

SOCIO-ECONOMIC DEVELOPMENT THROUGH AGRO- TOURISM: A CASE STUDY OF BHAKTAPUR, NEPAL

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ABSTRACT

Socio-economic development of Nepal relies on harnessing the potentials of tourism, handicrafts, non-timber forests, and high-value low-volume agricultural products, and human resources. Tourism and agriculture in Nepal are major elements in this development, acting as revenue generating industries with multiplier effects on the economy and significant employment capacity, which significantly contributes to GDP and rural income generation. Among the mid hill districts of Nepal, Bhaktapur maintains a high potential to benefit from the synergism between tourism, agro-farming, and handicrafts, giving it the internal elements necessary for socio-cultural development. As Bhaktapur has already been included in the list of UNESCO World Heritage Sites, protection and renovation of ancient artistic monuments is essential. For the sustainable development of tourism and agro-eco tourism in Bhaktapur, as well as an umbrella policy of guidelines accompanied by national laws are to be formulated and implemented through community-based management. In this way Bhaktapur can contribute to the long standing Nepalese desire for a nation building process by utilizing the competitive and comparative advantages of tourism and agriculture opportunities available in the district.

Key words: Comparative advantages, tourism, income generation, socio-economic development.

INTRODUCTION

Agro-ecotourism, a combination of agro-tourism and ecotourism, plays a critical role in Nepal by using diversified resources, both natural and man-made, landscapes, biodiversity and cultural heritages. Agro-tourism can be used to motivate and encourage farming communities to raise their crops in an eco-friendly manner and to conserve the biodiversity of farms (Dangol and Ranabhat, 2007). Nepal has plenty of natural resources, which has helped to make agro-tourism more popular and fascinating among tourists. Agro tourism allows visitors to come in close contact with the inhabitants of small, rural villages and to be involved in traditional ways of agriculture still existing in this age. In agro-tourism, tourists can find the answers to their questions about different indigenous agricultural practices, such as how crops are harvested, graded and preserved, how vegetables can be grown organically, how freshly picked fruits are converted into delicious marmalades, and so on (First Environmental Trekking, 2010).

Nepal is known as an agricultural country in the world. The statistic shows that more than 66% of its population involve in farming. However, the farmers are not able to get expected benefits due to lack of modern technology and ideas. Farming systems and crop production in Nepal vary across the agro-ecological regions of plain, hills and mountains. Rice-based cropping systems, with wheat or maize as a secondary crop, are predominant in the plain and hill regions, whereas in the high hill mountains maize, millet, barley and buckwheat are cultivated (Pandey and Nakagawa, 2008). Agro tourism allows close connection with the inhabitants of small rural villages who have been involved in traditional way of agriculture. Nepalese economy consists of agricultural business, eco-tourism, industry, hydro-electricity and information technology (IT) services with semi skilled human resources working abroad (GATS). Among these sectors, agriculture and eco-tourism contribute 33% and 8% to the

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national GDP, respectively (NPC, 2007). However, the contribution of agricultural sector is decreasing, compared to tourism sector contributing about 16% to the national GDP. These last contributors have the potential for growth (see Table 1). Nepalese economy is now transitioning from agricultural to an early-stage industrial track. Nevertheless, there is no one sector that contributes significantly to the economy thus far, except agriculture. The per capita GDP increase in production per year averages only 3%. In comparison to the population growth rate (2.25%), the average annual economic growth rate is (2.8%) still low (MOF, 2009).

Table 1: Sectoral GDP by International Standards Industrial Classification (ISIC) Division during Tenth Five Year Plan in Nepal (in Percentage)

Sectors	2001	2002	2003	2004	2005	2006	Average contribution of the tenth plan
Agriculture, fishery and forestry	37	37	36	35	34	33	35
Non agriculture	63	63	64	65	66	67	65
Industry, geology and mines	9	9	9	8	8	8	8
Electricity, gas and water	2	2	2	2	2	2	2
Construction	7	7	6	7	7	6	7
Business, hotels and restaurants	16	16	17	16	16	15	16
Transport and communications	8	8	9	9	10	12	10
Finance and real estate	11	11	10	12	12	12	11
Community and social service	10	11	11	11	11	12	11
Gross domestic production	100	100	100	100	100	100	100

Source: National Planning Commission, 2007.

