

# Tourism Governance and the Policy-Implementation Gap in Nepal: A Comparative Analysis of Institutional Failure

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## Abstract

Despite Nepal having rich cultural and natural tourism assets and the existence of well-formulated national policies, the sector continues to underperform in terms of sustainability, inclusivity, and governance effectiveness. This paper critically examines why strong tourism policies in Nepal fail to translate into effective implementation outcomes. Drawing on governance theory, sustainable tourism frameworks, and cultural commodification theory, the study conceptualizes the Nepal tourism system as a fragmented governance structure characterized by weak institutional coordination, limited accountability, and a persistent policy–implementation gap. The paper further integrates comparative insights from Bhutan, Costa Rica, and the Maldives to demonstrate how governance quality, institutional coherence, and sustainability-oriented policy enforcement shape tourism success. The findings suggest that the Nepal tourism challenge is not a policy deficiency but a governance failure embedded in institutional fragmentation and weak implementation mechanisms. The study contributes to tourism governance literature by developing a multi-level implementation failure framework applicable to developing-country tourism systems. Through systematic comparison with Bhutan's regulatory model, Costa Rica's certification system, and the Maldives' PPP framework, the analysis identifies specific transferable governance instruments that could operationalize Nepal's existing policy provisions.

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**Keywords:** Tourism governance, Nepal, policy implementation gap, sustainable tourism, cultural commodification,

## **Introduction**

Tourism has become one of the most significant development strategies in many developing countries, particularly those endowed with rich cultural heritage and ecological diversity. Globally, tourism contributes approximately 10% of global GDP and one in every ten jobs, highlighting its importance as a driver of inclusive economic growth and regional development (World Tourism Organization, 2018). In this context, Nepal is a highly relevant case in which tourism is not only an economic sector but also a symbolic expression of national identity, cultural diversity, and environmental richness.

Nepal tourism industry is strongly supported by its unique Himalayan geography, biodiversity hotspots, and centuries-old cultural heritage. From the world's highest peak, Mount Everest, to UNESCO-listed cultural sites in the Kathmandu Valley, Nepal offers a highly diversified tourism portfolio. These assets provide a strong comparative advantage in global tourism markets and position the country as a high-potential destination for adventure, cultural, and eco-tourism. However, despite this natural and cultural endowment, Nepal has not been able to fully translate its tourism potential into sustained structural transformation.

Over the past decades, the Government of Nepal has introduced multiple policy frameworks to guide tourism development. Key among them are the Tourism Policy 2009 and the Tourism Vision 2020, both of which emphasize sustainable tourism development, rural inclusion, private sector participation, and cultural preservation. The Tourism Policy 2009, in particular, marked a shift toward inclusive and sustainability-oriented tourism, promoting rural tourism, diversification, and environmental conservation. These policy directions are broadly aligned with international sustainability principles advocated by the World Tourism Organization, which defines sustainable tourism as tourism that takes full account of its present and future economic, social, and environmental impacts while addressing the needs of visitors, the industry, the environment, and host communities. Despite this alignment, Nepal's tourism sector continues to face persistent structural inefficiencies, including uneven infrastructure development, weak institutional coordination, and limited capacity for policy implementation, which have constrained the sector's overall growth and effectiveness (Upadhyaya, 2019).

Empirical evidence suggests that tourism in Nepal remains highly concentrated in a few destinations such as Kathmandu, Pokhara, Chitwan, Lumbini, and major trekking corridors, while vast potential regions remain underdeveloped. This spatial imbalance reflects deeper governance and planning deficiencies rather than resource limitations. Furthermore, Nepal's tourism growth has been periodically disrupted by political instability, including

frequent government changes, which have weakened policy continuity and long-term strategic execution (World Bank, 2017). Such instability directly affects investor confidence, infrastructure development, and institutional performance in the tourism sector.

