### Tourism in the Himalayan Region of Upper Mustang, Nepal

Since the unification of modern Nepal by the Shah dynasty in 1768, there has been 75 districts which were scattered into small kingdoms. Mustang is one out of 75 districts. After the unification of Nepal by the Shah dynasty, only Mustang retained a certain degree of internal autonomy with the local King, the king of lo, still in the throne. The local King is based in Lomanthang the largest village in Mustang and is considered to the ancient capital of Mustang. Mustang is divided into two parts: upper and lower. The reason behind the demarcation of the district is not clear, but there could be several reasons for that. The primary reason could be the distinctive cultural differences which are identical to those of Tibetans. The people of Upper Mustang call themselves "Lowa". Lo- means north in Tibetan language and "Lowa" refers to the people of north in Tibet. From here on the region of Upper Mustang will be referred as "Lo". The language they speak is called "loba", which is a dialectical version of Tibetan language. The lowa people practice Tibetan Buddhism. The culture of Lower Mustang is more attuned with those of Tamang. Tamang people are considered to be the largest Tibeto-Burman ethnic group in Nepal. Majority of the people in lower Mustang are Thakalis. The region of Lower Mustang originates from the "Thak Kohla" region which are a series of valleys along the Kaligandaki river. The language thakali people speak are very similar to the tamang language, but totally different from the lowa language. The thakali people practice both Hindu and Buddhist. As aforementioned, the local King has certain degree of internal autonomy and this power is vested mostly in Upper Mustang. This could be attributed to the socio-cultural history of the origin of Upper Mustang. Apart from the distinctive culture, there seems to be legal demarcation between Upper Mustang and Lower Mustang after the inception of tourism which will be discussed later.

Upper Mustang is situated in Nepal's northern border with China which was previously Tibet. Upper Mustang, a rain shadow, falls under the region of the Tibetan Plateau and the elevation ranges from 2,800 meters to 6,500 meters. Upper Mustang is semi-arid and has extremely low rainfall with desert like climate. The temperature of Upper Mustang has been rising at a higher rate than that of other regions as well as that of the global average over the course of the last 100 years (Gentle & Maraseni, 2012). The constant wind (because of low pressure up in the plateau), low rainfall, and intense sunshine makes this part of Tran-Himalayan zone very arid, harsh, and rugged. Lo-manthang, the largest village in the Upper Mustang is considered the desert of Nepal with annual precipitation below 160mm (Ford, 2013). There are 27 villages in Upper Mustang with some as small as one household. Socio-culturally, the entire region of Lo is completely homogenous and almost identical to Tibetan culture.

The people of Upper Mustang speaks Tibetan dialects, practices Tibetan Buddhism, and often times identify themselves as "Historically from Tibet, but politically from Nepal". Before the invasion of Tibet by China in 1949-1950, Upper Mustang maintained a close relationship with Tibet politically, economically, and culturally. Upper Mustang falls along the salt trade that established a strong economic relationship. The royal family of Lo, has always maintained kin bonds with Tibet. Historically, the kings of Lo have always ventured to Tibet to find bride. The queen of Lo has to be from an aristocratic family in Tibet. For generations, monks from Lo have travelled to Tibet for religious studies. The religious leader of Lo, has to get approval from the higher religious leader in Tibet. After the invasion of Tibet, lots of Tibetan fled to India, Nepal, USA, Canada, and few other European countries. Majority of eminent religious figures are not in Tibet, but the relationship to Lo has not been hampered. Lo monks go to India to study religion where most of the religious leader refuge. The current prince of Lo, married a woman who is ethnically and genetically 100% Tibetan. Since the end of monarchy in Nepal in October 2008, the limited legal authority the King of Lo was ceased by the new democratic republic government of Nepal. However, the King of Lo still is recognized by the people of Lo and has plays significant role culturally and traditionally.

Until recently, Mustang was one of the most remote, extremely isolated, and economically impoverished district in Nepal. The total population of Mustang district, according to the census of 2010 is 14,356. The total population of Upper Mustang is listed at 5,395 which could be much higher than the actual population. The census of Nepal, specially in the rural areas, is noted for its unreliable information. The census may not have accounted for the population that shifted to southern Nepal or outside the country, which is a big portion of the population. The literacy rate of Upper Mustang is listed at 33% which is well below the national average of 54.1%. Limited livelihood options, lack of infrastructure, unfavorable geographical location, and isolation from the central government, has resulted Upper Mustang in an impoverish region.