Nepal has plenty of natural resources, which makes agro- tourism more popular and inviting for tourists. During the summer season tourists are exhilarated to see the farmers involved in rice planting. The techniques they follow for planting and harvesting differ from one region to another. Moreover, every season is rich with its agricultural products and provides the tourists with an once-in-a-lifetime experience. But for Nepal, agro tourism has different economic and socio cultural aims and paradigm. The basis of the program is the revitalization of the countryside and reversal of urbanization. It brings tourists to the countryside from over populated cities. Thus, there is an urgent need to explore alternative businesses which show multiplier effects on economic development while harnessing the agricultural sector.

The tourism sector in Nepal received special focus only after eighth periodic Plan (1992-1997); the Ninth Plan (1997-2002) envisaged establishing Nepal as a premier destination for world tourism, developing tourism as an important part of overall economic development and expanding its benefits down to the village level as its long term objectives (NPC, 2007). In addition, the Three-Year Interim Plan (2007-2010) reported that the progress of tourism's development grew rapidly after the 1990 political change. However, the tourism industry, which had been growing rapidly, began to slow after political conflicts in the country intensified (MOF, 2008).

Fig.1 shows that the flow of tourist tends to increase every year except during 2001- 2003. The negative growth is mainly because of the political instability and the insurgency during that period. Likewise, it shows that the average length of tourist stay in Nepal was 10 days. Foreign exchange earnings from tourism stood at US\$117 million, which accounts for 4% of GDP and 15% of foreign exchange earnings (MOTCA, 2008). Moreover, Table 2 disclosed that total foreign exchange earning from tourism in 1997 was 9,881.6 million Nepalese Rupees, where it was increased and amounted Rs. 27,960 million in 2008. Though, contribution of GDP is not increasing trends, due to internal political instability and other external factors during the year 1997 to 2009 (see Table 2). Thus, it is said that tourism and agro-tourism is

becoming new avenue for poverty reduction, which further enhances eco-tourism and domestic tourism (NPC, 2008).

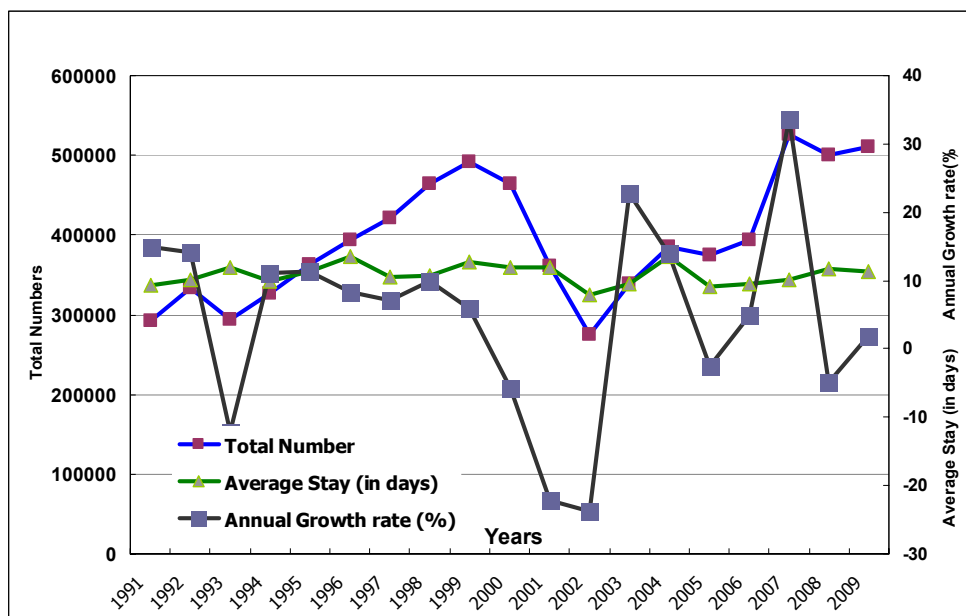


Fig.1: Number of Tourist Arrival in Nepal (Source: MOTCA, 2008; MOF, 2008)

Table 2: Percent share of foreign exchange earning by tourism 1997-2009 (in million rupees)