A further critical dimension of Nepal's tourism development is the increasing commercialization of culture. While cultural heritage is a core attraction, there is growing concern that traditions, rituals, and festivals are being transformed into tourism commodities. This aligns with the concept of "staged authenticity" introduced by tourism sociologist Dean MacCannell (1976), who argues that tourism often reconstructs cultural practices to meet tourist expectations rather than reflecting genuine social meaning. Similarly, Pierre Bourdieu (1984) conceptualizes culture as "cultural capital," which can be economically utilized but risks distortion when excessively commodified. In Nepal, this tension between cultural preservation and commercial exploitation is becoming increasingly visible in heritage cities and rural tourism destinations.

Against this backdrop, Nepal's tourism sector presents a fundamental governance paradox: despite strong policy frameworks and significant resource endowments, the sector continues to underperform. This raises an important analytical question: why do well-formulated tourism policies fail to achieve effective implementation outcomes in Nepal? Rather than attributing this issue to technical inefficiency alone, this study conceptualizes it as a deeper governance challenge rooted in institutional fragmentation, weak accountability systems, and fragmented intergovernmental coordination.

This paper contributes to existing tourism governance literature in three key ways. First, it develops a governance-based analytical explanation of tourism implementation failure in developing countries, with Nepal as a case study. Second, it integrates cultural commodification theory into tourism governance analysis to better understand the socio-cultural implications of tourism development. Third, it provides comparative insights from international cases such as Bhutan, Costa Rica, and the Maldives, which demonstrate alternative governance models that successfully integrate sustainability, regulation, and institutional coordination in tourism development.

In doing so, the study positions Nepal not as an isolated case of underperformance, but as a broader example of how governance structures shape development outcomes in resource-rich but institutionally constrained environments. This analytical framing allows for a more comprehensive understanding of tourism governance beyond policy formulation, emphasizing the importance of implementation capacity, institutional coherence, and socio-cultural sensitivity in achieving sustainable tourism development.

## **Literature Review**

### **Tourism Governance and Institutional Failure**

Tourism governance literature emphasizes that development outcomes depend on institutional capacity, coordination mechanisms, and accountability systems rather than policy design alone (World Bank, 2017). Weak governance structures often result in implementation gaps, especially in developing economies where institutional fragmentation is common. In federalized systems like Nepal, overlapping mandates between levels of government further complicate implementation, leading to inefficiency and policy dilution.

### **Sustainable Tourism Development**

Sustainable tourism, as defined by the World Tourism Organization, requires balancing economic growth with environmental integrity and socio-cultural preservation. The UNWTO conceptualizes sustainable tourism as tourism that takes full account of its economic, social, and environmental impacts while addressing the needs of visitors, the industry, and host communities. However, in many developing countries, sustainability remains a normative goal rather than an operational reality, with a persistent gap between policy intentions and practical implementation. Nepal reflects this disconnect, where tourism growth often prioritizes economic expansion, resulting in environmental degradation, unequal benefit distribution, and risks to cultural heritage (Bhattarai, 2025).

### **Cultural Commodification and Authenticity**

Cultural commodification is a central issue in tourism studies. Dean MacCannell (1976) introduced the concept of “staged authenticity,” arguing that tourism transforms lived culture into performed experiences designed for external consumption. Similarly, Pierre Bourdieu (1984) conceptualizes culture as “cultural capital,” emphasizing its symbolic value beyond economic utility. Over-commodification risks reducing cultural practices into market-oriented performances, undermining authenticity and social meaning. In Nepal, cultural festivals, rituals, and heritage sites increasingly function as tourism commodities, raising sustainability concerns.

## **Methodology**

This study adopts a qualitative conceptual research design grounded in policy analysis and comparative case study methodology.

