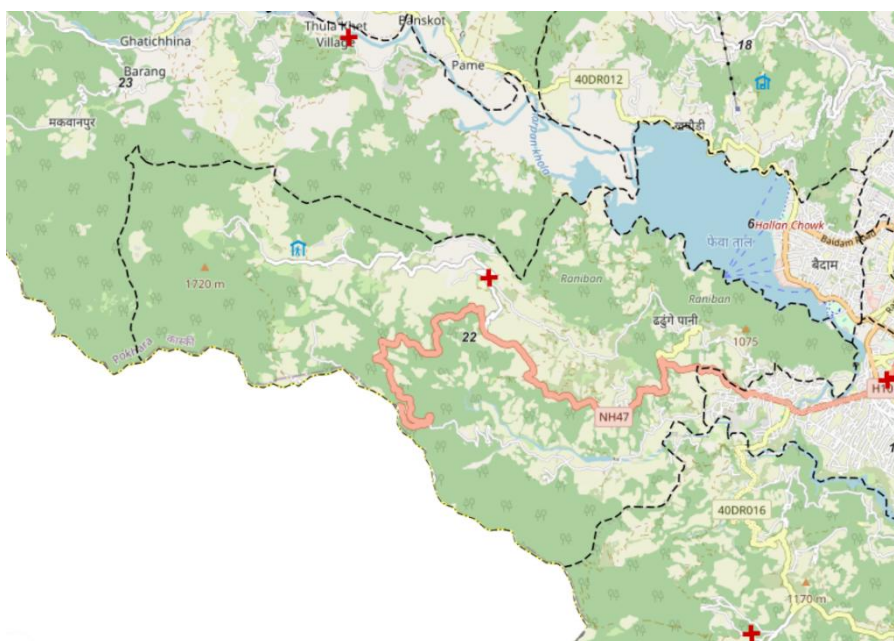


Figure 23 School location in ward and people waiting for school bus with children

Source: nwash.gov.np

### 4.2.4 Health Infrastructure

Ward 22 has only one health post, located near the ward office. Given the low population density, this single health post serves the local community. However, most



residents prefer to travel to Pokhara, which is about a 30-minute drive away, for better healthcare facilities.

Figure 24 Health post Location (Source: nwash.gov.np)

## 4.2.5 Waste Management

Pokhara Metropolitan City collects waste from the area once a week, with waste collection charges varying based on the type of household or business:

Big hotels and businesses: Rs. 1,000 per month

Residences: Rs. 250 per month

Small businesses: Rs. 500 per month

For wastewater management, septic tanks and soak pits are commonly used for bathroom waste.

However, many residents are dissatisfied with the waste collection charges, as they generate minimal waste. Organic kitchen waste is typically repurposed as fertilizer for agricultural use, and the amount of non-decomposable waste remains relatively low. Due to this, some households have opted out of the waste collection service, considering it unnecessary for their limited waste production.

## 4.2.6 Water Supply

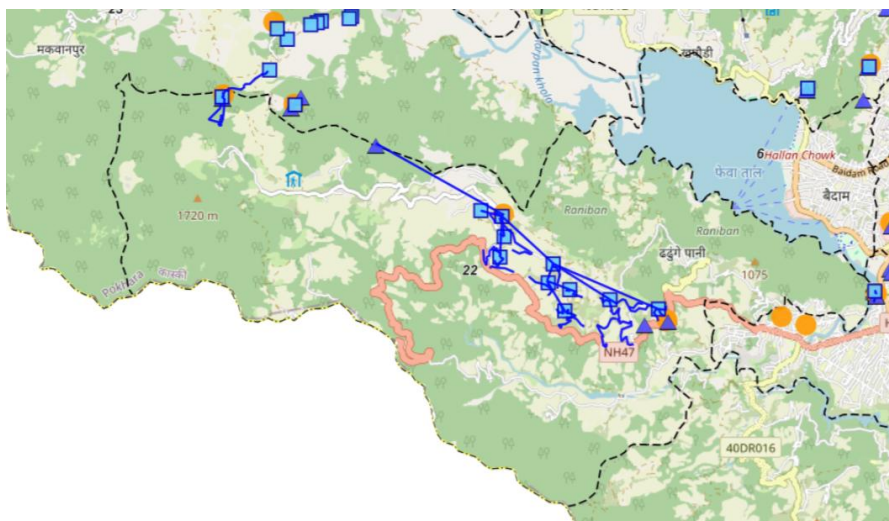


Figure 25 Water Supply projects, Reservoirs, Source and Pipe Network (Source: [nwash.gov.np](http://nwash.gov.np))

Water supply in Pumdikot primarily relies on a local piped system. To ensure proper access to water, the "One Home, One Tap" policy has been implemented in the area. Water is sourced from nearby Panchase Danda, transported through a piped system, collected in a reservoir, and then distributed to the village.

### 4.3 Land Value

The land value in Pumdikot has seen a significant rise in recent years. Approximately three years ago, the price per aana was relatively low, with land valued at around 90 lakhs per ropani. However, due to increasing development and growing interest in the area, land prices have surged dramatically.

Currently, the cost of land in Pumdikot has reached 3 to 4 crore per ropani, depending on its proximity to the main road. This sharp increase can be attributed to factors such as improved infrastructure, the construction of the Pumdikot Shiva statue, and rising tourism potential. As accessibility and commercial activities expand, land in Pumdikot is becoming increasingly valuable, attracting more investors and developers to the region.

### 4.4 Industries Establishment

| Persons Engaged        | Numbers |
|------------------------|---------|
| Persons Engaged Female | 261     |
| Persons Engaged Male   | 426     |
| Persons Engaged Total  | 687     |
| No. of Establishments  | 196     |

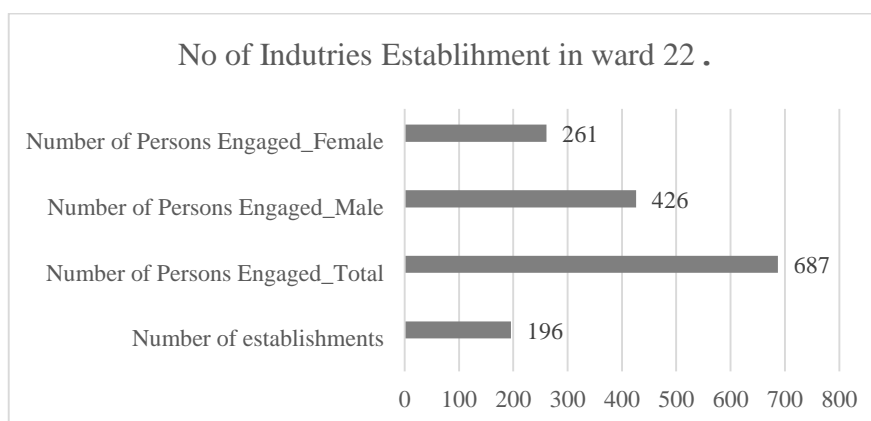


Figure 26 no of Industries establishment in ward 22. (Source: Economic Census 2018)

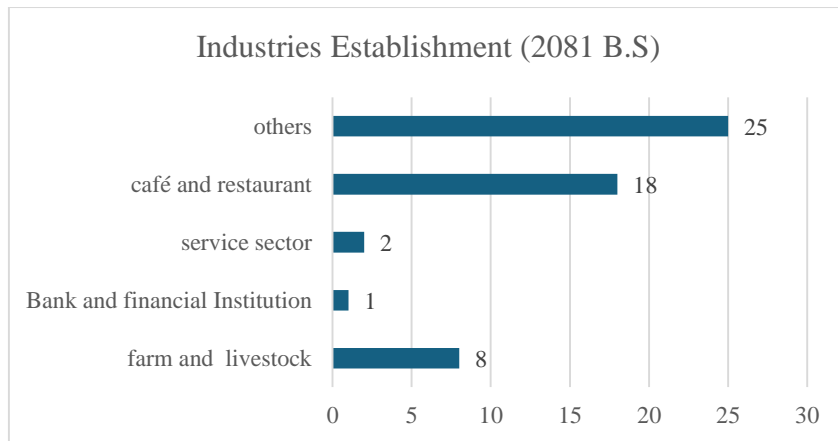


Figure 27 no of Industries registered in ward in 2081 B.S. ( Source: Ward no 22)

## CHAPTER FIVE: FINDINGS AND ANALYSIS

This chapter presents and analyzes the research findings based on theory and field observations. The chapter begins with an overview of respondent demographics, followed by findings from the sustainable livelihood analysis (SLA).

According to Mitchell and Ashley (2010), tourism impacts livelihoods through direct and indirect effects. Direct effects arise from participation in the tourism sector, either through labour (e.g., tour guides, vendors, boat operators) or non-labour income (e.g., renting properties to tourists). Indirect effects occur when tourism-related spending influences other sectors, such as increased demand for agricultural products or transportation services.

In the context of Pumdikot, the rapid growth of tourism following the construction of the Shiva statue has created a distinction between tourism participants—those whose primary income depends on tourism, such as shop owners, local guides, and food vendors—and non-tourism participants, such as farmers and transport workers, who may experience indirect benefits or disruptions. This chapter will explore these dynamics, analyzing livelihood changes, economic shifts, and the broader vulnerability context caused by tourism development. Additionally, unintended consequences, including land-use changes and socio-economic disparities, will be discussed in relation to their long-term effects on the community.

## 5.1 Spatial Analysis

Pumdikot, a rural area near Pokhara, has undergone significant spatial transformations over the past decade, primarily driven by the rapid development of tourism infrastructure. Initially a small, quiet settlement surrounded by agricultural land and forested hills, Pumdikot has transformed into a vibrant and popular destination, largely due to the construction of major landmarks such as the towering Lord Shiva statue. These developments have brought noticeable changes in land use patterns, modernized architectural trends, and redefined the area's overall spatial organization, all spurred by the steady influx of tourists and the accompanying surge in tourism-related activities.



Figure 28 Google Satellite image of study area (2008 and 2014 respectively)



Figure 29 Google Satellite image of study area (2020 and 2024 respectively)

In 2014, a view tower was constructed in Pumdikot with the intention of attracting tourists to the area. However, the tower failed to achieve its objective, and Pumdikot remained relatively unknown to most people.



Figure 30 View tower located in place of shiva statue earlier.

Later in 2017, a significant plan was introduced to build a Lord Shiva statue in the area. This project marked a turning point for Pumdikot. The construction of the Shiva statue transformed the place into a popular destination, bringing it into the spotlight and giving it a unique identity.

Pumdikot has transformed from a quiet rural area into a prominent religious and cultural site, largely due to the Shiva statue. This has triggered rapid and mostly unplanned development, especially along a 0.5 km stretch of road where makeshift shops, stalls, and eateries have emerged to serve 5,000–10,000 daily visitors. However, development is concentrated only along the roadside, while peripheral areas remain unorganized and lack basic infrastructure. Temporary metal structures, built without regard to the local vernacular, compromise the area's cultural identity. The absence of proper planning and regulations raises serious concerns about sustainability, environmental management, and the equitable distribution of tourism benefits.

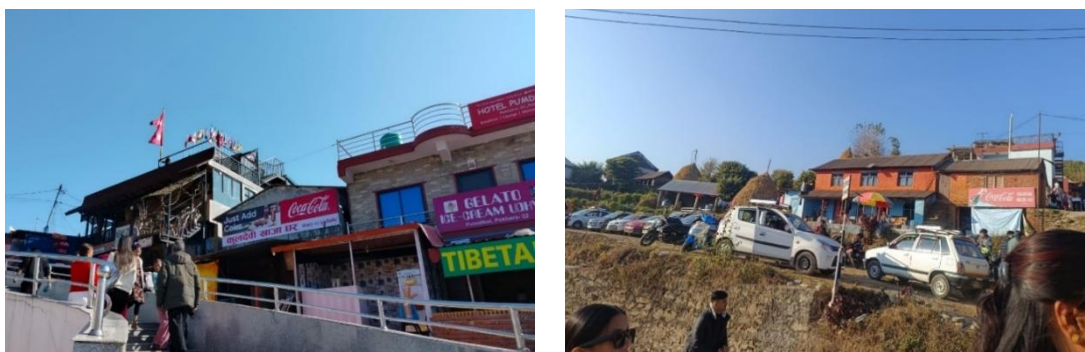
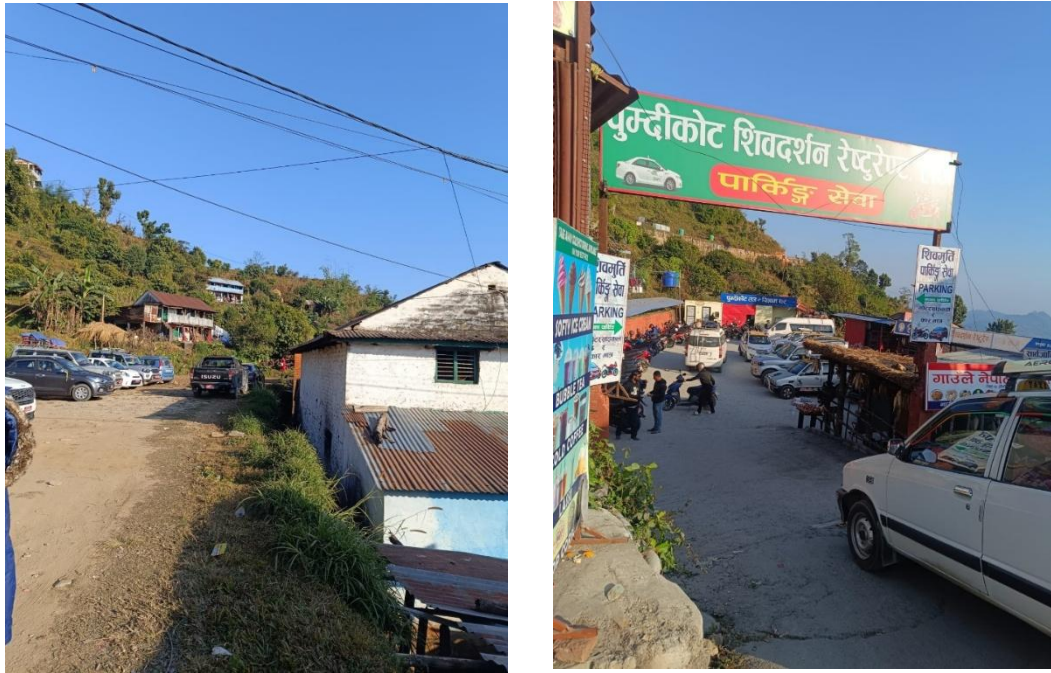


Figure 31 Present condition around Pumdikot

### 5.1.1 Architectural and Aesthetic changes



The architecture and aesthetics of Pumdikot have undergone noticeable changes due to rapid tourism development. Traditional architecture, which once characterized the area, is gradually losing its identity as modern and temporary roadside structures are emerging to cater to the influx of visitors. These makeshift buildings, often constructed without consideration for local aesthetics or sustainability, disrupt the cultural and visual harmony of the region.

Additionally, barren lands that were previously used for agriculture have been repurposed into parking lots to accommodate the growing number of private vehicles visiting the site. However, the lack of a proper policy or regulatory framework to manage these spatial and architectural changes has led to unplanned development. This unmanaged transformation not only threatens the area's cultural heritage but also raises concerns about environmental sustainability and the long-term impact on the local community.

Proper planning and policies are urgently needed to preserve the traditional identity of Pumdikot while balancing the demands of tourism development.