The people of Upper Mustang subsist on only three occupations: agriculture, animal husbandry, and trans-Himalayan trade (Childs, Craig, Beall, & Basnyat, 2014). Because of low

annual rainfall, low temperature, and single growing season, the agricultural productivity is extremely low in Upper Mustang (Chetri & Gurung, 2004). In addition to the harsh environmental and unfavorable geographic conditions, there is the provisional problem of infrastructure like irrigation canals. Furthermore, there is limitation to agricultural products that can be grown. Buckwheat, barley, and wheat are the major crops with some vegetables farming like potatoes and radish. The diet of people in Upper Mustang are limited to these products. Until recently, rice was considered to be a luxury and only few rich people could afford it because rice has to be imported from the hilly region. Animal husbandry is not as sensitive as agriculture. The environmental constraints and the limited amount of land suitable for cultivation in Upper Mustang presents an opportunity for animal husbandry. People in Upper Mustang raise goats, sheeps, and yaks. There is a long tradition of trading salt, animals, and other commodities from Tibet. Majority of people, 80.62% according to the census of 2001, in Nepal practice Hindu religion. One of the major festival the Hindus of Nepal celebrate is the Dashai which is considered to be the most religiously auspicious and goes on for 15 days. Almost all the people in the hills and flat celebrate Dashai where they sacrifice animals, goats and sheeps, to the god. This presents a unique opportunity for the people of Upper Mustang to sell thousands of livestock during the festivals. However, you need human capital and a large number of livestock to be able to take advantage of this opportunity.

# **Tourism in Upper Mustang**

The region of Upper Mustang is known as "The Forbidden Kingdom" and Lomanthang, the historical capital as "The Ancient Walled City". Upper Mustang has been a very popular destination for foreigners and even more for domestic tourists. What makes the Upper Mustang region a very favorable and popular tourism destination is the exquisite landscape and its unique culture. The beautiful rugged landscape offers majestic and eyecatching views of the glorious mountains like Dhaulagiri and Annapurna, sky caves, canyons, etc. There are numerous places in Nepal and along the range of Hindu Kush Himalayan range that offers equally impressive natural scenic panorama, however, what is exclusive to Upper Mustang is the unique religion, culture, and its history associated to Tibet. Upper Mustang is now the only place where pure Tibetan culture exist today (since the invasion by China, Tibet has gone through massive cultural transformation). The 14<sup>th</sup> Dalai Lama, the spiritual and religious leader of Tibet in exile, stated that, "If you want to know what Tibet was like before the invasion of China, go to Lo". The untouched temples, monasteries, shrines, sky caves where monks used to meditate centuries ago, colorful festivals and red-robed lamas, the kingdom preserves not only the daily vernacular of Buddhist ethics, but a unique heritage of Tibetan religious art (NTC report, 2012).

Until 1992, Upper Mustang was totally isolated from the rest of the world. No foreigners were allowed to enter the region of Upper Mustang. Foreigners were allowed to enter the district of Mustang, but not beyond a certain point which was considered the defining boundary between Upper Mustang and Lower Mustang. There could several reasons why it was closed for foreigners. As aforementioned, Upper Mustang has historical and geographical links with the autonomous region of Tibet. When China invaded Tibet, a lot of Tibetans fled the country to seek refuge in the neighboring countries Nepal and India. Along with regular people, a lot of insurgents chose the route through Upper Mustang. Politically being a part of Nepal, but close enough to Tibet, Upper Mustang became a choice of camping sites for the insurgents. The insurgents camped in various location of Upper Mustang for nearly two decades with support from CIA allegedly. The rumor is that after the US president Richard Nixon visited China in 1970s, CIA withdrew its support for the Tibetan guerrilla. The government of Nepal also faced political pressure from China to take action on the Tibetan guerrilla camped and operating from Upper Mustang. Finally, in 1974, the Nepal government sent military troops to urge them to surrender and engage in a war if resisted. That was the end for the Tibetan guerrilla in Upper Mustang, however, some survivors still live as refugees in two refugee settlements in Mustang. Some people attribute the restriction of foreigners in Upper Mustang to this unique geo-political factor. Whereas, some attribute to the conservation of the fragile culture that could be under threat if it was opened to outside world.