### **Data Sources**

- Government policy documents (Tourism Policy 2009; Tourism Vision 2020)
- Reports from international organizations (World Bank, UNWTO, UNESCO)
- Academic literature on tourism governance and cultural sociology

- Analytical Approach
- The study employs a theoretical triangulation framework combining:
- Governance theory (institutional capacity and accountability)
- Sustainable tourism theory (multi-dimensional sustainability)
- Cultural commodification theory (authenticity and symbolic value)

## **Comparative Cases**

The comparative analysis follows a "most different systems design" (Przeworski & Teune, 1970), in which cases are selected on the basis of maximal divergence across multiple contextual dimensions—geography, political system, colonial legacy, and development trajectory—yet all exhibit relatively high tourism governance performance. As Przeworski and Teune (1970) argue, if the same causal relationship holds across such dissimilar contexts, the finding is substantially more robust and generalizable than if derived from more similar cases. Bhutan, Costa Rica, and the Maldives therefore constitute an analytically valid comparative set. Their shared performance in sustainable tourism governance, despite deep contextual differences, allows the study to identify governance mechanisms that are not artifacts of local specificity but are potentially transferable to the structurally dissimilar case of Nepal.

Bhutan, Costa Rica, and Maldives are selected for comparative analysis because they represent distinct governance models of sustainable tourism development, enabling a theoretically grounded comparison. Bhutan adopts a high-value, low-impact tourism strategy, guided by the philosophy of Gross National Happiness, which prioritizes cultural preservation, environmental sustainability, and controlled tourist inflow (Rinzin, Vermeulen, & Glasbergen, 2007). In contrast, Costa Rica represents a market-oriented ecotourism model, emphasizing biodiversity conservation, certification systems such as the Certification for Sustainable Tourism (CST), and strong environmental governance (Honey, 2008; Rivera, 2002). Meanwhile, Maldives illustrates a tourism-dependent island model, where resort-based development, environmental regulation, and climate adaptation are central to governance due to its economic reliance on tourism and ecological vulnerability (Scheyvens, 2011; Shakeela & Becken, 2015).

The selection of these countries is based on a maximum variation (purposive) sampling strategy, which enables the comparison of diverse governance approaches while maintaining relevance to developing country contexts (Patton, 2002). All three cases share structural similarities with Nepal, such as reliance on natural and cultural resources and vulnerability to environmental change, yet differ significantly in institutional capacity and policy implementation. This combination enhances the analytical depth of the study and allows for the identification of transferable lessons. Other countries, such as Thailand or

Switzerland, are not included because they either reflect mass tourism models less aligned with sustainability-focused analysis or belong to developed economic contexts that are not directly comparable to Nepal governance structure (Sharpley, 2000)

## Findings

### Policy Abundance but Implementation Deficit

Nepal demonstrates a relatively strong capacity in tourism policy formulation, as reflected in frameworks such as the Tourism Policy 2009 and Tourism Vision 2020, which outline comprehensive objectives including sustainable tourism development, cultural preservation, and inclusive economic growth (Government of Nepal, 2009). These policy frameworks emphasize diversification, environmental protection, and public–private partnerships, indicating a well-articulated strategic vision for the sector. However, despite this policy abundance, actual implementation remains weak and inconsistent.

Empirical studies on tourism development in Nepal consistently highlight a **significant gap between policy formulation and implementation**, where many well-designed policies fail to achieve expected outcomes. For instance, research shows that tourism policies in Nepal have not been able to adequately address key areas of development, resulting in unbalanced sectoral growth and limited effectiveness (Upadhyay, 2019). Similarly, broader analyses of Nepal’s public policy system indicate that **implementation failure is a systemic issue**, largely driven by weak institutional capacity, lack of skilled human resources, and poor coordination mechanisms.

In the tourism sector specifically, inadequate institutional capacity and poorly structured policy frameworks have been identified as major constraints, preventing effective execution of tourism strategies (Ghimire, 2009). Furthermore, recent assessments suggest that Nepal’s tourism growth continues to be hindered by governance inefficiencies, policy inertia, and weak state facilitation, reinforcing the disconnect between policy intent and practical outcomes.

As a result, there exists a clear implementation gap in Nepal’s tourism governance, where well-articulated strategies fail to translate into measurable improvements, limiting the sector’s overall performance and long-term sustainability.