### 5.1.2 Landcover Analysis

Senitel 2 landcover explorer was used to analyze the change in LuLc around the site.

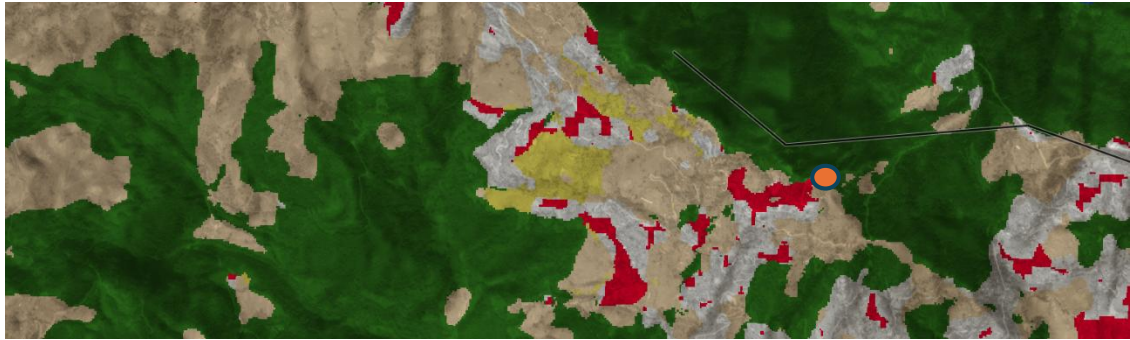


Figure 32 Land Cover map of pumdikot area ( Source: Senitel-2)

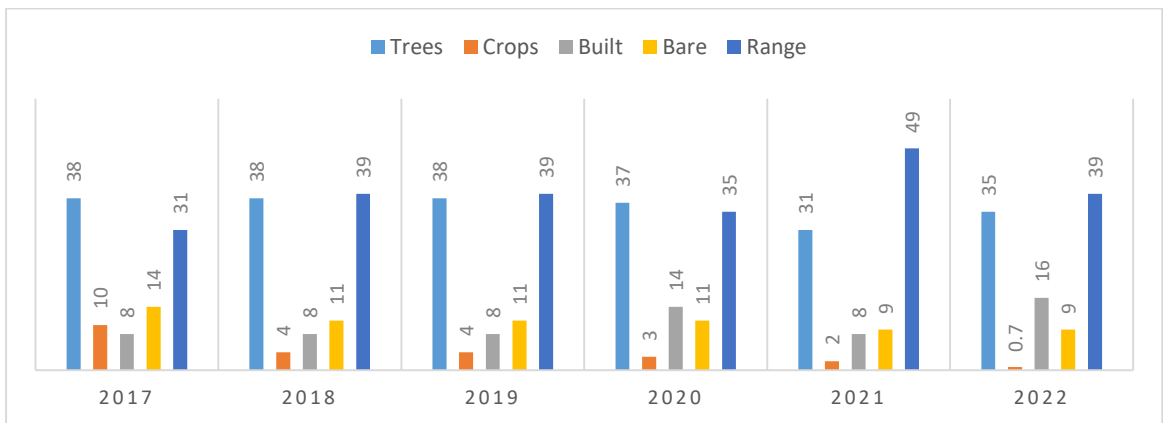


Figure 33 Change Scenario according to senitel-2

This analysis shows that built up area is increasing around the site.

### 5.1.3 Slope and Suitability Analysis

Being located near Pokhara, the tourism capital of Nepal, Pumdikot has significantly benefited from its proximity. The Lord Shiva statue, which stands prominently on the hill, is visible from various iconic locations in Pokhara, including the Pokhara Valley and Fewa Lake. This visibility sparks curiosity among visitors, encouraging them to explore the area.

Most tourists who visit Pokhara include Pumdikot in their itinerary, often traveling to the site in their private vehicles and returning to Pokhara the same day. This convenient access has played a pivotal role in boosting Pumdikot's popularity as a must-visit destination. The close proximity to Pokhara has undoubtedly been a boon for Pumdikot, enhancing its connectivity, visibility, and overall appeal to visitors.

Based on the slope analysis map, most areas in Pumdikot have slopes ranging between 5 to 30 degrees. In contrast, Pokhara Bazaar primarily consists of plain land. The hill

adjacent to Pokhara Bazaar, where Pumdikot is located, features steeper terrain compared to the flat areas of the bazaar."

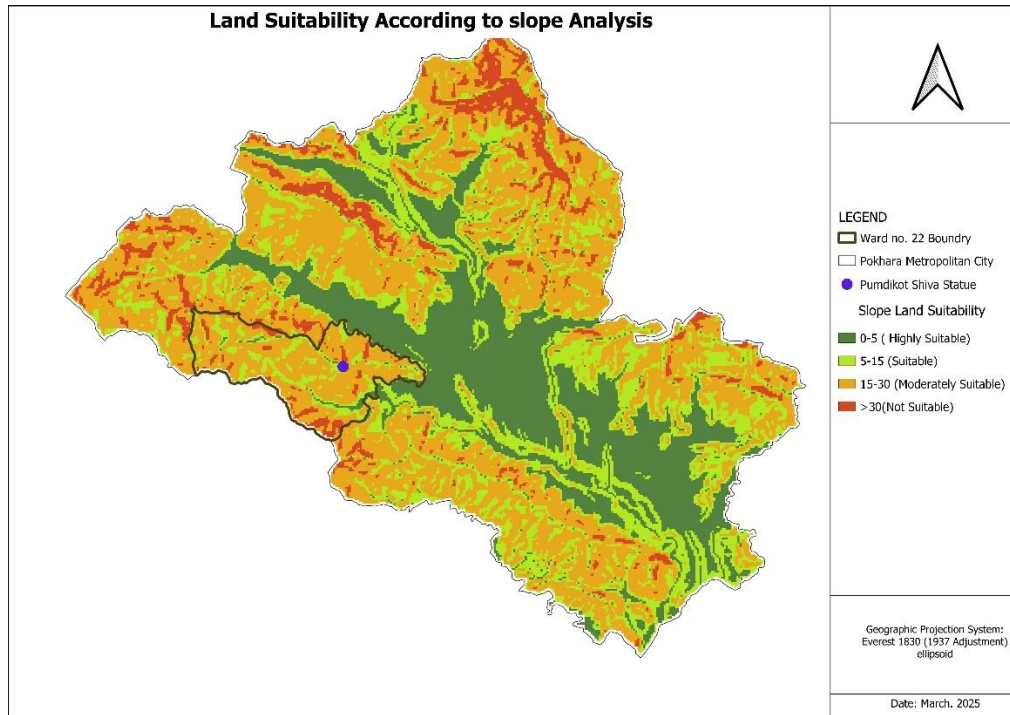


Figure 34 Land Suitability According to Slope Analysis

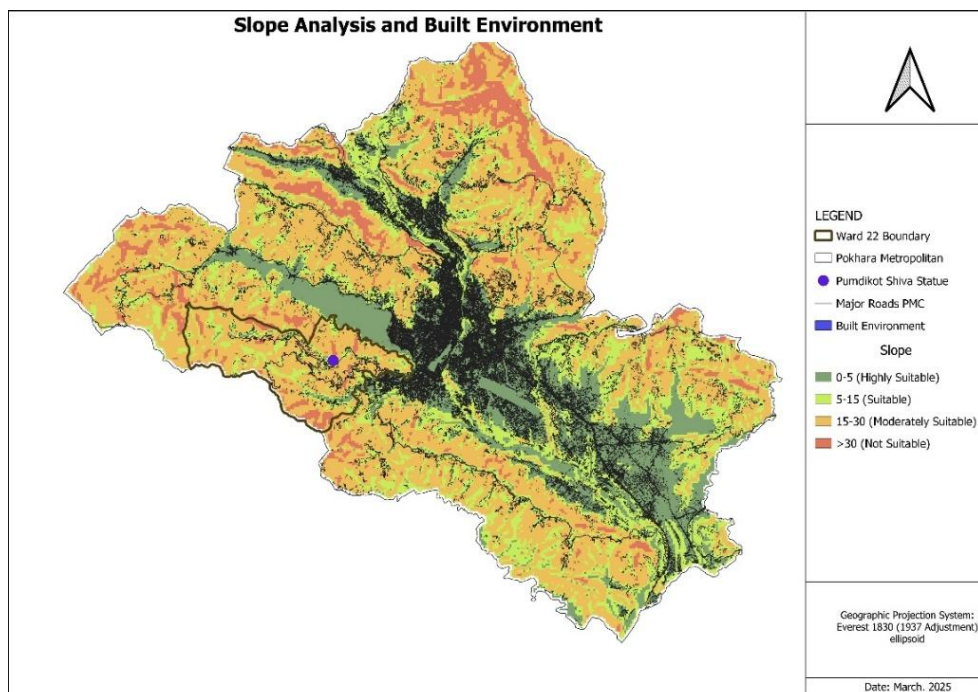


Figure 35 Slope Analysis and Built Environment

It is clear from looking at the map that most of the settlements are located in Pokhara Bazaar's plains, where the ground is level and better suited for dense habitation. The

plains' accessibility and availability of resources make it a desirable area for both residential and commercial activity, as this pattern illustrates. The settlement pattern changes as we ascend higher, though, with homes and infrastructure mostly grouped around the edges of the roads. This suggests that road networks, which offer accessibility and connectivity despite the difficult terrain, are essential in determining settlement patterns in these high elevations.

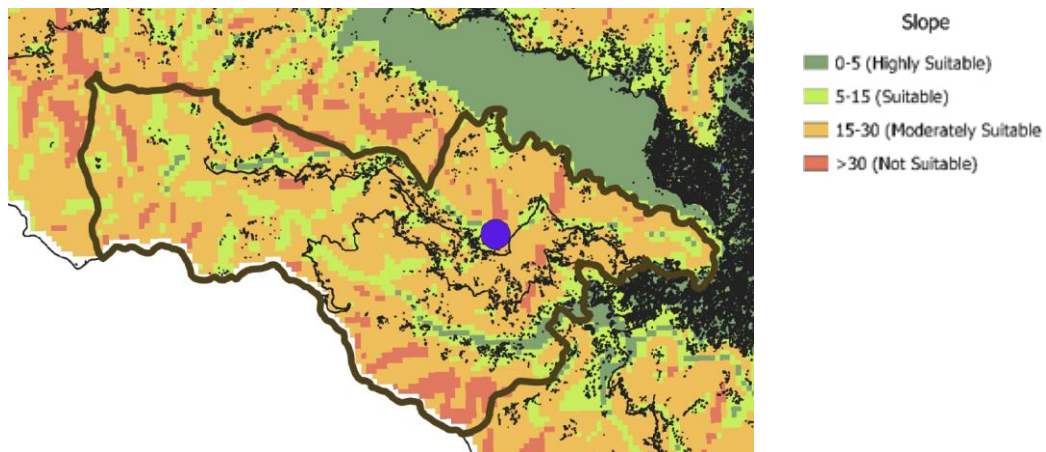


Figure 36 Study Area Slope and Settlement

"Most of the settlements around the study area are located on sloped lands with gradients ranging from 10 to 30 degrees, while some are situated on steeper slopes exceeding 30 degrees. These steeper slopes pose challenges related to stability and potential risks of erosion or landslides. Additionally, a notable amount of temporary building construction is taking place, particularly along the roadsides. This ongoing construction activity, often without proper planning or adherence to building regulations, raises concerns about safety, environmental impact, and the long-term sustainability of these structures."

### Suitability Map

To create the suitability map, specific weightages were assigned to each factor based on their importance: **Slope (40%)**, **Aspect (30%)**, and **Road Proximity (30%)**. The road proximity was classified into suitability categories as follows:

- **0-100 m:** Highly Suitable
- **100-500 m:** Moderately Suitable
- **500-1000 m:** Less Suitable
- **>1000 m:** Not Suitable

These classifications were applied to generate the final suitability map.

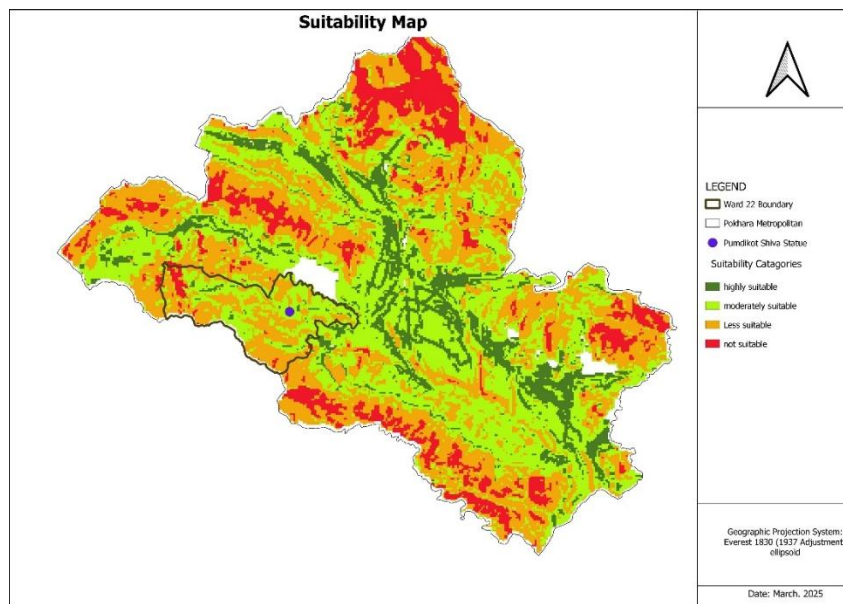


Figure 37 Suitability Map Based on Slope, Aspect and Road

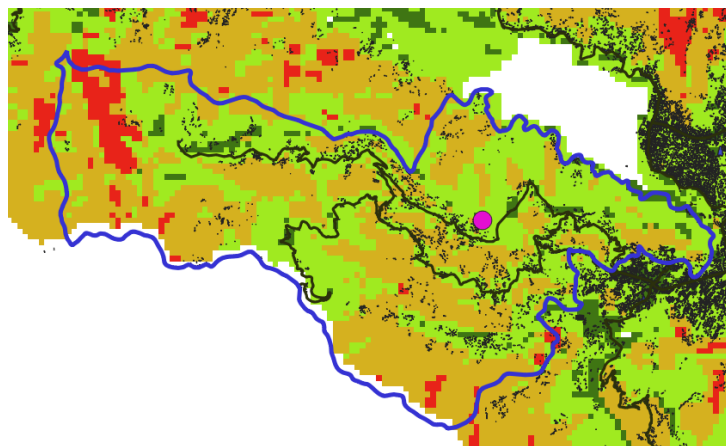


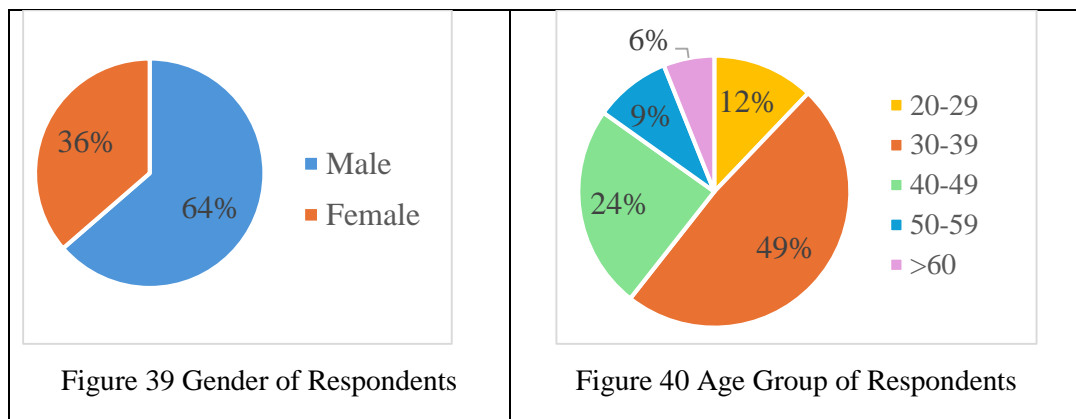
Figure 38 Settlements in land suitability map of ward 22.