Before 1950, Nepal as totally isolated from the external world. Agriculture was the primary source of revenue. The government of Nepal opened its door to the outside world in the form of tourism since early 1950 (Gurung & DeCourseyy, 2000). After several decades tourism industry saw a rapid growth and has been the number one industry since mid 90s. However, the beneficiaries of tourism have been limited to few concentrated urban areas and few popular rural destinations such as the Sagarmatha (Everest) region, Annapurna region, and Chitwan National

Park (Gurung & DeCoursey, 2000). After the Ranas' rule, Nepal' s politics has vastly transformed, but the restoration of democracy in 1990 has been significantly notable in the modern politics. The newly restored democratic nation placed great emphasis on the rural development since 80 percent of the country was rural. With the success of tourism unequivocally conspicuous, the use of tourism to alleviate poverty and promote rural development was obvious. This was the consequence based on the successful model of community-based mountain tourism primarily in the Annapurna region and Sagarmtha regions (Gurung & DeCoursey, 1994). The opening of previously restricted areas to outside world has become a trend in the 90s.

In March 1992, Upper Mustang, was officially open to the outside world. However, tourists interested in visiting Upper Mustang were required to obtain a permit before they could enter the region. Revenue generation was the dominant motive for opening Upper Mustang (Gurung & DeCoursey, 2000). Initially, the cost of permit was \$700 for 10 days per tourist. If the tourists are in the region beyond 10 days, they would have to pay \$70 for each additional day. Later, around 2005-2005, locals protested that the amount is too high and the number of tourists are going down. Several locals went to the unit office, took over the office, and did not let any tourist enter. Later, they decided to lower the entry fee to \$500. This permit fee is different than conservation fee which is discussed later. The total number of tourists allowed to visit was set to 200 tourists per year. Realizing the increasing demand of tourists, the number was increased to visit increased to 1000. At present, there is no limit to the number of tourists that can visit Upper Mustang. It is not known when the number of tourists per year was increased to unlimited number.

Annapurna Conservation Area Project (ACAP) a branch of King Mahendra Trust for Nature Conservation (KMTNC) which later became National Trust for Nature Conservation (NTNC) after the end of monarchy in Nepal. NTNC was first established in 1982 by a legislative act as an autonomous and non-profit organization mandated to work in the field of nature conservation in Nepal. NTNC has three conservation area projects: Manasalu Conservation Area Project (MCAP), Gaurishankhar Conservation Area Project (GCAP) and ACAP. When ACAP was first launched in 1986, it became the largest undertaking of NTNC and the first conservation and protected areas in Nepal. Annapurana Conservation Area (ACA) claims to be the first protected areas that allow residents to own private property and live within the boundaries while maintaining their traditional rights and access to the use of natural resources. In addition, ACA further claims to be the first protected area to refrain the use of army assistance to protect the dwindling natural resources. To operate ACAP, NTNC does not receive any financial assistance from the government of Nepal, but ACAP reserve the rights to conservation fee in the region of their operation which is their main source of revenue. It should be noted that, the \$500 from each tourist is not entry fee ACAP collects. The revenue generated from Upper Mustang goes to the department of immigration. The fee that ACAP collects is more like a conservation area fee which is about \$50. All the tourists entering Mustang district has to pay that, but only tourists visiting Upper Mustang has to pay additional \$500 per day in addition to the conservation fee. ACAP also depends on national and international donors to raise additional funds. ACAP has seven conservation unit offices to manage ACA effectively. One of the unit is located in Lomanthang, Upper Mustang. Upper Mustang came under the jurisdiction of ACA in 1992. While the primary focus of ACAP has been poverty alleviation and integrated agricultural development in other regions, its primary focus in Upper Mustang has been the management of controlled tourism and to promote heritage conservation which is the major tourist attraction.

With the success of tourism in the Upper Mustang region, the primary goal of ACAP with the implementation of sustainable tourism was to: 1) to maintain the constant flow of tourists, 2) to minimize tourist' s impact on the environment and culture, and 3) develop local tourism-based enterprise. Realizing the importance of local participation ACAP develop various local groups like local development committees and Ama Samuha (mother' s group) in different villages. These groups have limited authorities when it comes to decision making, but those are limited to their village. For instance, the Ama Samuha of Lo-manthang banned gambling in the village of Lomanthang and they mandate a monetary fine if anyone is found to gamble. ACAP set the following rules for tourists in Upper Mustang:

- You have to obtain entry permit from the department of immigration in Kathmandu. The permit fee is \$500/person for the period of 10 days.
- You need to be accompanied by a licensed guide at all times once you enter Upper Mustang.
- 3) The minimum number of tourist is two excluding the guide.

- 4) You have to check in at the check post and show your permit and a valid identification that matches with the information in the permit.
- 5) You cannot light campfire.
- 6) Bring everything back you take. This is referring to the waste.
- 7) Do not disturb, hurt, or remove wildlife or plants.