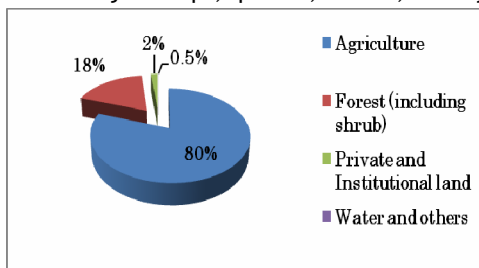
Year	Total foreign exchange earning by tourism	As % of total merchandize export	As % of total export of goods and non-factors	As % of total foreign exchange earning	As % of GDP
1997	9881.6	35.9	17.4	15.2	3.3
1998	12167.8	34.1	18.5	15.9	3.6
1999	12073.9	24.2	13.0	8.4	3.2
2000	11717.0	21.0	12.0	7.4	2.9
2001	8654.3	14.2	10.6	6.1	2.1
2002	11747.4	23.1	15.2	8.4	2.6
2003	18147.4	32.9	20.3	11.4	3.7
2004	10464.0	17.5	12.2	6.1	1.8
2005	9556.0	15.5	10.9	4.6	1.5
2006	10125.0	16.1	10.7	4.5	1.4
2007	18653.0	30.1	17.9	6.7	2.3
2008	27960.0	40.0	22.8	6.5	2.9
2009	16767.0	40.0	23.1	6.0	NA

Source: Economic Survey 2009/10, Government of Nepal, Ministry of Finance.

In this context, Bhaktapur district is one of the smallest districts of Nepal with only 138.46 square kilometers of land and 225 thousand inhabitants. About 65% of the population is engaged in agriculture and the rest of the population is involved in tourism, industry and other sectors. The district popularly carries the traditions of craftsmanship and a unique indigenous culture. Bhaktapur is known as 'the City of Devotees' and is famous for pottery, weaving, handicrafts, and traditional industries. Bhaktapur is equally renowned for its indigenous local but unique agricultural techniques. According to the District Development

Committee, Fig.2 shows that agricultural land, forest (including shrub), human settlement (both private and institutional), and others (including water) accounts for 80%, 18%, 1.5% and 0.5% of the total land respectively.

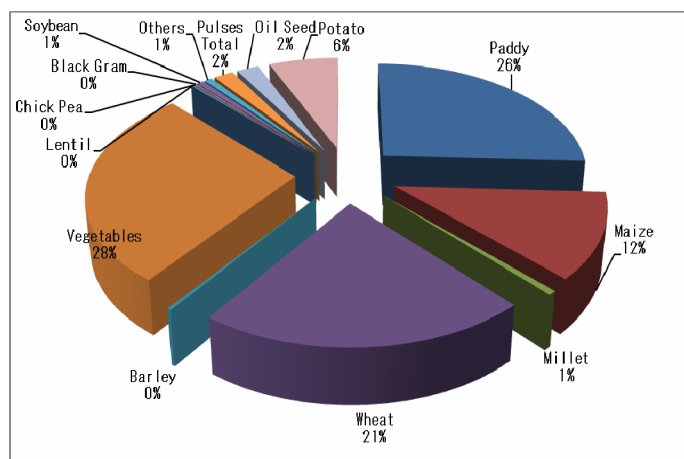
It is learned that agriculture is prime occupation for Bhaktapur people. Hence, agro-tourism would be the best option for tourism promotion in Bhaktapur. In this connection, Fig.4 shows that vegetables, paddy, wheat and maize are major crops in Bhaktapur, which cover 28%, 26%, 21% and 12% of the total agricultural area in Bhaktapur, respectively. Besides these major crops, potato, millet, barley and spices are other crops in the district.



Bhaktapur is one of the supply centers for fresh vegetables to the Kathmandu markets. On the other hand, Bhaktapur district is interdependent with other nearby districts, like Kathmandu; Lalitpur for education, employment, health, agricultural production, forestry products, industry/business and the tourism development sectors; and with migration mainly from Kavre and Sindhupalchok districts.

Fig.2: Land use pattern in Bhaktapur (DDC, 2002).

Fig.4 shows the conceptual framework of Synergism Model used for tourism and agriculture in Bhaktapur District. Attaining a synergistic effect, it needs to maximize all the available resources including agricultural and tourism. In this framework, social and cultural capital, environmental capital, institutional capital, infra-structure/physical capital, and human capital are considered as major resources for agricultural and tourism development in Bhaktapur District. Likewise, economic and political environments are external factors influencing synergism, which act as catalytic agents in the model. The economic environment help mobilize resources and the political environment to build a broad political consensus, common agenda for development and specific programs and policy for rural tourism and agricultural development. Mobilizing available resources with local participation in a capability approach, new innovation in agricultural and tourism activities



could be achieved. In this way, one can realize the synergistic effects in tourism and agriculture. As a result, living standard of rural people could be increased and which can be observed through improvement in rural welfare, quality of life and livelihoods. If these are fully utilized in Bhaktapur, it can be a pilot district for synergism of rural tourism and agricultural development in other districts in Nepal.

Fig.3: Distribution of agricultural crops in Bhaktapur in 2008 (MOAC, 2010).