The map indicates that a significant number of settlements are located in areas that are less suitable for development due to the challenging terrain. The majority of buildings are constructed along the roads, which highlights the dependency on roadside locations for settlement planning. This pattern of development can be attributed to the lack of flat, plain land in the region, which limits opportunities for organized and sustainable growth. Additionally, the scarcity of suitable land poses difficulties in expanding infrastructure and facilities required for tourism development. These constraints not only hinder the region's potential to accommodate increasing tourist demand but also make it challenging to ensure the well-being of local communities who rely on tourism for their livelihood.

## 5.2 Analyzing Data Collected from the Residents and Business Owners

A total of 33 respondents residing within a 500-meter radius of the Pumdikot Shiva statue were selected for in-depth interviews. The respondents were purposefully chosen to ensure a diverse mix of participants, including both male and female individuals and people engaged in various occupations within the study area. The selection process followed the principle of saturation, where interviews continued until no new or different information could be obtained from additional respondents.

### 5.2.1 Demographics of Respondents



### 5.2.2 Years of Residence

During the survey, it was observed that most residents were locals who had lived there since birth and were native to the area. As the place is a village, there has been minimal in-migration, with most movement being out-migration toward Pokhara Bazaar in search of better facilities. However, recent trends indicate some in-migration for business opportunities.

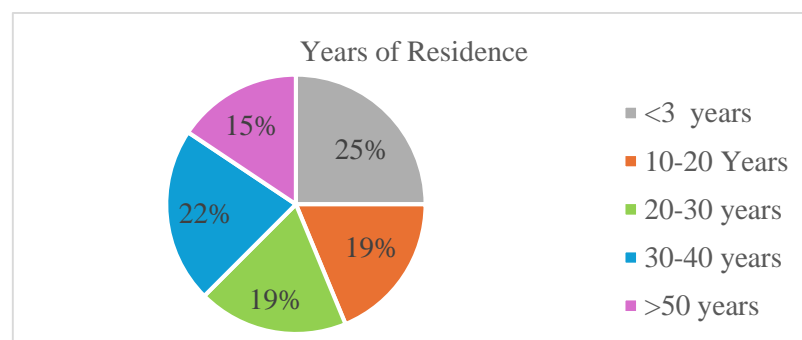


Figure 41 Years of Residence of Respondents

### 5.2.3 Respondents Permanent Residence

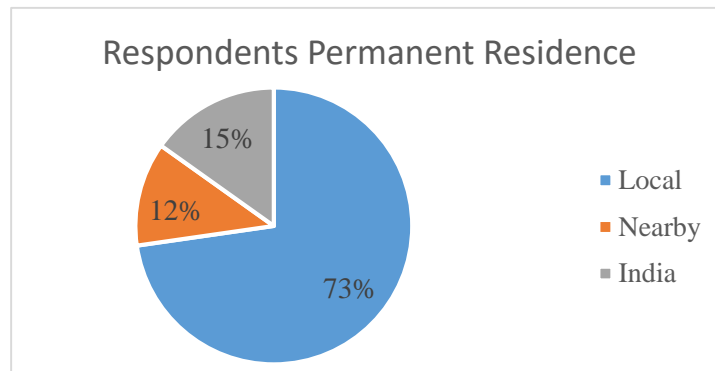


Figure 42 Respondents Permanent Residence

Survey results indicate that 73% of the respondents were local residents of Pumdikot. Additionally, 12% of the respondents were from nearby districts such as Syangja and Tanahun, having moved to the area for business purposes and currently living in rental accommodations. The remaining 15% of the respondents were from India, engaged in businesses such as restaurants and souvenir shops, and residing in Pumdikot.

### 5.2.4 Occupation

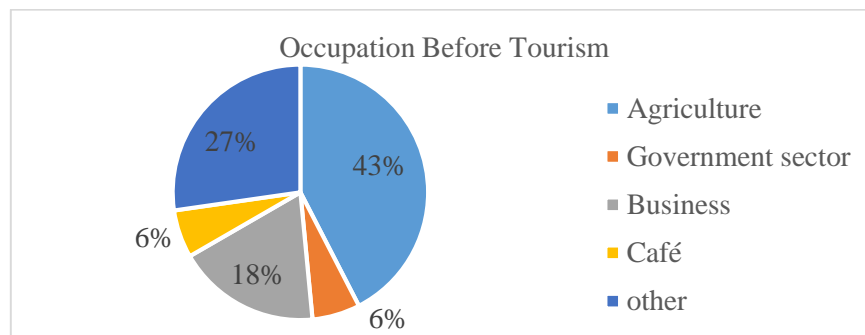


Figure 43 Occupation of Respondents Before Tourism

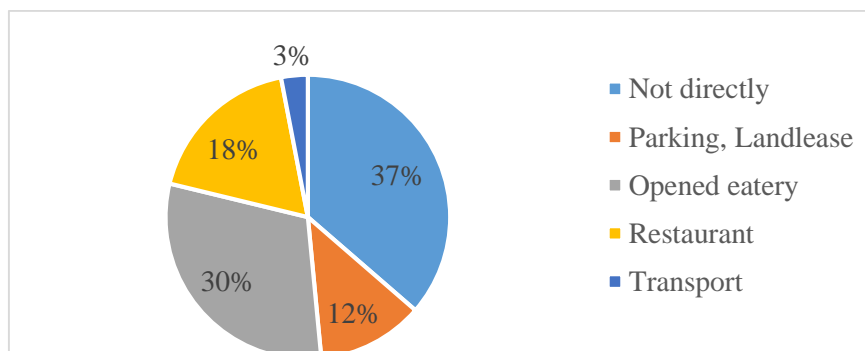


Figure 44 Respondents Benefitted by Tourism

The survey revealed that 30% of respondents have started eatery businesses and also provide parking facilities on their formerly agricultural land, which has now been repurposed for commercial use. Land along the roadside is increasingly being utilized for business purposes, with commercial activity concentrated near the Pumdikot entrance gate.

A major advantage is seen by businesses located within **200 meters** of the Pumdikot gate, as visitors can drive up and park their vehicles there. Most tourists follow a pattern of arriving, visiting the Shiva statue, eating at nearby establishments, and then returning to Pokhara. However, other activities that could encourage visitors to spend more time in the area remain underdeveloped. Among those who have started businesses or are earning income from parking fees, land rent, and other tourism-related activities, most began their ventures before three years only, after the construction of the Shiva statue. This indicates that a significant number of people have benefited from the development of this tourism destination. Additionally, individuals living closer to the statue have experienced greater economic benefits compared to those farther away.

One local businessman shared his perspective, stating, "*Many people visit Pumdikot, and at first glance, it seems like a great opportunity for business. However, the reality is different—most visitors don't actually spend money. They come, see the place, and leave without making significant purchases.*"

This highlights a key challenge in Pumdikot's tourism-driven economy: **while footfall is high, economic engagement remains low, emphasizing the need for additional attractions and structured tourism planning to boost local businesses.**

### 5.2.5 Average Monthly Income

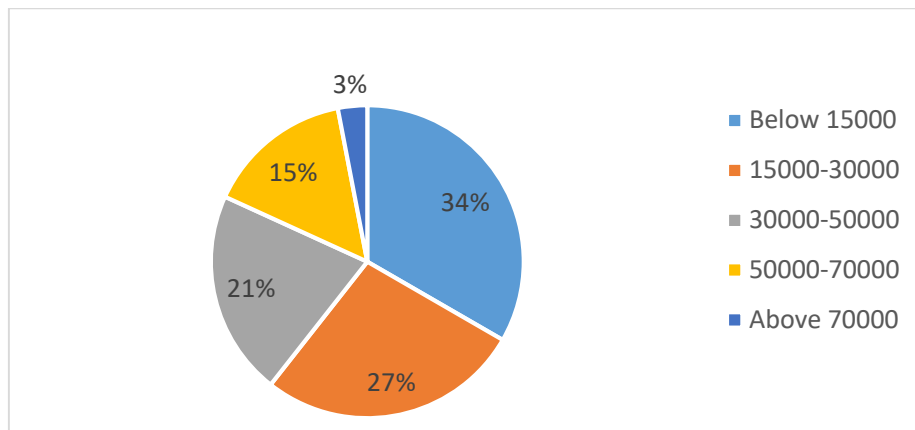


Figure 45: Average Monthly Income of Residents

The income distribution of residents shows that 34% have an income below 15,000, 27% earn between 15,000 and 30,000, 21% earn between 30,000 and 50,000, and 15% have an income between 50,000 and 70,000.

Landowners near the statue, especially along the roadside, have gained the most from tourism by renting land, building shops, and profiting from rising land values. In contrast, those farther away have seen limited benefits.

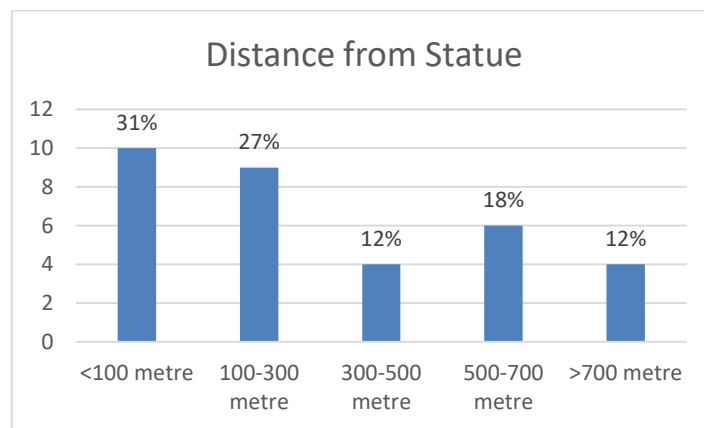


Figure 46: Distance from statue of respondents

Correlation Coefficient between distance and average income is -0.591. This is a moderate negative correlation, meaning that as distance increases, average income tends to decrease.

## 5.2.6 Quality Mapping of Peoples Perspectives:

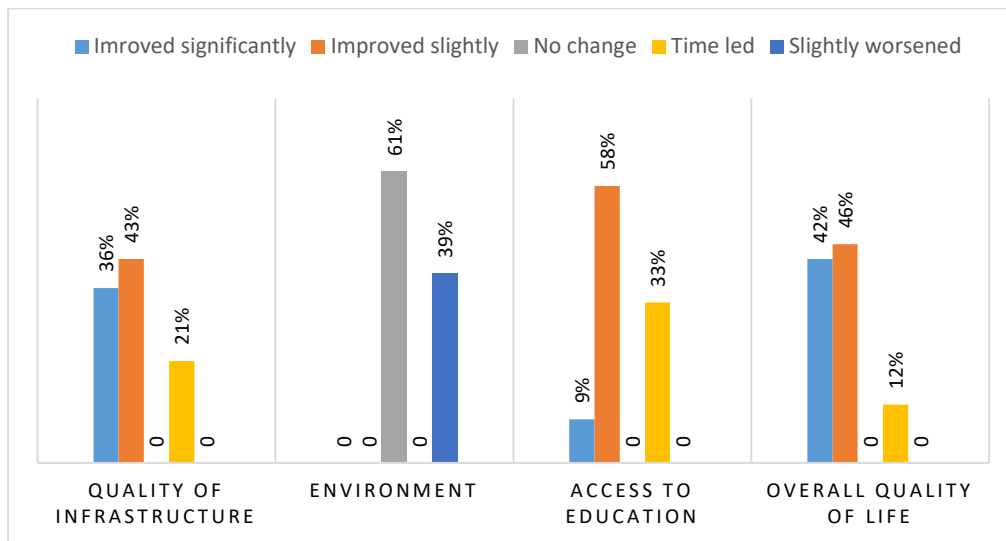


Figure 47 Quality mapping of peoples perspectives.

During quality mapping across various fields, most respondents agreed that the quality of infrastructure has either significantly or slightly improved due to tourism development in Pumdikot. However, 21% of respondents believed that the improvements were part of a natural progression over time rather than being directly influenced by tourism.

Regarding the environmental impact, the majority stated that there has been no significant change, while 39% respondents felt that the environment had slightly worsened following the growth of tourism in the area.

When assessing access to education, most people acknowledged a slight improvement, but 33% of respondents argued that this development was time-driven and would have occurred regardless of the Pumdikot Shiva statue's construction.

Overall, the majority of respondents agreed that the quality of life in Pumdikot has significantly improved as a result of tourism-driven development.

## 5.3 Analyzing Data Collected from Tourist

A total of 23 tourists visiting Pumdikot were interviewed as part of the survey. The responses provided valuable insights into visitor demographics, travel motivations, spending patterns, and overall experiences. Understanding tourist preferences and behavior can help in enhancing tourism services, improving infrastructure, and

developing activities that encourage longer stays and greater economic contributions to the local community.

### 5.3.1 Gender Distribution of Survey Respondents:

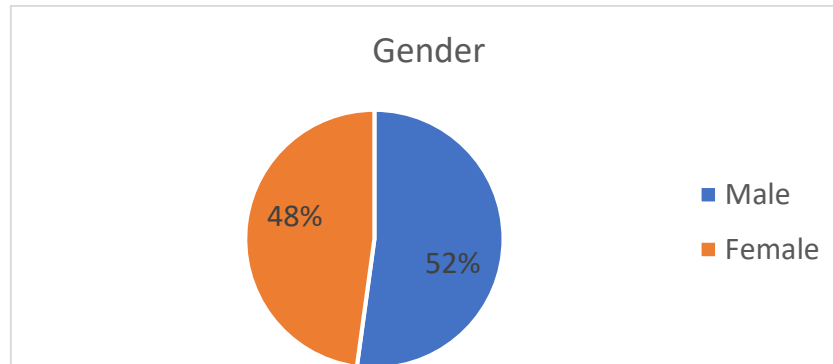


Figure 48 Gender of Tourist Respondents

52% of the respondents were male and 48% were female.

### 5.3.2 Age Distribution of Survey Respondents:

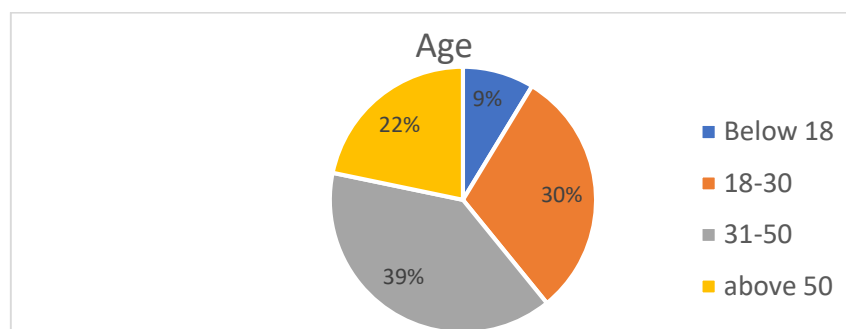


Figure 49 Age Group of Tourist Respondents

Among the tourist respondents, the majority of visitors to Pumdikot fall within the 31-50 age group, accounting for 39% of the total tourists. This suggests that middle-aged individuals form the largest segment of visitors, possibly due to their greater financial stability and interest in religious, cultural, and scenic destinations.