### Fragmented Governance Structure

The federal restructuring of Nepal following the promulgation of the Constitution of Nepal 2015 has significantly reshaped the governance landscape of sectors including tourism; however, it has also introduced substantial coordination challenges. Under the new system, responsibilities are distributed among federal, provincial, and local governments, often without clearly defined operational boundaries. Studies on Nepal’s federal governance

highlight that **ambiguity in laws and policies, along with unclear division of authority, has created confusion in roles and responsibilities across different tiers of government** (Devkota & Thakuri, 2026).

This institutional ambiguity has led to **overlapping mandates, duplication of administrative structures, and weak intergovernmental coordination**, which hinder effective policy implementation (Aryal, 2026). Furthermore, research indicates that federalism in Nepal is still in a transitional phase, characterized by **poor coordination mechanisms, limited technical and human capacity at subnational levels, and lack of clear accountability frameworks**, all of which contribute to inefficiencies in governance (Devkota & Thakuri, 2026).

These structural challenges often result in delays in development projects, including tourism-related initiatives, due to bureaucratic fragmentation and coordination failures among different levels of government. Consequently, instead of enhancing governance efficiency, federalization has, in practice, produced elements of **administrative fragmentation and institutional inefficiency**, limiting effective policy execution and weakening overall governance performance in Nepal (Aryal, 2026; Rai, 2024)

### **Infrastructure Concentration and Inequality**

Tourism infrastructure development in Nepal is highly uneven, with significant concentration in established destinations such as Kathmandu, Pokhara, and major trekking regions. Empirical studies show that destinations like Pokhara alone attract a disproportionately large share of visitors—nearly half of international tourists and a majority of trekkers, resulting in concentrated infrastructure investment in accommodation, transport, and tourism services (Malla, 2024) . Similarly, tourism in Nepal is heavily clustered around key hubs such as Kathmandu Valley, Annapurna, Everest, and Chitwan, where infrastructure and services are relatively well developed, while rural and emerging destinations remain significantly under-resourced.

Research further indicates that rural tourism areas in Nepal suffer from inadequate physical infrastructure, including poor road access, limited health and sanitation facilities, and weak service provision, which constrains their tourism potential (Kafle, 2022; Bajracharya & Raju, 2020, as cited in Malla, 2024). This uneven spatial distribution of infrastructure restricts the diversification of tourism products and reinforces regional disparities in tourism development. The lack of accessibility and basic services in potential destinations discourages private sector investment and limits tourist mobility beyond established hubs. Consequently, economic benefits from tourism remain concentrated in a few regions, while peripheral areas are largely excluded from tourism-driven development, thereby perpetuating structural inequalities within Nepal’s tourism sector.

## **Cultural Commodification and Identity Risk**

Cultural heritage is one of Nepal's strongest tourism assets, yet increasing commercialization has raised significant concerns regarding cultural commodification. Tourism studies widely define commodification as the process through which cultural practices, rituals, and traditions are transformed into marketable products for tourist consumption, often driven by economic motivations (Gotham, 2002). This process frequently involves the staging and modification of local customs and rituals to meet tourist expectations, thereby detaching them from their original social and spiritual meanings (Su, 2011)

In the context of Nepal, cultural performances and traditional practices are increasingly adapted as tourism products, where rituals and folk traditions are presented as entertainment to attract visitors and generate economic benefits (Gurung, 2023). Such transformations reflect a broader shift from living cultural expression to performative display, where authenticity is compromised. Scholars argue that commercialization can strip cultural practices of their original meaning, reducing them to staged spectacles or standardized experiences designed for tourists.

Over time, this process risks weakening cultural integrity and authenticity, as traditions become shaped more by market demand than by community values. The resulting standardization and commodification may lead to identity dilution, where cultural expressions are no longer embedded in their original socio-cultural contexts but are instead reconstructed for external consumption. More broadly, research on cultural heritage tourism confirms that increasing commercialization can erode authenticity and negatively affect both cultural meaning and visitor experience (Cao.etl, 2025).