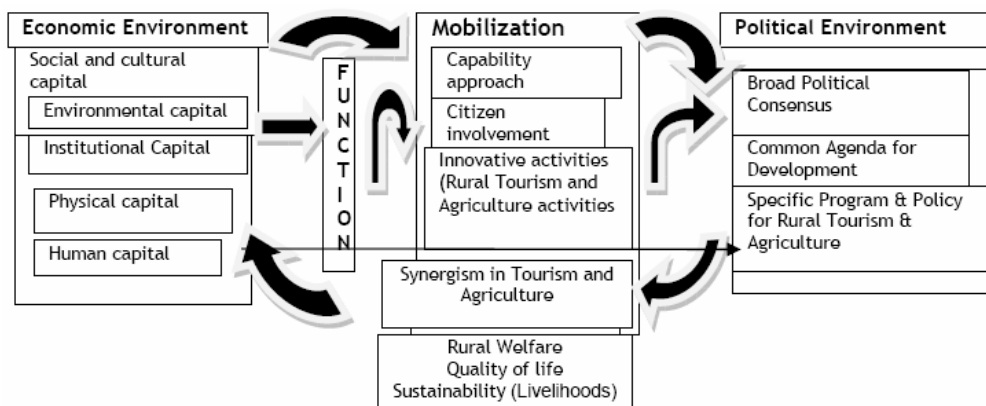


Fig.4: Synergism Model for rural tourism and agricultural development in Bhaktapur (Adopted and modified from Jean, 2003)

METHODOLOGY

The study used both primary and secondary data. Required primary data was collected from direct personal interview with tourists and local people including farmers and businessman. Likewise, participatory rural appraisal (PRA), key informant survey (KIS) were also conducted with local leaders and Bhaktapur Tourism Development Committee (BTDC). In addition, secondary information was collected from Government and Non-Government organizations, such as District Development Committee, Bhaktapur; Tourism Development Board, Central Bureau of Statistics, Ministry of Agriculture and Cooperatives, etc.

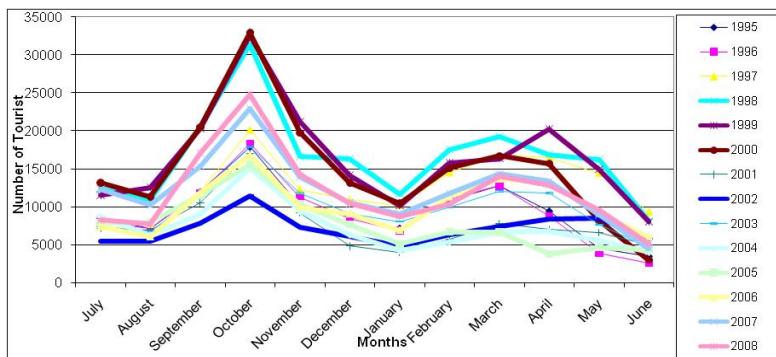
The survey was conducted with 30 respondents (20 tourists and 10 local People), key informants interviewed from different stakeholders and data analyzed using qualitative and descriptive methods.

RESULT AND DISCUSSION

Bhaktapur is becoming an attractive point for tourism in Nepal. Fig.5 backs this statement up by showing that on a monthly basis; September to November is the main tourist arrival season followed by March to May. During 1995 to 2008, the year 1998, 1999 and 2000 have the largest numbers of arrivals followed by 2007 and 2008. In this regard, Table 2 described the role of foreign exchange earning in different sectors of the economy from 1997 to 2009. It is known that tourism contributed significant contribution of total foreign exchange earnings and GDP. This indicates that the tourism sector has one of the greatest potentials for growth in the economy of Bhaktapur as well as all over the country in recent years. The decreasing number of tourists during 2001- 2003 was due to the political instability and the insurgency during that period.

Bhaktapur has the multifaceted potential to develop attractive and sustainable tourism. Table 3 further outlines the details of sustainable agro-tourism and other activities in Bhaktapur, which shows the importance of agro-tourism in recent years. Agro-tourism, greenery tourism, rural tourism, cultural activities and diversified agro-based products with 8% and 12% respectively; are the prime activities for sustainable agro-tourism. The potential of tourism in Bhaktapur can further be increased by organizing additional events, such as the product diversified like in agro-tourism, development of good hotel, development of an attractive night life and home stay activities, which accounts 10%, 7.5%, 5.5% and 4.5%, respectively. Preservation and promotion of the local unique culture of Bhaktapur can be realized through the arrangement of regular local cultural events and the

creation of destination tours, such as Newari Trails, by expanding mutual cooperation among all concerned stakeholders, including domestic tour groups and the media (Field



survey, 2009 and MOTCA, 2008). In addition to all these things, improving the feeling of greater safety and security for all tourists would be the most important matter for tourist flow in all over the country.