Additionally, this age group is more likely to travel with family, contributing to the growing demand for eateries, souvenir shops, and other tourist amenities. Understanding the demographics of visitors can help in better planning and development of tourism-related infrastructure, such as family-friendly facilities, rest areas, and guided experiences tailored to their preferences.

### 5.3.3 Occupation of Survey Respondents

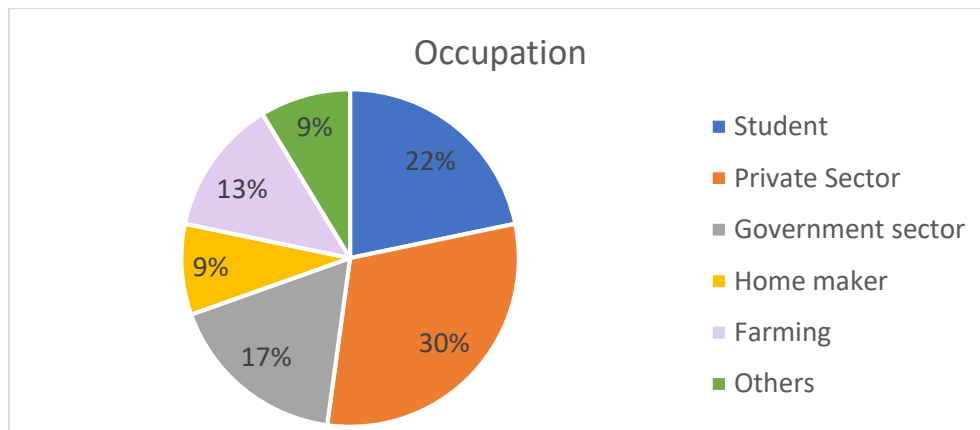


Figure 50 Occupation of Tourist Respondents

Among the tourists interviewed, 30% were employed in the private sector, 13% were farmers, and 22% were students visiting Pumdikot. This indicates a diverse visitor base, with a mix of working professionals, agricultural workers, and young individuals exploring the area. Understanding the occupational background of visitors can help in tailoring tourism services and facilities to better meet their needs and preferences.

### 5.3.4 Survey Respondents Hometown/country

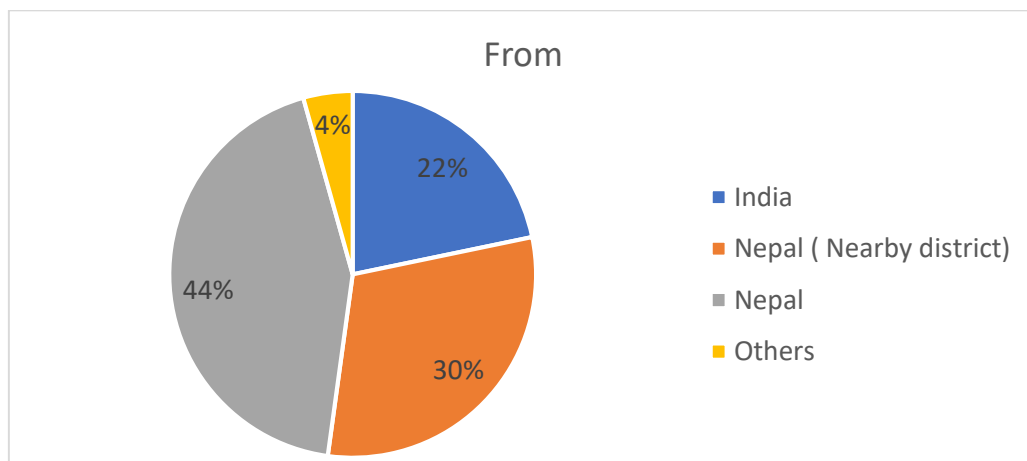


Figure 51 Tourist Residents Permanent Residence

Among the tourist respondents, 22% were from India, and one visitor was from Spain, indicating that Pumdikot is attracting international tourists, particularly from India and Nepal. This data highlights the growing popularity of the site among Indian visitors also.

The primary purpose of visits to Pumdikot is either religious or leisure-related. As Pumdikot has emerged as a prominent tourist attraction for those visiting Pokhara, it has become a must-visit destination. The towering Shiva statue, which is visible from Pokhara Bazaar and Fewa Lake, further piques visitors' curiosity and encourages them to explore the site. Its increasing recognition as a religious and cultural landmark has significantly contributed to its rising tourism appeal.

### 5.3.5 Days of stay in Pokhara

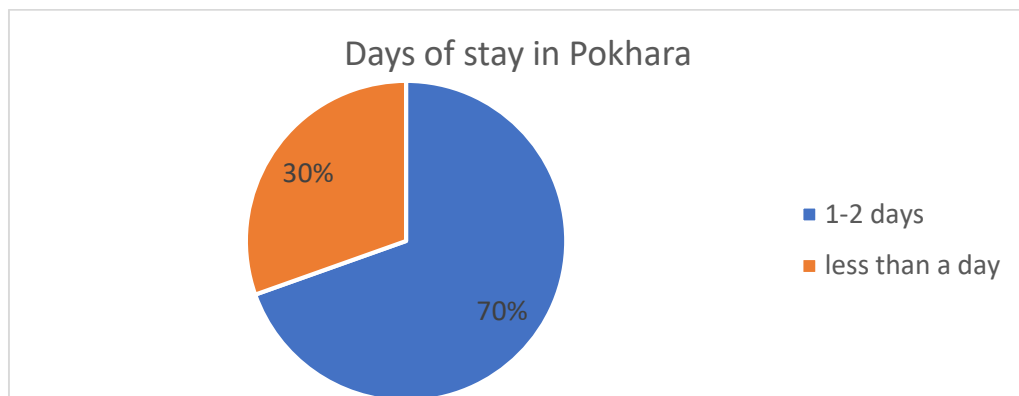


Figure 52 Stay Length of Tourist Respondent in Pokhara

Most tourists visiting Pumdikot were staying in Pokhara and came for a short visit, with no plans to stay overnight in Pumdikot. The site primarily serves as a day-trip destination, attracting visitors for brief explorations.

Survey data shows that 70% of tourists were staying in Pokhara for 1-2 days, while 30% visited Pumdikot for a day and returned home afterward. This pattern indicates that while Pumdikot has gained popularity, it lacks accommodation facilities and additional attractions that would encourage longer stays. Developing activities, lodging options, and tourism infrastructure could help retain visitors for extended durations, boosting local economic benefits.

### 5.3.6 Accommodation Preferences of Tourist

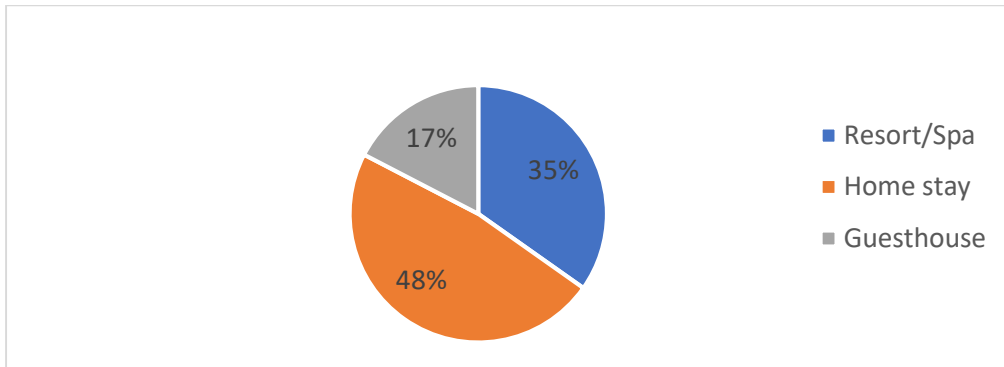


Figure 53 Accommodation Preferences of Tourist Respondents

48% of tourists stated that homestays would be the best accommodation option for them in Pumdikot. They expressed interest in staying if the area offered scenic views and architecturally rich villages, similar to Ghandruk, which is known for its traditional charm and cultural experience.

However, tourists also mentioned that if luxury hotels were the only accommodation option, they would prefer staying in Pokhara rather than Pumdikot. This suggests that developing homestays with an authentic rural experience could attract more visitors to stay overnight, enhancing the local economy while preserving the area's cultural identity.

### 5.3.7 Satisfaction in different category

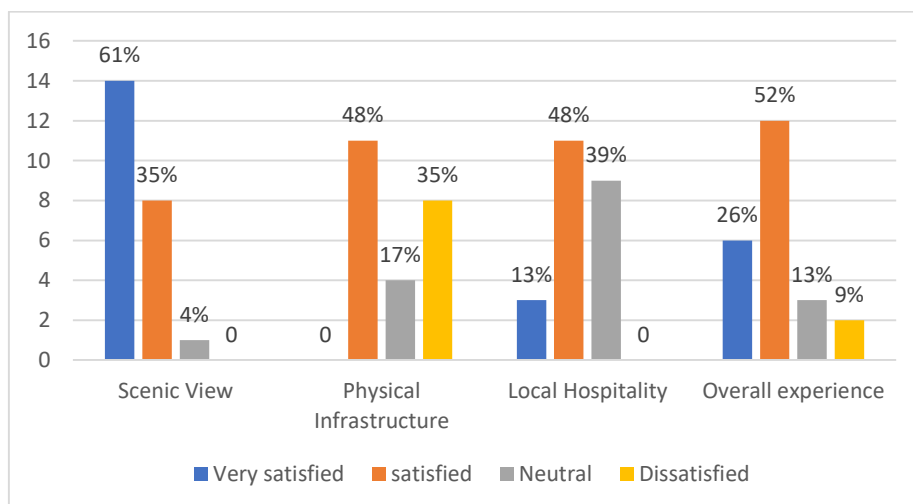


Figure 54 Satisfaction of Tourist in Different Category

Based on an overall analysis of the tourist interviews and questionnaire survey, it is evident that encouraging tourists to stay longer in Pumdikot would significantly contribute to the area's development.

To achieve this, plans and programs should be introduced to motivate local residents to start homestay services, as the tourism industry is currently flourishing. Homestays would provide authentic cultural experiences while boosting the local economy.

Additionally, proper planning for new construction is crucial, as houses are being built without consideration for aesthetics. Implementing building bylaws that preserve the architectural identity of the area would help maintain its visual and cultural appeal. Moreover, the ongoing trend of constructing temporary structures, such as cafés and stalls along the roadside, without proper planning, has negatively impacted the visual appeal of Pumdikot. Unregulated and haphazard development not only affects the scenic beauty of the area but also raises concerns about sustainability and long-term tourism growth. Establishing design guidelines and zoning regulations would ensure a more organized and aesthetically pleasing development, enhancing the overall experience for visitors.

Furthermore, adequate physical infrastructure development is essential. One major issue is limited public transportation, as city buses operate only five times a day.

## **5.4 Findings and Analysis from Interview and programs**

### **5.4.1 Interview with Chandrakanta Baral, Chairperson of Pumdikot Development Committee**

Chandrakanta Baral, the Chairperson of the Pumdikot Development Committee, envisioned the construction of the Shiva statue at a location of religious and historical significance to the local community. His goal was to elevate Pumdikot to national and international recognition, fostering development and improving the livelihoods of local residents. He is confident that Pumdikot will become the second major tourist attraction in Pokhara after Fewa Lake.

When asked whether he had anticipated such a huge influx of visitors, he stated that he had expected it. However, raising the budget and executing the plan was initially

challenging. The project materialized through collective efforts, with donations from local residents, Nepalese living abroad, and government support, ultimately turning the vision into reality.

Regarding the management of ongoing development activities, Baral emphasized that his team is actively working to coordinate efforts between local residents, the ward office, and other stakeholders. He acknowledged that the haphazard construction of buildings has negatively impacted the scenic beauty of Pumdikot. He is advocating for the Pokhara Metropolitan City and ward authorities to introduce proper urban planning guidelines and regulations to maintain the area's visual appeal.

Baral highlighted that the overall lifestyle of residents has significantly improved due to tourism-driven development. Previously, agriculture was the primary source of income, but now, locals are engaging in businesses, renting out land for commercial use, and converting open spaces into parking areas to generate revenue. Additionally, the land value in Pumdikot has increased significantly compared to previous years.

Discussing future development plans, Baral revealed that a glass bridge connecting two nearby hills is in the pipeline, along with a laser light show depicting different forms of Shiva. He believes that these attractions will further increase tourism, and since the laser show will take place in the evening, it will create a demand for accommodation facilities in Pumdikot. These developments aim to prolong visitors' stay, further boosting the local economy and infrastructure.

#### **5.4.2 Program with Mayor Dhanaraj Acharya, Chandrakanta Baral and ward chairperson**

01/21/2025 (Programme conducted for inauguration of 3rd Mahayagya)

During a special event announcing the date of the 3rd Mahayagya, set to take place from Falgun 7 2081 B.S. in Pumdikot, key figures such as Mayor Dhanaraj Acharya, Pumdikot Development Committee Chairperson Chandrakanta Baral, the ward chairperson, local community representatives, and members of local clubs participated in the program.

Local residents expressed their happiness and pride in Pumdikot's growing recognition. They were delighted to see an increasing number of visitors discovering their village—a place that once seemed distant and unknown, despite being just half an hour away

from Pokhara Bazaar. The rise in tourism has not only boosted the local economy but has also brought a sense of identity and pride to the community.

Mayor Dhanaraj Acharya emphasized the importance of preserving the architectural integrity of the area. He urged local residents to be mindful of Pumdikot's religious significance and to work together towards sustainable development. To ensure structured and aesthetically pleasing growth, he announced that his team would be developing standardized house models and façade guidelines, which all future constructions would need to follow. He also highlighted the potential for homestays in Pumdikot and committed to collaborating with the local ward office to provide training and support for residents interested in offering homestay services. According to him, Pumdikot will continue to expand as a major tourist destination, making planned and sustainable development crucial for long-term success.

The ward chairperson echoed the mayor's sentiments, acknowledging that the development of Pumdikot has significantly improved the livelihoods of local residents. He noted that the increasing number of visitors has provided opportunities for small businesses, restaurants, and local enterprises. Moreover, agricultural and dairy products produced in Pumdikot are now being directly supplied to local restaurants, further boosting the local economy. Additionally, he pointed out that some people who had previously migrated away are now returning, recognizing the economic opportunities created by the surge in tourism.

The event highlighted Pumdikot's transformation into a thriving tourist hub and reinforced the need for sustainable and well-managed development to ensure long-term benefits for both residents and visitors.

### **5.4.3 Overall analysis and findings from Interviews**

**Tourism as a Catalyst for Development:** Both interviews highlight the transformative impact of tourism on Pumdikot. Chandrakanta Baral, Chairperson of the Pumdikot Development Committee, envisions Pumdikot as a major tourist hub in the region, particularly after the construction of the Shiva statue. This vision aligns with the mayor's remarks during the event, where he expressed confidence that the place will grow even further as a tourist destination, becoming a top attraction in Pokhara after Fewa Lake.

**Improvement in Local Livelihoods:** One of the most significant findings is the positive impact of tourism on local livelihoods. Locals are no longer solely reliant on agriculture as their source of income. The rise in tourism has enabled residents to start small businesses, homestays, and even land leasing for commercial use. The increase in land value and opportunities for parking businesses have contributed to greater economic prosperity. The local economy has diversified, and some residents who had migrated are returning to Pumdikot, recognizing the new opportunities.