## **Weak Monitoring and Evaluation Systems**

Nepal's tourism governance system is further constrained by weak monitoring and evaluation (M&E) mechanisms. Existing studies indicate that M&E remains one of the least emphasized components of development planning in Nepal, with limited use of robust performance indicators and inconsistent methodological approaches to evaluation (Sharma, 2005) . This has resulted in inadequate data generation and weak utilization of evidence in planning and policy-making processes. Furthermore, recent research on tourism and the Sustainable Development Goals (SDGs) in Nepal highlights that although sustainability principles are reflected in policies, their implementation remains limited due to weak institutional capacity and insufficient monitoring systems (Adhikari et al., 2021) .

In many cases, tourism programs are implemented without systematic tracking of outputs and outcomes, reflecting a broader governance challenge where policy implementation lacks coherence and institutional strength. The absence of independent

evaluation frameworks and limited emphasis on evidence-based assessment restrict institutional learning and adaptive policymaking. Consequently, this weak M&E structure undermines the effectiveness, accountability, and long-term sustainability of tourism governance in Nepal.

## **Discussion**

### **Theoretical Interpretation**

The findings confirm that the Nepal tourism governance failure is not rooted in policy inadequacy but in institutional dysfunction. Governance theory explains this through weak coordination and accountability structures (World Bank, 2017). The sustainable tourism framework highlights the absence of integrated environmental and socio-cultural planning, leading to uneven development outcomes. Cultural commodification theory further explains how tourism-driven cultural transformation risks undermining authenticity and social meaning.

### **Conceptual Contribution**

This study advances a multi-level tourism implementation failure framework, which identifies four interlinked dimensions:

- Policy design quality
- Institutional capacity
- Implementation mechanisms
- Cultural-infrastructure interaction
- Failure at the implementation level disrupts the entire tourism governance system.

### **Comparative Insights: Governance Models and Tourism Performance**

A cross-country comparison with Bhutan, Costa Rica, and the Maldives provides strong empirical grounding for understanding the Nepal tourism governance challenges. These cases were selected because they represent three distinct governance models, regulatory control (Bhutan), ecological governance (Costa Rica), and centralized PPP-driven efficiency (Maldives)—all of which demonstrate different pathways to tourism success. The comparison highlights that tourism performance is less dependent on resource endowment and more strongly determined by governance quality, institutional coordination, and policy implementation capacity.

## **Bhutan: High-Regulation, High-Value Tourism Model**

Bhutan operates one of the most regulated tourism systems globally under a “High Value, Low Volume” strategy. The government imposes a mandatory Sustainable Development Fee (SDF), which significantly limits mass tourism while ensuring high per-capita revenue.

- Key Policy and Institutional Features
- Strict visa regulations and a controlled entry system
- Minimum daily expenditure requirement for tourists
- Centralized tourism governance under state authority
- Strong integration of cultural preservation into tourism policy
- Performance Indicators (Approximate Pre-Pandemic Trends)
- Tourist arrivals: 300,000–315,000 annually (pre-COVID average)
- Tourism contribution to GDP: 7–9%
- High per-tourist revenue compared to regional averages
- Low environmental pressure due to controlled volume

### **Governance Insight**

Bhutan demonstrates that regulatory strength can compensate for limited infrastructure scale. The state directly controls tourism volume, ensuring cultural integrity and environmental sustainability. Unlike Nepal, implementation is simplified because governance authority is centralized and policy enforcement is strict and consistent.

Relevance to Nepal: Nepal could adopt a selective regulation model in fragile cultural and ecological zones (e.g., heritage cities, trekking routes), ensuring sustainability without fully restricting tourism flow.

## **Costa Rica: Institutionalized Ecotourism Governance Model**

Costa Rica is globally recognized for integrating environmental governance into tourism development. Its tourism strategy is closely aligned with national conservation policy, making it a leading ecotourism destination.

- Key Policy and Institutional Features
- Over 25% of the national territory is under protected area systems
- Certification for Sustainable Tourism (CST) program for businesses
- Strong alignment between the environmental ministry and tourism board
- Decentralized but coordinated governance structure
- Performance Indicators (Recent Pre-COVID Estimates)
- Tourist arrivals: 3.1–3.2 million annually
- Tourism contribution to GDP: 8–9%

- One of the highest biodiversity-based tourism revenues globally
- High proportion of eco-certified tourism enterprises

### **Governance Insight**

Costa Rica’s success lies in institutional integration between environmental conservation and tourism policy. Unlike Nepal, where tourism and environmental governance often operate separately, Costa Rica ensures policy coherence across sectors. The country also uses performance certification systems, which function as indirect monitoring tools for sustainability compliance.