Fig.5: Total tourist arrivals in Bhaktapur (BTDC, 2009)

Responses of local residence	%
Agro tourism, greenery tourism, rural tourism	8.0
Organic spices grown from Bhaktapur	7.5
Organic chiura grown from Bhaktapur	7.5
Organic solar dried lapsi and Local Yoghurt	7.5
Special homemade jams without chemicals	6.5
Honey from the surroundings rural areas	6.5
Agro-site can be developed for demonstration	6.5
Cultural program in Bhaktapur	12.0
Product diversification like agro based tourism	10.0
Participation of local people in planning	8.0
Development of good hotel accommodation	7.5
Development of attractive night life activities	5.5
Development of home stay activities	4.5
Promotion of domestic products	2.5
Total	100

Source: Field Survey, 2009.

Strategic planning along with the Nepal Tourism Board (NTB) for its short term, medium term and long term plans for the sustainable agro-tourism development of Bhaktapur can be realized through ownership, integrating tourism into the school curriculum, and recruiting local people and making them aware of visitors' behaviors and dynamics. However, the minimum infrastructure base required for quality services has yet to be developed. Establishment of public toilets and sanitation, information centers for tourism and culture, trained tourist counter staff, waste management, control of haphazard hawkers and street

vendors, and cultured local guides are some of the short term planning matters (EPC, 1993). Some of the long term matters, such as developing an all weather comprehensive road network, development of good hotel accommodations, and product diversification for agro-based tourism networks are to be realized with constructive and active participation of local people (People's Review, 2001). According to our field survey (2009) regarding the potential of sustainable agriculture-tourism linkages, more than 70% of respondent said there is a high possibility of developing religious activities/products and agro-based tourism products, while, 50 to 60% of respondents explored the other potential activities, such as national and international workshops/conferences, sports and health club activities. Likewise, respondents suggested improvements in the tourism industry in Bhaktapur, such as providing quality services to tourists (23%), developing orientation programs for the hosts (20%), creating interactive programs with tourists (17%) and regarding guests as gods (10%).

CONCLUSION

In Nepal, tourism and agriculture are the two major elements of its socio-economic development, acting as revenue generating industries with multiplier effects on the economy and contributing heavily to GDP with significant employment and rural income generation. Among the mid-hill districts of Nepal, Bhaktapur distinctly maintains both of the two major contributing sectors of the economy, agriculture and tourism. Both of these sectors serve to enhance gender equality, women participation in decision making, and benefits for the socio-economic development of Nepal in general and Bhaktapur in particular, depends heavily on harnessing the potentials of tourism, handicrafts, and high-value low-volume agricultural products and human resources. Given the long awaited Nepalese people's desire for a nation building process, tourism and agriculture are crucial sectors of the Nepalese economy with competitive and comparative advantages, and which enhance each other's performance.

Bhaktapur, the city of devotees, is an ancient and historic region, but is also an agro-eco tourist destination spot in Nepal. It maintains the tradition of craftsmanship and an indigenously unique culture that is famous for pottery, weaving, and handicrafts, but is also known for its unique agricultural techniques. Likewise, the Bhaktapur district has the high potential to interlink tourism, agriculture for its socio-cultural development using various native resources. Newly introduced activities to improve the tourist environment in Bhaktapur are night and food festivals, Bhaktapur Festival 1997 and the UNESCO Conference. Bhaktapur has already been included in the list of UNESCO World Heritage Sites (since 1979); thus protection and renovation of ancient and artistic monuments are the responsibility of world heritage. For the sustainable tourism and agro-eco tourism development of Bhaktapur, umbrella policy guidelines accompanied with national laws must be formulated and implemented by considering and focusing on collaborative governance, regional governance and environmental governance, and focusing on enhancing community based management. Hence, the following recommendations should be considered for further development: (1) declare the Bhaktapur as a cultural heritage district with mandatory allocation of a certain percentage of tourist revenue for agro-tourism development, (2) develop a mechanism to establish good coordination and benefit sharing amongst all the tourism entrepreneurs and farm households, (3) develop an environment for equal opportunity for the poor and marginalized communities and diversify tourism products and services into the rural areas, (4) create employment opportunities through local craft, home-stays, local guides, thanka, and cultural programs and (5) explain and demonstrate the multiplier effect of tourism and agriculture among the stakeholders and community.

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