**Challenges in Infrastructure and Planning:** Despite the positive growth, uncontrolled construction and lack of aesthetic planning were significant concerns raised during the interviews. The haphazard construction of temporary structures for cafés and stalls along the roadside detracts from the area's scenic beauty and religious significance. Both the mayor and ward chairperson emphasized the need for regulations on building aesthetics and a coordinated development plan to ensure that growth remains sustainable and visually appealing. Standardized house models and façade guidelines were proposed as solutions to this issue.

**Sustainability and Future Development Plans:** The emphasis on sustainable development was a central theme throughout the interviews. The mayor's focus on homestays and providing training to locals for tourism-related businesses underscores the importance of creating long-term, sustainable tourism models that benefit the community. Additionally, future plans like the glass bridge and laser light shows will attract more visitors and likely lead to an increased demand for accommodation, which could further bolster the local economy. However, these developments must be accompanied by adequate infrastructure planning and sensible urban policies.

**Community Involvement and Collaboration:** Both interviews and the event emphasize the importance of community involvement in the development process. The local community's participation in the event showcased their excitement and support for the changes happening in Pumdikot. The mayor and ward chairperson are focused on cooperation between local residents, the ward office, and development authorities to ensure that the area's growth is well-managed and community-driven.

**Increased Footfall and Visitor Expectations:** The interviews with tourists indicated that while Pumdikot has become a must-visit destination, it is primarily a short-term stop for most visitors who are staying in Pokhara. To increase the length of stay and

encourage more visitors to stay in Pumdikot, the development of accommodation options like homestays and tourist-friendly services will be crucial.

### **5.5 Tourism as an Alternative Livelihood in Pumdikot**

The transformation of Pumdikot from a primarily agricultural village into a thriving tourist destination has significantly impacted the livelihoods of local residents. Historically, the people of Pumdikot depended on subsistence farming, but tourism has created new economic opportunities. The construction of the massive Shiva statue, spearheaded by Chandrakanta Baral, has attracted a large influx of visitors, leading many residents to shift from traditional agriculture to tourism-related businesses. Local entrepreneurs have established eateries, souvenir shops, and parking services, while landowners have benefitted from increasing land values and commercial leasing opportunities. The shift towards tourism is seen as a more stable and lucrative source of income compared to agriculture, which was previously affected by seasonal uncertainties and market fluctuations.

Survey data reveals that 30% of respondents have opened eateries or provide parking services, repurposing their agricultural land for commercial use. Businesses located near the Pumdikot entrance gate have gained the most benefits, as visitors tend to follow a pattern of arriving, visiting the Shiva statue, dining at nearby establishments, and then returning to Pokhara. However, while footfall is high, economic engagement remains relatively low, as many tourists spend minimal amounts before leaving. Local business owners acknowledge the potential for further development but emphasize the need for additional attractions that could encourage longer visitor stays. Future projects, such as a glass bridge and an evening laser light show, aim to address this issue by increasing tourist engagement and creating demand for accommodations like homestays, which could further boost local income.

The shift to tourism has also influenced migration patterns in Pumdikot. Previously, out-migration to Pokhara was common as residents sought better economic opportunities. However, the tourism boom has reversed this trend, with some former residents returning to invest in businesses. Additionally, 12% of current business operators in Pumdikot have migrated from neighboring districts such as Syangja and Tanahun, while 15% of entrepreneurs are from India, primarily managing restaurants

and souvenir shops. The increasing economic viability of Pumdikot has created a more dynamic and diverse business environment.

While tourism has brought economic prosperity, it has also introduced challenges. Haphazard development and unregulated construction have negatively impacted the aesthetic and environmental quality of the area. Local authorities, including the Mayor of Pokhara, Dhanaraj Acharya, have emphasized the importance of planned urban development. Measures such as standardized house models, façade regulations, and homestay training programs are being introduced to ensure that growth is both sustainable and beneficial for residents. Moreover, inadequate public transportation remains an issue, with limited bus services making accessibility a challenge. Addressing these infrastructural gaps will be crucial in maximizing the long-term benefits of tourism.

Overall, tourism has emerged as a viable and attractive alternative livelihood in Pumdikot, offering residents financial stability and new business opportunities. However, sustainable planning and management are essential to ensure that economic benefits are evenly distributed and that the area's cultural and natural heritage are preserved. With proper regulation and investment in complementary attractions, Pumdikot has the potential to solidify its status as a major tourism destination, ultimately securing long-term prosperity for its residents.

## **5.6 Tourism and its Vulnerability context**

The tourism industry in Pumdikot is still in its early stages, presenting a unique opportunity to implement sustainable practices from the outset. By understanding the vulnerabilities associated with seasonality, competition, tourism dependency, and the lack of government regulation, Pumdikot can pave the way for balanced development that benefits the community while preserving its natural and cultural heritage.

**Seasonality:** As a newly emerging tourist destination, Pumdikot is currently attracting large numbers of visitors due to its novelty and the allure of the Shiva statue. However, as the initial excitement diminishes, tourist visits may become concentrated around major festivals or religious occasions. This seasonality could lead to fluctuating incomes for local businesses and residents dependent on tourism. To address this, proper planning and the development of additional tourism products and activities are

essential. Introducing features like cultural events, trekking routes, or recreational facilities could encourage visitors to extend their stay and increase year-round tourism.

**Competition:** The growing number of businesses near the statue has intensified competition among local entrepreneurs. Most tourists tend to visit areas close to the main gate, where parking is conveniently available, and as a result, they explore less of the surrounding area. This situation has left residents and businesses located farther from the main tourist hub feeling overlooked and disappointed. To mitigate this issue, measures like guided tours, shuttle services, or the development of attractions in the less-visited areas could help distribute tourism benefits more equitably across the community.

**Tourism Dependency:** Many local residents, particularly those who own land near the Shiva statue, have become reliant on tourism for their livelihoods. A significant number of them have turned their vacant land into parking spaces to generate income. However, this narrow focus on tourism-related activities has left many individuals without diversification in their income sources, making them vulnerable to seasonal fluctuations and potential declines in tourist numbers. Encouraging locals to engage in other sectors, such as agriculture, handicrafts, or small-scale industries, alongside tourism, can help reduce dependency and build resilience.

**Government Role:** The role of government in regulating and supporting tourism development in Pumdikot is crucial. Currently, there is a need for comprehensive rules and regulations related to land use and building design to ensure sustainable and aesthetic development in the area. Additionally, the government should facilitate training programs for local residents to help them develop innovative tourism products and services, such as homestays, cultural experiences, or adventure activities. This would not only enhance the tourist experience but also create a more sustainable and inclusive tourism economy.

## CHAPTER SIX: DISCUSSION

### 6.1 Tourism-Led Spatial Transformation: Confronting Butler's Life Cycle Model

The rapid transformation of Pumdikot presents a unique case that both confirms and challenges established tourism development theories. Butler's (1980) Tourism Area Life Cycle accurately predicts the stages of exploration (pre-statue), involvement (initial visitors), and development (current infrastructure boom).

- Exploration (pre-2014): Limited to local pilgrims visiting Bhumeshwor temple, with no tourism infrastructure. Unlike Butler's model where outsiders "discover" destinations, Pumdikot's sacred geography was already known locally.
- Involvement (2014-2017): The Mahayagna fundraising represents an innovative community financing mechanism absent in classic TALC. Raising NPR 600 million before physical development began contrasts with Butler's assumption of gradual external investment.
- Development (2017-2022): Construction of the Shiva statue triggered:
  - Construction of new business
  - Land value rise
  - Employment opportunities for local people
- Consolidation (2022-Present)
  - Key Indicators: Tourism dominates local economy (37% income from tourism), institutionalization of attractions (laser show plans), and emerging spatial conflicts.
  - Critical Deviation: Unlike Butler's prediction of standardized "tourist space," Pumdikot retains hybrid functionality - religious site, viewpoint, and community space. The 52-foot Shiva statue serves simultaneously as sacred icon and photo-op, confirming Liu's (2003) concept of "multivalent tourism resources."
- Future Trajectory: Stagnation or Rejuvenation? Two factors suggest Pumdikot may avoid Butler's predicted stagnation:

- Community Safeguards: Ongoing Mahayagna reinvestment (3rd event in 2024) creates an endogenous development fund absent in most TALC cases.
- Product Diversification: The glass bridge and laser show plans from pumdikot development committee represent intentional "rejuvenation" efforts during consolidation - a strategic innovation.

The key deviation is Pumdikot's community-retained control, evidenced by the Development Committee's 30-year land lease. This challenges Morrison's (2022) prediction of corporate takeover in rural tourism hubs.

However, the model underestimates the role of community agency - unlike the typical corporate-led development Butler describes, Pumdikot's growth has been driven by local initiatives like the Mahayagna fundraising. This community-driven development model aligns with (Simpson, 2007) findings that grassroots tourism initiatives typically achieve higher local participation and benefit retention. Like the Kenyan CBEs studied by Simpson, Pumdikot's development committee maintained decision-making authority, ensuring that 68% of businesses within 500m of the statue are locally owned. The Mahayagna fundraising mechanism mirrors Simpson's observed "endogenous financing models" where cultural capital is leveraged for development.

## 6.2 Livelihood Restructuring: Spatial Inequality in Benefit Distribution

The Sustainable Livelihoods Framework (DFID 1999) requires modification to explain Pumdikot's uneven outcomes:

Table 3 Spatial Inequality in Benefit Distribution

| Asset     | Theoretical Expectation | Pumdikot Reality                             | Discrepancy                |
|-----------|-------------------------|--|----------------------------|
| Financial | Broad income growth     | 18% earn >50K NPR, but 34% below 30K         | Proximity-based inequality |
| Physical  | Shared infrastructure   | Roadside properties capture maximum benefits | Spatial monopoly           |

Also, Correlation Coefficient between distance and average income is -0.591. This is a moderate negative correlation, meaning that as distance increases, average income tends to decrease.

The livelihood analysis reveals both the promise and limitations of the Sustainable Livelihoods Framework (DFID 1999). While all five capital assets show improvement as mentioned in Table 3, the distribution is strikingly uneven - a finding that challenges Shen et al.'s (2008) assumption of broad-based benefits. Spatial proximity to the statue has created what might be termed 'tourism gentrification', where roadside landowners reap disproportionate rewards compared to peripheral residents, echoing (Tuntipisitkul et al., 2021) observations in Phuket.

Table 4 Livelihood asset analysis

| <b>Livelihood assets</b> | <b>Condition pre tourism development</b>              | <b>Condition Post-Tourism Development</b>  | <b>Observation</b>  |
|--------------------------|---|--|---|
| Human Capital            | Skills limited to agriculture and labor jobs          | Increased skills in hospitality, retail, and services  | Training opportunities for tourism jobs have improved, but gaps remain in specialized skills. |
| Financial Capital        | Low income levels from farming and remittances        | Increased income from tourism-related businesses   | Income diversification has reduced economic vulnerability but remains seasonal.               |
| Social Capital           | Strong community networks and traditional cooperation | Expanded networks through tourism partnerships and external investors  | Good social connection, and have great sense of community.                                    |
| Physical Capital         | Basic infrastructure (roads, water, and electricity)  | Improved road, public vehicle facility started, hotels and other services flourished but traditional architecture declining. | Improvement in infrastructure services, but proper planning required.                         |
| Natural Capital          | Scenic view, untouched rural ambience                 | Rural ambience diminishing,  | No such harm to environment till now, but proper planning is must.                            |

### 6.3 Governance Deficits and Institutional Gaps

Comparative analysis with TRPAP reveals critical gaps:

Table 5 Analysis with TRPAP Model

| Governance Aspect            | TRPAP Model           | Pumdikot Reality         | Consequences                           |
|------------------------------|-----------------------|--------------------------|--|
| Zoning                       | Strict land-use plans | Unregulated construction | Architectural chaos                    |
| Funding provision from model | IDF and VCF           | No such provision        | Lack of funding provision for startups |
| Transport                    | Integrated networks   | 5 daily buses            | Limited access                         |

Mayor Acharya's proposed façade guidelines indicate recognition of these gaps but lack enforcement mechanisms.

### 6.4 Pumdikot Shiva Statue: A Community-Driven Monument

The Pumdikot Shiva statue, located in Pumdikot near Pokhara, is a 51-foot-tall representation of Lord Shiva, perched on a white stupa that adds another 57 feet to its height. This makes the entire structure 108 feet high, earning it the distinction of being the second tallest Shiva statue in Nepal. The tallest Shiva statue in Nepal—and the world—is the Kailashnath Mahadev Statue in Sanga, Bhaktapur, which stands at an impressive 143 feet.

The Kailashnath Mahadev Statue was primarily built under the initiative of Kamal Jain and the "Hilltake Group," a private organization established in 1992. Construction began in 2003 and was completed in 2010, taking seven years to finish. This iconic statue is situated on 75 ropani of land and is recognized as Asia's tallest Shiva statue. The Kailashnath Mahadev Statue was constructed through personal funding and private investment, reflecting a top-down approach to development with limited involvement of the local community.

On the other hand, the Pumdikot Shiva statue was a community-driven project spearheaded by the Pumdikot Development Committee. The statue was built on 22 ropani of government land, leased to the committee under a 30-year occupation

agreement. Unlike the Kailashnath Mahadev Statue, the Pumdikot Shiva statue was financed through a collective effort, with the local community actively participating in fundraising initiatives. The project began in 2073 B.S. after a Mahayagna (religious ceremony) was organized with the slogan, “पर्यटन प्रबर्दनका लागि पुम्दिकोट विशाल महादेव मुर्ती निर्माण गर्ने हाम्रो अठोट” (Our determination to construct a grand Shiva statue in Pumdikot for tourism promotion). This first Mahayagna successfully raised over 600 million Nepalese Rupees in cash and products, allowing the project to commence.

Subsequent Mahayagnas were also organized to further develop the Pumdikot area. In 2079 B.S., a second Mahayagna was held with the slogan, “समृद्धी र बिकास, बेरोजगार र बिदेश पलयन हुनेहरुका लागि निकास” (Prosperity and development: A solution for unemployment and migration). In 2081 B.S., a third Mahayagna was held from Falgun 9 to Falgun 18, further supporting the development of Pumdikot.

The purpose behind constructing the Pumdikot Shiva statue extends beyond religious significance. The project was envisioned as a means to promote tourism, enhance the socio-economic development of the local community, and create a unique identity for the area. This is in stark contrast to the Kailashnath Mahadev Statue, which was primarily built as a religious monument funded by private sources.

## **6.5 Spatial analysis**

The rapid tourism-driven transformation of Pumdikot highlights both the opportunities and risks of unplanned development. While the construction of the Lord Shiva statue has brought economic benefits and increased visibility, the haphazard growth of temporary structures, conversion of agricultural land, and unregulated roadside development threaten the area’s sustainability. Slope and suitability analyses reveal that much of the construction occurs on unstable terrain, increasing risks of erosion and landslides. Additionally, the loss of traditional architecture and lack of infrastructure planning risk degrading Pumdikot’s cultural and environmental integrity. Without proper zoning, architectural guidelines, and sustainable tourism management, the area

faces long-term challenges, including congestion, environmental degradation, and uneven economic growth.

To ensure Pumdikot's future as a thriving yet sustainable destination, strategic planning is urgently needed. This includes enforcing land-use regulations, promoting slope-stable construction, preserving local aesthetics, and improving infrastructure. Balancing tourism demands with environmental and cultural preservation will be key to maintaining Pumdikot's appeal while safeguarding its long-term viability for both residents and visitors.