Relevance to Nepal: Nepal can adopt a similar certification-based sustainability framework for hotels, trekking agencies, and community tourism projects, linking market access with environmental compliance.

### **5.3.3 Maldives: Centralized Coordination and PPP-Driven Tourism Efficiency**

The Maldives represents a highly efficient, centralized tourism governance model built around tourism islands and strong public–private partnerships (PPP).

#### **Key Policy and Institutional Features**

Centralized tourism planning authority

Strong PPP model for resort development

Island-based tourism zoning system

Clear branding strategy as a luxury tourism destination

#### **Performance Indicators**

Tourist arrivals: 1.6–1.8 million annually

Tourism contribution to GDP: 25–30% (dominant sector)

High revenue per tourist (luxury market positioning)

High foreign investment inflows in tourism infrastructure

### **Governance Insight**

The Maldives demonstrates that institutional coordination and investment efficiency can outweigh geographic limitations. Despite its small land area, it has achieved high tourism competitiveness due to:

streamlined approval processes

strong investor confidence

centralized decision-making

Relevance to Nepal: Nepal can improve tourism infrastructure development by strengthening PPP frameworks, reducing bureaucratic delays, and creating “investment-ready tourism corridors.”

## Cross-Country Synthesis: Governance vs Resource Availability

The comparative evidence from Bhutan, Costa Rica, and the Maldives clearly demonstrates that tourism success is not determined by natural resource abundance but by governance architecture.

Country	Governance Model	Key Strength	Outcome
Bhutan	Regulatory control	Cultural preservation + controlled volume	High-value sustainable tourism
Costa Rica	Ecological governance	Integration of environment & tourism	Global ecotourism leadership
Maldives	Centralized PPP model	Investment efficiency & branding	High GDP dependency on tourism
Nepal	Fragmented governance	Policy abundance but weak implementation	Underperformance despite high potential

### Key Analytical Insight for Nepal

The comparative analysis of Bhutan, Costa Rica, and the Maldives reveals three key insights for Nepal’s tourism governance. First, governance structure matters more than resource endowment, as countries with fewer natural assets outperform Nepal due to stronger institutional coordination and clearer regulatory systems. Second, policy coherence and implementation capacity are decisive, since successful cases show strong alignment between policy design and execution, unlike Nepal where a persistent policy–implementation gap weakens outcomes. Third, effective monitoring and enforcement systems are institutionalized elsewhere—Bhutan uses strict regulatory control, Costa Rica applies certification-based sustainability mechanisms, and the Maldives relies on centralized coordination and strong PPP frameworks—whereas Nepal lacks a robust, integrated enforcement system, leading to weak accountability and inconsistent tourism development outcomes.

### Implication for the Nepal Tourism Reform

The comparative evidence from Bhutan, Costa Rica, and the Maldives suggests that the Nepal tourism reform agenda must move beyond policy formulation toward institutional redesign and implementation strengthening. The central lesson is that tourism success is not determined by the presence of policies alone, but by how effectively governance systems regulate, coordinate, and monitor tourism development in practice (World Bank, 2017). For Nepal, this requires a shift from fragmented governance toward a more structured and evidence-based reform approach aligned with sustainable tourism principles (UNWTO, 2018).