## CHAPTER SEVEN: CONCLUSION AND RECOMMENDATION

The study on tourism development, spatial changes, and livelihood dynamics in Pumdikot, Pokhara, reveals a transformative shift driven by the construction of the 52-foot Shiva statue. This landmark has catalyzed rapid tourism growth, altering the socio-economic and environmental landscape of the region. Key findings include:

- **Economic Opportunities:** Tourism has diversified local livelihoods, reducing reliance on agriculture. Residents now engage in businesses like eateries, souvenir shops, and parking services, with land values soaring from 90 lakhs to 3–4 crores per ropani.
- **Spatial Changes:** Unplanned commercial infrastructure, particularly along roadsides, has replaced agricultural land and traditional settlements. Temporary structures dominate, lacking aesthetic or regulatory oversight.
- **Livelihood Dynamics:** While tourism has created jobs and income, benefits are unevenly distributed. Proximity to the statue determines economic gains, leaving peripheral areas underserved.
- **Environmental and Social Challenges:** Increased footfall strains waste management and water resources. Vernacular architecture is declining, and cultural commodification risks eroding local identity.
- **Tourist Engagement:** Most visitors are day-trippers, with limited spending. Homestays and extended attractions (e.g., proposed glass bridge) could enhance retention.

The study underscores the paradox of tourism-led development: while it brings prosperity, unregulated growth threatens sustainability. Community-driven initiatives, like the Shiva statue project, highlight local agency but also reveal gaps in governance and planning.

### Recommendations

To ensure sustainable tourism development in Pumdikot, the following measures are proposed:

- **Regulated Urban Planning:**
  - Implement zoning laws to control haphazard construction and preserve scenic views.
  - Enforce building bylaws mandating traditional architectural elements to maintain cultural authenticity.
- **Economic Diversification:**
  - Promote homestays and agro-tourism to distribute benefits beyond statue-adjacent areas.
  - Train locals in hospitality and handicrafts to reduce dependency on seasonal tourism.
- **Infrastructure and Services:**
  - Expand public transport (e.g., increased bus frequency) to improve accessibility.
  - Upgrade waste management systems and promote eco-friendly practices among businesses.
- **Community Empowerment:**
  - Strengthen the Pumdikot Development Committee’s role in decision-making.
  - Foster partnerships between locals, government, and NGOs for skill development and microfinancing.
- **Enhanced Tourist Experiences:**
  - Develop thematic trails (e.g., cultural, agricultural) to encourage exploration beyond the statue.
  - Introduce evening attractions (e.g., laser shows) to extend visitor stays and boost local spending.
- **Policy and Research:**
  - Conduct longitudinal studies to assess tourism’s long-term impacts.
  - Integrate Pumdikot into Pokhara’s regional tourism strategy to ensure cohesive development.

To address the challenges and enhance livelihood outcomes in Pumdikot, a multifaceted approach is necessary. One key strategy is skill development and capacity building. Implementing targeted training programs in areas such as hospitality, eco-tourism, and

entrepreneurship can equip the local population with the skills needed to engage effectively with the growing tourism sector. By offering courses in customer service, sustainable tourism management, and small business operations, the community can diversify its income sources and improve its resilience against economic fluctuations. This training also empowers individuals to take on leadership roles in the local tourism industry, fostering long-term sustainable growth. Sustainable tourism practices are another crucial aspect of ensuring that tourism development does not come at the expense of the environment. By promoting eco-friendly tourism initiatives, such as low-impact accommodations, waste management systems, and the protection of natural resources, the community can reduce the environmental footprint of tourism. This approach not only preserves Pumdikot's natural beauty but also attracts environmentally-conscious tourists who seek sustainable travel options. Encouraging responsible tourism practices will also foster a culture of environmental stewardship within the community, ensuring that the area remains a desirable destination for future generations. Community-based tourism is a powerful tool for enhancing local livelihoods while fostering inclusivity in the tourism industry. Strengthening local involvement through cooperative business models and equitable revenue sharing ensures that the benefits of tourism are distributed fairly among the residents. By forming tourism cooperatives or local business associations, the community can have greater control over tourism activities and ensure that profits are reinvested into the community. This approach promotes social cohesion and reduces the risk of economic inequality, as local residents become active participants in the tourism value chain. Finally, infrastructure development plays a vital role in ensuring that tourism benefits both visitors and the local population. Developing infrastructure such as roads, public transportation, sanitation facilities, and communication networks can improve the quality of life for residents while making the area more accessible and attractive to tourists. Importantly, these developments should be designed with local needs in mind, ensuring that infrastructure projects are inclusive and supportive of community welfare. By striking a balance between enhancing the tourism experience and improving local living conditions, Pumdikot can achieve sustainable and equitable growth.

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## **APPENDIX A: SURVEY AND QUESTIONNAIRE**

## **1: Interview with locals.**

### **Anonymous:**

“After 23 years the road has been pitched do you believe it? Pokhara is in distance of half hour from pokhara but only 2 years ago road pitched.”

We were told that the development of Pumdikot would provide opportunities for the youth and encourage them to stay in Nepal, but we haven't seen any of the activities or plans that were promised. Vehicles are allowed to go right up to the temple area and park near it, but if the plan had been made to encourage people to walk that distance, businesses down below could have been recognized too. We even approached the ward office about restricting some vehicles and creating parking down below, hoping that people would walk, as it's a religious place. However, they told us that they had no authority to make such changes and that it was up to the municipality to manage it. We also asked the traffic police to manage the parking problem, but nothing has been done. As locals, we feel we haven't benefitted from this development as much as we expected. People from outside are running businesses near the statue, while we are left in the shadows. The management is poor, and as new developments and plans continue in the Pumdikot area, we hope the management will improve soon.

Management is poor from the concerned sector, as new additions and planning is going on in the pumdikot area, hope the management would be better soon.

### **Ananta Bhujel**

I am a local here, and living here has become much easier for all of us. The temple was mainly built for the development of people like us. A ropani of land used to cost around 20 lakh rupees earlier, but now no one is willing to sell it for less than 2 crores. Everyone has felt the impact of Pumdikot's development. Parking near the temple gate is now up for tender, and it's going for 75,000 per month. Normally, per ropani is priced at 2 crores.

I never expected this much development to happen here. I'm 26 years old, and now I don't have to go abroad to earn this kind of money. My uncle had a vision for a business, and I helped him start it three years ago after Pumdikot developed. Before this, we were

all involved in farming. My brothers are abroad, and we used to go to the market to sell milk, but now all the production is consumed right here. This is also development.

Now, we're not raising cattle anymore, and honestly, I didn't study much, but to earn 20,000-30,000, I don't have to go anywhere else. I'm fully satisfied with how things are now.

### **Bhime B.K**

Selling oranges from his local farm on the roadside, a 56-year-old resident of Pumdikot shares his experience:

"I have lived here since my childhood, and I have never seen this many people visiting this place before. My home is a bit far from the main tourist area, so I haven't directly benefited from the tourism development. If I had land near the tourist hub, I could have earned rent or opened a shop. But as it stands, I have not gained much from this growth. However, I must admit that the development has made Pumdikot widely known."

### **Bishnu Prasad Pandey**

A restaurant owner from Syangja shares his experience:

"My brother and I have opened a restaurant here, renting the space for NPR 30,000 per month. Before this, I was working in the banking sector. When we first visited Pumdikot after the construction of the Shiva statue, we were amazed by the number of visitors. This inspired us to start a restaurant, believing it would be a good opportunity.

So far, we are managing fine in this business. We handle everything ourselves—we cook and serve without hiring any staff. While we see a large number of visitors coming here, most of them don't spend much. They visit the site and leave without making significant purchases. If proper plans were made to encourage visitors to stay longer, it would benefit local businesses and the community more."

## **2: Interview Guide**

### **Questionnaires for KII: Pumdikot Development Committee**

#### **Basic Information:**

- a. Name of Interviewee:
- b. Designation/Role:
- c. Organization Name:
  - What role does the committee play in managing tourism development in Pumdikot?
  - How did the idea of building the Shiva statue come about?
  - What were the initial expectations regarding tourism growth?
  - What challenges has the committee faced in balancing tourism development with community welfare?
  - What plans are in place for future tourism related development?
  - How does the committee engage with local residents and business owners?
  - How did the committee anticipate the statue would impact the local community and economy?

#### **Interview Guide: Local Officials**

##### **Basic Information:**

- a. Name of Interviewee:
- b. Designation/Role:
- c. Organization Name:
- d. Geographic Area/Scope of Operation:
  - Ward policies for development of tourism.
  - Major occupation of people
  - Economic Profile of ward
  - Housing policies and regulations
  - Waste management: how
  - Budget allocated for development of physical infrastructure and other services.

## Questionnaire for Residents

1. Name of person:
2. Age:
  - Below 18
  - 18-30
  - 31-50
  - Above 50
3. Gender
  - Male
  - Female
4. How many members are there in your Household?
5. What is your education level?
  - No Schooling
  - Primary
  - Secondary
  - Higher Secondary
  - Bachelor and Above
6. How long have you been living in Pumdikot?
  - < 3 years
  - 10-20 years
  - 20-30 years
  - 30-40 years
  - >50 years
7. What was your primary source of income before tourism development?
  - Agriculture
  - Government Sector
  - Business
  - Café
  - Other
8. Have you started any income generating activities due to tourism?
  - Yes
  - No

9. How have you been benefitted by tourism related activities?

- Not directly
- Parking, Land-lease
- Opened Eatery
- Restaurant
- Transport

10. Do you experience working in tourism a good job?

- Yes
- No

11. What skills did you develop or improve while working in tourism sector?

12. What is your average monthly income?

- Below 15000
- 15000-30000
- 30000-50000
- 50000-70000
- Above 70000

13. Have you joined any new community groups or networks due to tourism?

- Yes
- No

14.

| <b>How would you rate the change in following things?</b>         | Improved significantly | Improved Slightly     | No change             | Worsened              |
|---|------------------------|-----------------------|-----------------------|-----------------------|
| <b>Quality of Infrastructure (road electricity, water supply)</b> | <input type="radio"/>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Environment around you</b>                                     | <input type="radio"/>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Access to Education</b>  | <input type="radio"/>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Overall quality of life</b>                                    | <input type="radio"/>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

## Questionnaire for Tourists

### 1. Gender

- Male
- Female
- Other

### 2. Age

- <10 Years
- 10-20 Years
- 20-30 Years
- 30-40 Years
- 40-60 Years
- >60 Years

### 3. Nationality

- Nepali
- Indian
- Other Nation

### 4. What is the purpose of your visit to Pumdikot?

- Leisure
- Religious pilgrimage
- Adventure
- Other

### 5. How long do you plan to stay in Pokhara?

- Less than a day
- 1–2 days
- 3–5 days
- More than 5 days

### 6. Do you Plan to stay around Pumdikot?

- Yes
- No

### 7. Are you satisfied with the services around here?

- Yes
- No

8. What do you suggest should be here for proper management of tourist?
9. If proper accommodation services were available in Pumdikot, would you prefer to stay there or return to Pokhara?
- Definitely stay in Pumdikot
  - Likely stay in Pumdikot
  - Neutral
  - Likely return to Pokhara
  - Definitely return to Pokhara
10. What type of accommodations do you prefer during your stay?
- Hotel/ Resort
  - Homestay
  - Guest House
  - Other
11. Have you interacted with Local resident during your visit?
- Yes
  - No
- 12.

| <b>How satisfied are you with the following aspects of your visit?</b> | Strongly Dissatisfied | Dissatisfied          | Satisfied             | Strongly satisfied    |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Natural environment:</b>  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Infrastructure ( Road/ Waste management)</b>                        | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Local Hospitality</b>   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <b>Overall Experience of Visit</b>                                     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

## **APPENDIX B: CONFERENCE PAPER**



त्रिभुवन विश्वविद्यालय  
Tribhuvan University  
इन्जिनियरिङ्ग अध्ययन संस्थान  
Institute of Engineering  
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गोश्वारा पो. नं. २८०, थापाथली, काठमाडौं  
फोन: ०१-५३३९७६६

Date: April 21, 2025

**To Whom It May Concern:**

This is to certify that the paper titled **"Tourism Development, Land Use Change and Livelihood Dynamics: Case of Pumdikot Pokhara"** (Submission# 394) submitted by **Rashmita Ghimire** as the first author, which had been accepted for presentation after the peer-review process, has successfully been presented at the 16<sup>th</sup> IOE Graduate Conference held during April 18 - 20, 2025. Kindly note that the final revision of the papers and publication process of the conference proceedings is still underway and hence inclusion of the accepted manuscript in the conference proceedings is contingent upon timely response to further edits during the publication process.



Dr. Raj Kumar Chaulagain,  
Convener,  
16<sup>th</sup> IOE Graduate Conference



# Rural Tourism Development, Spatial Change and Livelihood Dynamics: Case of Pumdikot, Pokhara

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## Abstract

Pumdikot, a hill station near Pokhara, Nepal, has experienced rapid transformation following the construction of the second-tallest Shiva statue in the country. This surge in tourism has significantly impacted the livelihood dynamics of the local population. This study examines the socio-economic and spatial implications of tourism-led development in Pumdikot, focusing on shifts in income sources, employment patterns, land use, and community well-being. By utilizing satellite imagery, spatial analysis, and an assessment of architectural transformations in the study area, the research maps the changes in land use and infrastructure development. Additionally, qualitative insights from local stakeholders provide a comprehensive understanding of the community's adaptation to these transformations. The findings reveal both opportunities and challenges: while tourism has created new economic prospects, it has also contributed to land speculation, disruptions in traditional occupations, and environmental concerns. This study contributes to the broader discourse on tourism-induced rural transformation and offers recommendations for sustainable and inclusive development in emerging tourist destinations.

## Keywords

Rural Tourism, Sustainable Livelihood, Spatial Change

## 1. Introduction

*"If social and economic development means anything at all, it must mean a clear improvement in the conditions of life and livelihood of ordinary people [1]."*

Sustainable tourism has emerged as a key strategy for economic growth, social development, and environmental conservation over the past decade. It has been widely integrated into industry practices and tourism policies to balance economic benefits with social and environmental responsibilities [2]. The living of community residents will be inevitably affected by the tourism development when this community became a tourist destination [3]. Tourism not only impacts local economies but also brings sociocultural transformations by influencing value systems, lifestyles, traditions, and community structures [4].

Rural development is a crucial component of national progress, particularly in developing countries where a significant portion of the population resides in rural areas [5]. Sustainable rural development requires an integrated approach balancing economic diversification, social stability, and environmental preservation. Tourism is a key strategy, offering new income opportunities and reducing reliance on agriculture. However, without proper management, it can lead to environmental degradation and unplanned urbanization. Maintaining long-term industry sustainability and safeguarding local livelihoods require striking a balance between conservation and tourism growth [6].

Pokhara, Nepal's premier tourist destination, illustrates both the potential and challenges of tourism-led growth. Initially a transit hub for mountaineers, Pokhara has evolved into a center for trekking, paragliding, and cultural tourism. The tourism sector contributes approximately 25.4% of the city's

total transactions [7]. However, the expansion of tourism has introduced environmental sustainability concerns, land-use changes, and socio-economic shifts. In 2005, 20% of foreign tourists to Nepal visited Pokhara. By 2009, this share grew to 40%, but after 2010, the government stopped tracking Pokhara's tourist numbers, and growth slowed. By 2025, only 45% of foreign tourists to Nepal visit Pokhara, a modest increase over 15 years. Tourism expert Tikaram Sapkota attributes this stagnation to challenges in accessibility and a decline in trekking tourism, despite rising investments [8].

Rural tourism plays a vital role in economic resilience, cultural preservation, and environmental conservation. Pumdikot, a rural village near Pokhara, located 10.5 km south of Pokhara, has undergone rapid transformation following the development of tourism infrastructure, particularly after the construction of the Shiva statue. This influx of visitors has significantly reshaped local livelihoods, influencing economic activities, social structures, and land-use patterns. Understanding the impacts of tourism on Pumdikot's sustainable development is crucial for guiding future policies and ensuring long-term benefits for local communities.

## 2. Research Objectives

Tourism development, especially the construction of the 52-foot Shiva statue, has transformed Pumdikot into a major attraction, driving rapid changes in infrastructure, economic activities, and social structures, impacting spatial change and livelihoods. In light of these transformations, this research aims:

- To analyze spatial changes around Pumdikot.
- To analyze livelihoods of local residents and how they

are coping with tourism-driven transformations.

### 3. Literature Review

Rural tourism has long been recognized as a tool for diversifying rural economies, contributing to their vitality and sustainability [9]. Rural tourism has become a development tool for many communities seeking to diversify their economies due to its capacity to generate local employment, stimulate external investment into the communities and supplement traditional industries [10]. By promoting rural areas as tourist destinations, rural tourism supports economic development through infrastructure growth, cultural exchange, and increased local engagement.

Tourism drives economic growth by creating jobs, developing infrastructure, and preserving cultural heritage. However, local tourism businesses face challenges like inconsistent service and limited expansion. Successful development requires strategic planning, investment, and sustainability focus. Key factors influencing tourism growth include:

- **Attractions:** Natural, historical, and cultural sites.
- **Accessibility:** Efficient transport and communication.
- **Safety & Security:** Political stability and low crime.
- **Investment:** Infrastructure, facilities, and marketing.
- **Sustainability:** Environmental and cultural preservation.
- **Community Involvement:** Local residents' participation in tourism.

The spatial distribution characteristics of rural areas are primarily influenced by land richness and settlement types. Entering the 21st century, with the advancement of global urbanization, the role of rural areas has gradually shifted from a production-based function to a tourism-oriented function. As the fundamental spatial unit for rural tourism development, the "touristification transformation" of rural settlements directly impacts the spatial form and pattern of rural landscapes. The continuous transformation of rural settlements toward tourism leads to the disintegration of traditional village functions and forms [11].

*Tourism Area Life Cycle* model provides a foundational framework for understanding spatial transformations in tourist destinations. Tourist destinations evolve over time due to shifting visitor preferences. As travelers seek new experiences, once-popular locations may lose their appeal, prompting tourists to explore quieter alternatives [12]. This dynamic is captured by the product cycle model, which outlines how tourism develops in distinct stages:

1. **Early Stage:** Initially, low visitor numbers due to limited accessibility and infrastructure.
2. **Growth Stage:** Rapid growth as infrastructure improves and awareness spreads.

3. **Maturity Stage:** Growth slows once the destination reaches its carrying capacity, influenced by environmental, physical, and social limits.
4. **Decline Stage:** Overuse and competition from other destinations may eventually lead to a decrease in visitor numbers.

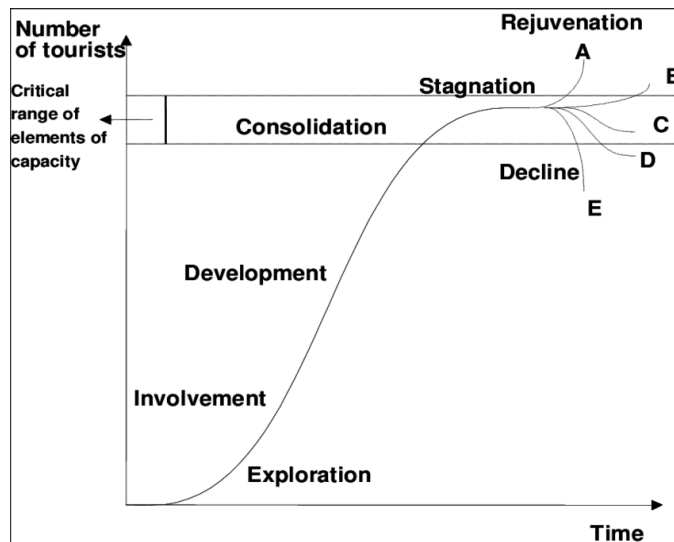


Figure 1: Hypothetical evolution of a tourist area [12]

This model underscores the need for strategic development and maintenance of tourism destinations to ensure their sustainability. Proper planning and management, taking into account both the growth stages and the critical factors influencing tourism, are essential for maintaining a balanced and thriving tourist destination over time.

Tourism, particularly eco-tourism and pro-poor tourism, has gained attention for its focus on sustainability. In countries like Nepal, it plays a major economic role. Tourism impacts local communities by affecting their economy, culture, and environment, often without their consent. While tourism can bring benefits like job creation and infrastructure development, it can also cause environmental and socio-cultural challenges [13]. The impacts of tourism are perceived differently by various stakeholders: some recognize the positive outcomes, like the preservation of cultural heritage and improved infrastructure, while others point to negative consequences, such as the loss of cultural identity and environmental damage. These differing perceptions highlight the complex and multifaceted nature of tourism's influence on local communities.

The concept of sustainable livelihood (SL) originated in the 1987 Brundtland Commission Report on sustainable development and was formally introduced in the same year by the Advisory Panel on Food Security, Agriculture, Forestry, and Environment in a report to the World Commission on Environment and Development [14]. A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next

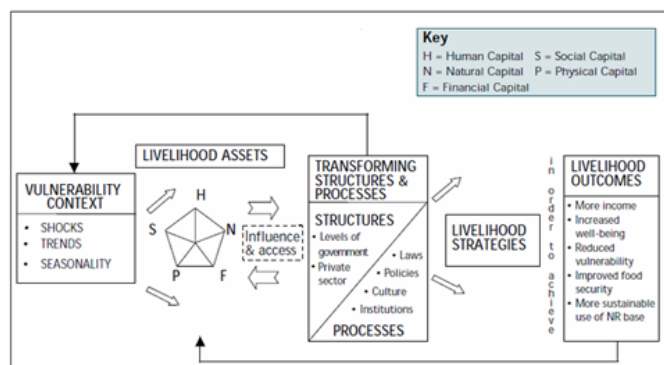


Figure 2: DFID's Sustainable livelihoods framework [16]

generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term [15].

This research focuses on five livelihood assets: human, physical, financial, social, and natural capital. These assets influence livelihood strategies, as people prioritize basic needs like food over investments in education. A single physical asset can provide multiple benefits [16]. Skills, knowledge, and health are all components of human capital, which is necessary for pursuing livelihood options. The networks and connections that facilitate community collaboration are referred to as social capital. Land, water, and ecosystems that offer essential services are examples of natural capital. Financial capital is the resources that people or families utilize to raise their standard of living, whereas physical capital is the infrastructure and equipment required for productivity. Every asset is interrelated and helps sustain livelihoods, especially in situations like tourism when natural landmarks may be turned into tangible and monetary resources that benefit nearby people.

The decisions and actions people take to accomplish their objectives and impact their results are referred to as livelihood strategies. These tactics are frequently region-specific, with agriculture being the main source of income in rural areas despite obstacles including scarce land, falling farm productivity, and restricted access to non-farm sources of income. Rural inhabitants in Nepal, where mountains make up 77% of the territory, rely on subsistence farming, which exacerbates the country's pervasive poverty. It is essential to comprehend these various approaches in order to create policies that enhance the standard of living in undeserved communities.

### 3.1 Projects Related to Tourism and Livelihood in Nepal

#### Sustainable Tourism for Livelihood Recovery Project (STLRP)

(Jan 2021-August 2023) a joint project of the Nepal Tourism Board (NTB) and UNDP, sought to revitalize Nepal's tourism industry following COVID-19. Important accomplishments include building more than 60 small-scale tourism infrastructures, employing around 6,000 people, and collaborating on projects with the private sector and local governments. In addition, the project established service standards for the tourism sector, trained more than 300

individuals in a variety of skills, and contributed to the creation of the National Tourism Recovery Strategy.

#### Tourism for Rural Poverty Alleviation Programme (TRPAP)

The Tourism for Rural Poverty Alleviation Programme (TRPAP), active from 2001 to 2007, aimed to reduce poverty in rural Nepal through sustainable tourism. Funded by DFID, UNDP, and SNV, it focused on empowering marginalized groups, especially women, and promoting environmental sustainability. TRPAP developed local tourism plans, utilized GIS for decision-making, and aligned with national policies. It formed 781 community groups, provided tourism training, and offered eco-tourism products. The program also established financial tools like the Venture Capital Fund, benefiting over 160,000 people and serving as a model for community-driven tourism development.

## 4. Methodology

This study adheres to the pragmatic paradigm, which emphasizes using both qualitative and quantitative approaches to find workable answers to real-world issues. The study's ontology is based on realism, which recognizes that the effects of tourism—such as changes in land use and environmental degradation—exist as objective facts. The study does, however, also take a relativist stance, acknowledging that individuals may perceive these effects in different ways depending on their particular circumstances.

This study supports pragmatism in epistemology, which emphasizes that knowledge is derived from actual experience with the topics under study. To create a thorough picture, it blends quantitative techniques (such as calculating land-use changes and economic implications) with qualitative insights (such as community and tourism operator interviews).

| Research Method   | Primary or Secondary | or Qualitative or Quantitative | Use  |
|-------------------|----------------------|--------------------------------|--|
| Literature Review | Secondary            | Both                           | To understand existing research, identify knowledge gaps, and provide a strong theoretical foundation for the study. |
| KII               | Primary              | Qualitative                    | To understand more on subject and stand on ground.   |
| Survey            | Primary              | Both                           | To understand the perception of general on the subject.  |
| Case study        | secondary            | Both                           | To understand the similar context  |

Table 1: Methodology

## 5. Study Area

Pumdikot, located in Ward 22 of Pokhara Metropolitan City, Kaski District, Gandaki Province, is a hill station at 1,500 meters above sea level, 10.5 km south of Pokhara. It is home to the second tallest Shiva statue in Nepal, standing 52 feet tall. Built by the local community in 2073, the statue has become a major religious and tourist attraction. The site offers panoramic views of Pokhara Valley, Fewa Lake, the Himalayas, and the World Peace Pagoda.

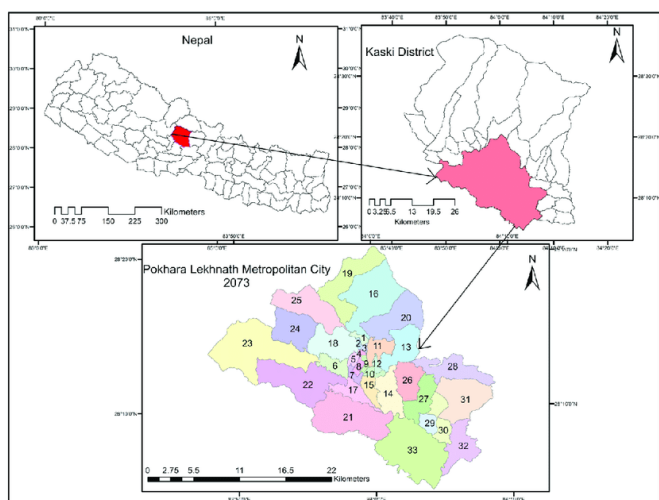


Figure 3: Study Area Location: Pokhara Metropolitan city Ward:22

Pumdikot is a site of historical, cultural, and religious importance. It was home to the Bhumeshwor Mahadev temple, a Shaktipeeth believed to grant farmers' wishes. During the Baise and Chaubise Rajya period, the hill served as a fort for the Shah Kings. The area holds significant religious value, especially during festivals like Bada Dashain, when daily prayers and rituals are performed. During Haritalika Teej, locals believe that fasting and visiting Bhumeshwor Mahadev can make their wishes come true.



Figure 4: Pumdikot Shiva Statue: major Tourist Destination

### 5.1 Demography

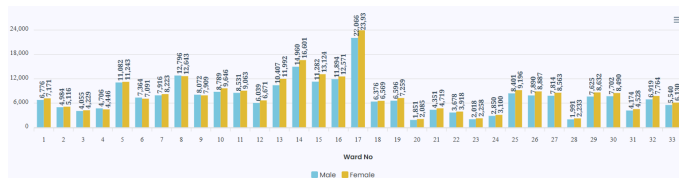


Figure 5: Population of different wards in Pokhara metropolitan city

The total population of Pokhara Metropolitan City, according to the census of 2021, is 513,504, and 48.2% are males. The population density is 1,106 people per square kilometer. The total number of households is 140,459. There are 33 wards in Pokhara, and the study area falls under Ward No. 22. The

population distribution graph shows that out of 33 wards, Ward No. 22 is the fifth most populated. The total no. of household in ward 22 is 2213.

### 5.2 Accessibility

Siddhartha Highway runs through Ward 22, with roads linking various settlements. Two main roads provide access to Pumdikot, which is about 5.5 km from Chhorepatan. The Nagar Bus operates five times daily between Pokhara (Prithvi Chowk) and Pumdikumdi, improving local transport.

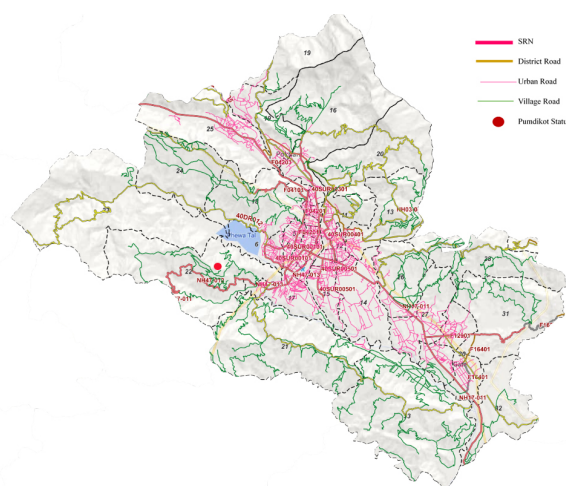


Figure 6: Accessibility map of Pokhara Metropolitan

### 5.3 Education and Health Infrastructure



Figure 7: Schools and colleges location (left), Health post location (right)

Ward 22 has only one health post, located near the ward office. Given the low population density, this single health post serves the local community. However, most residents prefer to travel to Pokhara, which is about a 30-minute drive away, for better healthcare facilities.

### 5.4 Water Supply and Waste Management

Water supply in Pumdikot primarily relies on a local piped system. To ensure proper access to water, the "One Home, One Tap" policy has been implemented in the area. Water is sourced from nearby Panchase Danda, transported through a piped system, collected in a reservoir, and then distributed to the village. Pokhara Metropolitan City collects waste weekly, charging Rs. 1,000 for big hotels, Rs. 500 for small businesses, and Rs. 250 for residences. Septic tanks and soak pits manage wastewater. Many residents find the fees high, as they generate minimal waste, often re-purposing organic waste for farming. Some have opted out of the service.

## 6. Findings and Analysis

This chapter analyzes research findings based on theory and field observations. It begins with respondent demographics, followed by a sustainable livelihood analysis. According to Mitchell and Ashley (2010), tourism impacts livelihoods through direct effects (e.g., jobs in tourism) and indirect effects (e.g., increased demand for local goods and services). In Pumdikot, tourism growth after the Shiva statue's construction has benefited some, like shop owners and guides, while others, like farmers, face indirect effects. The chapter examines livelihood changes, economic shifts, land-use changes, and socio-economic disparities caused by tourism.