Firstly, Nepal should consider adopting a zoned regulatory governance system for fragile cultural and ecological areas, drawing on Bhutan's "high-value, low-volume" tourism model. Bhutan's tourism system is globally recognized for its strict regulatory framework, including controlled entry and mandatory sustainable development fees, which ensure both cultural preservation and environmental protection (Rinzin, Vermeulen, & Glasbergen, 2007). In the context of Nepal, this approach is particularly relevant for ecologically sensitive trekking regions such as the Everest and Annapurna corridors, as well as culturally dense heritage zones like the Kathmandu Valley. Currently, uncontrolled tourist pressure contributes to environmental degradation, waste management challenges, and cultural commercialization (Shrestha & Shrestha, 2019). A zoning-based governance model would allow classification of tourism areas into high-protection, regulated, and open zones, ensuring carrying capacity-based tourism management consistent with sustainable tourism theory (Butler, 1999).

Secondly, Nepal needs to develop a national sustainability certification system for tourism enterprises, similar to Costa Rica's Certification for Sustainable Tourism (CST). Costa Rica's success demonstrates that sustainability can be institutionalized through market-based governance mechanisms that combine regulation with incentives (Rivera, 2002). Tourism enterprises that comply with environmental, social, and cultural standards receive certification, enhancing their market competitiveness and international recognition. In Nepal, sustainability practices remain largely voluntary and inconsistent across sectors. Hotels, trekking agencies, and tour operators often operate without standardized environmental or cultural compliance frameworks. A Nepal-specific certification system could include indicators such as waste management, energy efficiency, community benefit-sharing, and cultural sensitivity training, thereby creating a performance-based accountability mechanism within the private sector (UNWTO, 2018).

Thirdly, Nepal must strengthen public-private partnership (PPP)-based tourism infrastructure development corridors, drawing lessons from the Maldives. The Maldives has successfully implemented a centralized tourism governance model supported by strong PPP arrangements, which has enabled efficient infrastructure development and high investment inflows (Shareef & McAleer, 2005). Nepal's infrastructure development process, in contrast, is often slow and fragmented due to bureaucratic delays and overlapping institutional responsibilities. Establishing clearly defined tourism development corridors, such as Kathmandu-Pokhara, Kathmandu-Lumbini, Kathmandu-Chitwan, and Himalayan trekking belts, would streamline investment processes and improve coordination between government and private actors. PPP-based governance would also ensure alignment between infrastructure development and regional tourism planning objectives (World Bank, 2017).

Finally, Nepal must establish a centralized tourism data and monitoring system to strengthen accountability and evidence-based planning. One of the most significant

weaknesses in the Nepal tourism governance is the absence of reliable, real-time data on tourist flows, revenue distribution, environmental impacts, and service quality. Without such systems, policy evaluation remains largely symbolic rather than evidence-driven. International experience, particularly from OECD countries, demonstrates that digital governance systems significantly improve transparency, accountability, and policy responsiveness (OECD, 2019). A centralized digital tourism platform integrating immigration data, hotel records, and local government reporting would enable real-time monitoring and reduce information asymmetry among stakeholders.

In conclusion, the Nepal tourism reform requires a multi-dimensional governance transformation. The combination of zoned regulatory control, sustainability certification, PPP-driven infrastructure development corridors, and centralized data monitoring represents an integrated reform package. These mechanisms are not isolated interventions but interdependent governance tools that collectively enhance the Nepal capacity to achieve sustainable, inclusive, and competitive tourism development (UNWTO, 2018; World Bank, 2017).

The comparative analysis confirms that tourism success is fundamentally a governance outcome rather than a resource-based outcome. Countries with fewer natural advantages outperform others when institutional coordination, regulatory clarity, and implementation discipline are strong. Nepal challenge, therefore, lies not in its tourism potential but in its governance transformation capacity.

## **Conclusion**

This study argues that the Nepal tourism sector faces a structural governance failure rather than a policy deficit. Despite well-developed national tourism policies aligned with global sustainability frameworks, weak institutional coordination, fragmented governance, and limited accountability prevent effective implementation. The study contributes to tourism governance literature by demonstrating that implementation systems, not policy abundance, and determine tourism outcomes in developing countries. For Nepal, sustainable tourism transformation requires:

- Strengthened institutional coordination
- Performance-based accountability systems
- Integrated cultural and environmental governance
- Evidence-based monitoring frameworks

Only through governance reform can Nepal convert its tourism potential into sustainable and inclusive development outcomes.

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