### 6.1 Survey of Residents

The survey conducted among 33 residents of Pumdikot provided insights into the demographic, economic, and social changes occurring in the area due to tourism development.

**Demographics and Residence Patterns:** Among the 33 respondents, 64% were male and 36% were female. The majority of residents had lived in the area since birth. However, 25% of the interviewed residents had moved there within the last three years, indicating an increase in migration to the area following tourism growth. Survey results show that 73% of respondents were local residents of Pumdikot, while 12% had moved from nearby districts like Syangja and Tanahun for business, living in rentals. The remaining 15% were Indian nationals running businesses like restaurants and souvenir shops in Pumdikot.

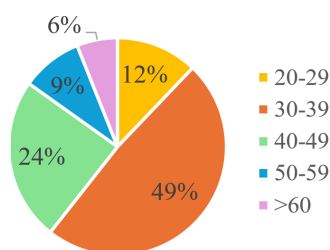


Figure 8: Age group of respondents

**Household Size and Occupation:** Household sizes averaged six members. The survey showed that 35% people opened eatery business, 12% people are renting their land for business and also some are using for parking purpose.

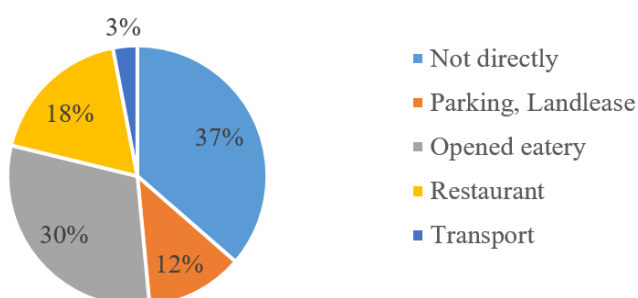


Figure 9: Respondents Benefitted by Toursim

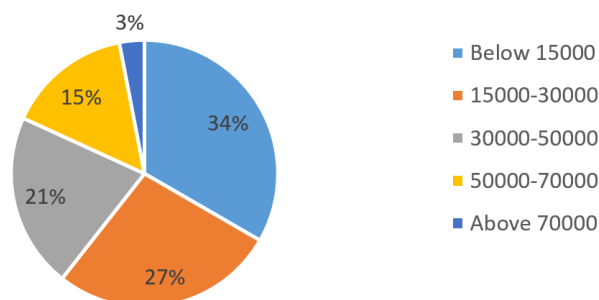


Figure 10: Income of Respondents

**Quality Mapping:** Tourism has enhanced Pumdikot's infrastructure, notably in road development and commercial activities. However, residents have raised environmental concerns, observing a decline in ecological quality. While education access has slightly improved, many attribute these changes to natural development rather than tourism. Overall, the majority agree that tourism has significantly improved peoples quality of life.

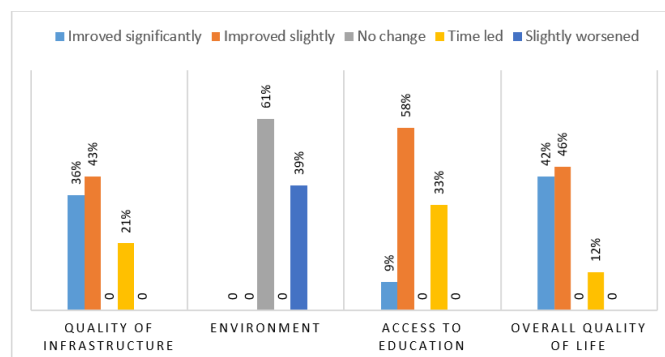


Figure 11: Quality Mapping

### 6.2 Survey of Tourist

The survey of 21 tourists visiting Pumdikot revealed key insights into visitor demographics, travel behavior, and satisfaction. Most respondents were evenly split by gender, with 52% male and 48% female. The majority (39%) were between 31-50 years old, indicating that middle-aged individuals are the main tourist demographic. Additionally, 30% of the respondents were employed in the private sector, and 22% were students. Most visitors were from Nepal and India, with a small percentage coming from Spain, reflecting Pumdikot's growing international appeal.

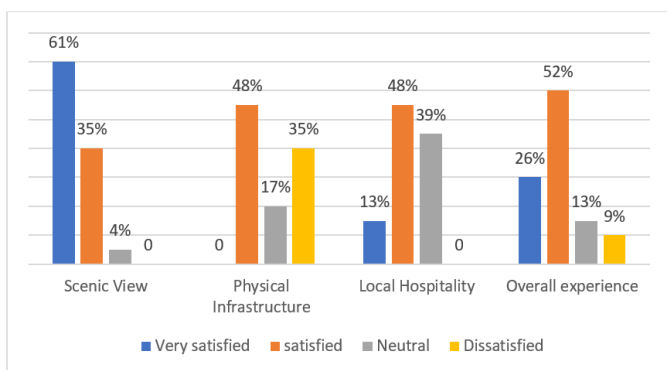


Figure 12: Satisfaction of Respondents in Different Field

The majority of tourists visited Pumdikot for day trips, with 70% staying 1-2 days in Pokhara. Despite high footfall, there is a lack of accommodation and additional attractions to encourage longer stays. A significant portion of tourists (48%) preferred home stays, 35% preferred resort and 17% preferred guesthouse desiring an authentic rural experience, while luxury hotels would drive them back to Pokhara. While the growing tourism is benefiting the local economy, challenges such as haphazard construction and inadequate infrastructure, like limited public transportation, need to be addressed. Sustainable development, including homestay services and aesthetic regulations, could boost longer visits and further economic growth.

### 6.3 Spatial Analysis

Pumdikot has transformed from a quiet rural settlement into a bustling tourist hub over the past few years, driven by tourism infrastructure and the construction of the Lord Shiva statue.

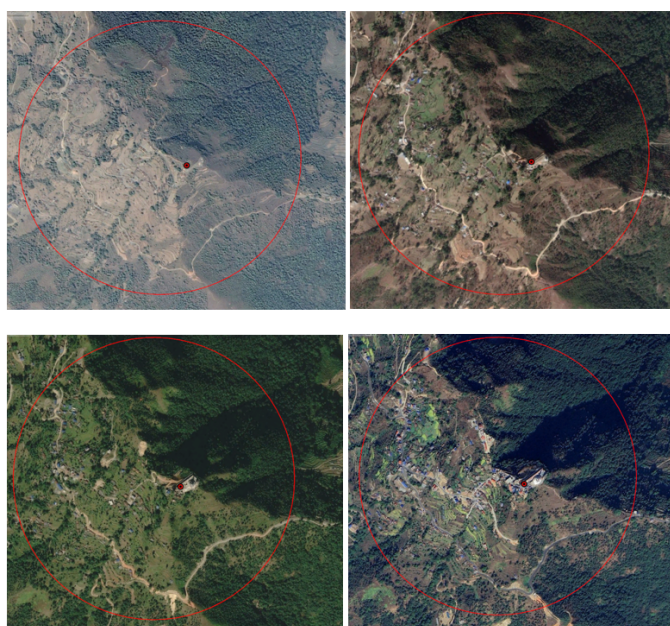


Figure 13: Satellite Image of Study Area 2008,2014,2020 and 2024 Respectively

In 2014, a view tower was built in Pumdikot to attract tourists, but it did not gain much attention, and the area remained relatively unknown. However, the construction of the Lord

Shiva statue in 2017 transformed Pumdikot into a major tourist destination, significantly boosting its recognition and development. The area around the statue has seen rapid, unplanned commercial growth, with makeshift shops and eateries lining a 0.5 km stretch of road. However, poor planning and a lack of regulations have led to congestion, waste issues, and temporary structures that fail to reflect the area’s cultural identity. Without proper urban planning, Pumdikot risks long-term sustainability challenges.

Pumdikot’s vernacular architecture features sloped roofs, mud houses, and two-story structures with front patios (dalan), reflecting its traditional charm. Farming remains central, with straw heaps (paral ko tauwa) commonly seen around homes. Until two years ago, roads were unpaved, but recent improvements have enhanced transportation and access to markets. The local economy relies on agriculture and remittances, with tourism increasing after the construction of the Shiva statue. Modern buildings with roadside shutters are emerging, signaling anticipated market growth but also a decline in traditional architecture.



Figure 14: Present Condition of Pumdikot

The land cover of the study area denotes the increasing percentage of Built up area .

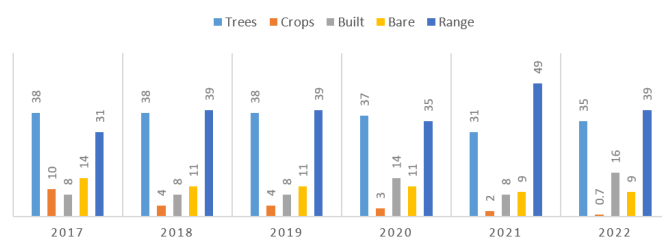


Figure 15: Land Cover of Study Area as per Senitel-2

### 6.4 KII (Key Informant Interviews) and FGD (Focus Group Discussions)

**Tourism as a Catalyst for Development:** Interviews highlight tourism’s transformative impact on Pumdikot. Chandrakanta Baral, Chairperson of the Pumdikot Development Committee, envisions it as a major tourist hub, with the mayor predicting it will become Pokhara’s top attraction after Fewa Lake.

**Improved Local Livelihoods:** Tourism has diversified the local

economy, reducing dependence on agriculture. Residents now run small businesses, homestays, and parking services. Rising land values and new opportunities have even encouraged return migration.

**Infrastructure and Planning Challenges:** Unregulated construction of temporary roadside structures threatens the area’s scenic and religious significance. Authorities stress the need for aesthetic regulations, proposing standardized building models and façade guidelines.

**Sustainability and Future Development:** Plans for home stays, training programs, a glass bridge, and laser light shows aim to enhance tourism. However, sustainable growth requires careful infrastructure planning and urban policies.

**Community Involvement:** Active local participation ensures development remains community-driven. Authorities emphasize collaboration between residents, the ward office, and planners to manage growth effectively.

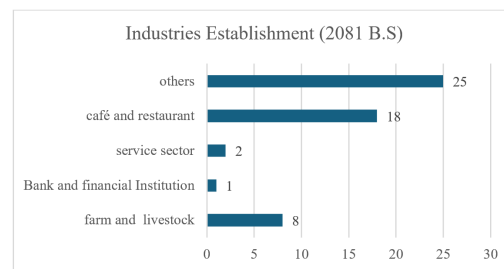
**Increasing Visitor Engagement:** While Pumdikot is a popular day-trip destination, expanding accommodation options like homestays could encourage longer stays and greater economic benefits.

### 6.5 Discussion

| Livelihood assets | Condition pre tourism development                     | Condition Post-Tourism Development   | Observation   |
|-------------------|---|--|---|
| Human Capital     | Skills limited to agriculture and labor jobs          | Increased skills in hospitality, retail, and services  | Training opportunities for tourism jobs have improved, but gaps remain in specialized skills. |
| Financial Capital | Low income levels from farming and remittances        | Increased income from tourism-related businesses   | Income diversification has reduced economic vulnerability but remains seasonal.               |
| Social Capital    | Strong community networks and traditional cooperation | Expanded networks through tourism partnerships and external investors  | Good social connection, and have great sense of community.                                    |
| Physical Capital  | Basic infrastructure (roads, water, and electricity)  | Improved road, public vehicle facility started, hotels and other services flourished but traditional architecture declining. | Improvement in infrastructure services, but proper planning required.                         |
| Natural Capital   | Scenic view, untouched rural ambience                 | Rural ambience diminishing,  | No such harm to environment till now, but proper planning is must.                            |

**Table 2:** Livelihood Asset Analysis

**Land Value and Industries Establishment:** Land prices in Pumdikot have surged from 90 lakhs to 3–4 crore per ropani in 5-6 years. This rise is driven by infrastructure improvements, the Shiva statue, and growing tourism, attracting investors and developers.



**Figure 16:** Industries Registered in Ward in 2081 B.S

Among the 54 industries registered in the ward in 2081 B.S., 25 fall under the category of "others" (including stalls and souvenir shops), while 18 are cafe and restaurants. This indicates a growing trend of tourism-related industries being registered in the ward.

*"Many people visit Pumdikot, and at first glance, it seems like a great opportunity for business. However, the reality is different—most visitors don't actually spend money. They come, see the place, and leave without making significant purchase."*

*"I'm 26 years old, and I don't have to go abroad to earn NPR 30000-35000 per month. After this statue construction, I am running my business here and earning my bread. I am very happy."*

Pumdikot’s rapid tourism growth has boosted the economy but led to unplanned development, land conversion, and unstable construction, increasing risks of erosion and cultural loss. Without zoning laws and sustainable planning, the area faces congestion and environmental degradation. Strategic regulations, slope-stable construction, and infrastructure improvements are essential to balance tourism growth with cultural and environmental preservation.

## 7. Conclusion and Recommendations

The study on tourism development, spatial changes, and livelihood dynamics in Pumdikot, Pokhara, highlights the transformative impact of the 52-foot Shiva statue. This landmark has driven rapid tourism growth, reshaping the socio-economic and environmental landscape. Economically, tourism has diversified local livelihoods, reducing dependence on agriculture as residents shift to businesses such as eateries, souvenir shops, and parking services. Land values have surged from 90 lakhs to 3–4 crores per ropani. However, spatial changes have been largely unplanned, with commercial infrastructure replacing agricultural land and traditional settlements, particularly along roadsides, where temporary structures dominate without regulatory oversight. Livelihood benefits are unevenly distributed, favoring businesses near the statue while peripheral areas remain underserved. Additionally, increased footfall has strained waste management and water resources, while the decline of vernacular architecture and cultural commodification threatens local identity. Most tourists are day-trippers with limited spending, suggesting that initiatives like home stays and extended attractions, such as the proposed glass bridge, could enhance visitor retention and support sustainable tourism development. To ensure sustainable tourism development in Pumdikot, the following measures are

proposed:

#### Regulated Urban Planning:

- Implement zoning laws to prevent haphazard construction and protect scenic views.
- Enforce building bylaws that require the incorporation of traditional architectural elements to preserve cultural authenticity. In an interview, the mayor mentioned plans to develop a model building as an example to guide future construction in the area. This model will demonstrate the appropriate architectural style, ensuring that all building facades reflect traditional aesthetics.

#### Economic Diversification:

- Promote home-stays and agro-tourism to extend benefits beyond areas near the Shiva statue.
- Provide hospitality and handicraft training for locals to reduce reliance on seasonal tourism.

#### Infrastructure and Services:

- The public faces difficulties visiting the area by public transport due to the low frequency of buses. To address this, public transportation should be improved by increasing bus frequency and enhancing connectivity.
- Upgrade waste management systems and encourage eco-friendly business practices.

#### Community Empowerment:

- Strengthen the Pumdikot Development Committee's role in decision-making.
- Foster collaboration between locals, government agencies, and NGO's for skill development and micro financing.

#### Enhanced Tourist Experiences:

- Develop thematic trails (e.g., cultural and agricultural) to encourage exploration beyond the statue.
- Developing foot trails connecting the Peace Pagoda, Fewa Lake, and the Pumdikot Shiva statue, equipped with necessary amenities, can significantly enhance accessibility and the overall visitor experience.
- Introduce evening attractions such as laser shows to extend visitor stays and increase local spending.

#### Policy and Research:

- Conduct longitudinal studies to monitor tourism's long-term socio-economic and environmental impacts.


- Integrate Pumdikot into Pokhara's regional tourism strategy to ensure cohesive and sustainable development.

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