In addition to these rules, ACAP has some advice for the tourists which they call codes of conduct. These are considered informal norms and they are below:

- Choose lodges/hotels that uses alternatives to wood for cooking. To save fuel, order the same meal for all the members of your group.
- 2) Use safe drinking water or purify yourself instead of buying bottled water.
- Use toilets wherever possible. In the wild, stay at least 150 meters away from water sources and bury your waste.
- 4) Do not buy items made from wildlife products.
- Adopt local custom wherever and whenever possible. Try to speak Nepali or local language to the best of your ability. Save caress for private moments.
- Respect privacy: ask for permission before taking pictures of people or religious sites.
- 7) Ask for permission before entering houses uninvited.
- 8) Leave antiques where they belong.
- 9) Discourage begging and encourage fair dealing.

Since March 1992 when Upper Mustang was first opened to the outside world, Upper Mustang has been a very popular destination for foreign tourists and domestic tourists alike. One the one hand, the industry, while still at a nascent stage, has alleviated household economic stress through diversification of livelihood options. On the other hand, it is also attributed to rapid socio-cultural change, stress to the environment, and vehemently threatened the rich and unique, but fragile culture. Several scholars have attributed these negative impacts to lack of planning, ad hoc approach, isolation from the central government, weak and duplicitous regulation, unclear jurisdiction, and so on (Shackley, 1994,1995,1996; Banskota & Sharma, 1998; Gurung & DeCoursey, 2000; Nepal, 2000, and Heredge, 2003). Regardless of the reasons, rapid growth in tourism have resulted in negative socio-cultural, economic injustice, environmental consequences, and institutional ramifications which are overlooked, undermined, or blinded by

the instant cash economy. Despite the presence of ACAP, there are lot of questions on who is in charge. These are all the criticisms to the role of ACAP.



## Fig 1. Number of tourists visit in Upper Mustang

Number of Tourists Visit by Year in Upper Mustang

From the fig 1, it is clear that the number of tourists increase exponentially after 2007 even though Upper Mustang was open to outside world in 1992. There could be several reasons for this trajectory. First, before 1992, Upper Mustang was unknown to world. Tourists around the world are not aware of the existence of this place. Until early 2000s, the slow increase in the number of tourists could be attributed to lack of advertisement and promotions. Between 2000 and 2007, two major reasons for the slow increase in number of tourists could be attributed to the political turmoil that Nepal went through. The country was under civil war or popularly known as the Maoist Conflict from 1996-2006. The only two places that Maoist did not infiltrate was Mustang and Kathmandu, the capital of Nepal. However, there is only one international airport in Nepal and that is situated in Kathmandu. If an individual wanted to visit Mustang, he/she should go through Kathmandu and several other Maoist occupied districts which may be dangerous. During that time, several countries including USA listed Nepal in a black list and advised not to travel to Nepal for security reasons. And also, infrastructure wise, it is difficult to reach Mustang because of lack of accessible roads. In 2006-2008, the civil war ended and Nepal

was no longer a dangerous country for tourists. Also, the development of motor road started around that time which made the travel of tourists more convenient. The tourism industry has since boomed once the motor road reached Mustang district in 2007-2008 and the stability of peace in the country. However, in 2015, Nepal was hit by a massive earthquake of magnitude 7.8 which resulted in massive destruction of infrastructure throughout the country. Consequently, the number of tourists to visit Mustang and Nepal decreased, but started increasing after that.

#### The problems of commons and tourism

Farrell & Twinning-Ward (2004) argues that there is a need for the transition of tourism studies after acknowledging the myriad of criticisms. In the field of tourism system, the traditional research approach has been linear, reductionist, and mechanistic with an assumption that the interactions and behavior of variables can be monitored and the outcomes can be predicted with simplified models (Baggio, 2008 and Baggio & Sainaghi, 2011). Consequently, the conventional research paradigm applied in the study of tourism is inadequate and the inability of mechanistic, simplified, and reductionist science lead to what is inherently unstable tourism system (Faulkner & Russell, 1997). Several scholars have defined the characteristics of complex adaptive system as nonlinear, integrative, unpredictable, self-organizing, and constantly evolving (Farrell & Twinning-Ward, 2004; Lansing, 2003; Baggio, 2008; and Gell-Mann, 1994). Farrell and Twinning-Ward argues that tourism system possesses the characteristics of complex adaptive system and should be approached as such. They first coined the term complex adaptive tourism system (CATS). There was consensus among various scholars that complex adaptive systems should be advanced by involving and expanding tourism study to increased interdisciplinary and transdisciplinary studies (Baggio, 2008, Knight, Mitchell and Wall 1997) followed by the investigation of appropriate application from the other fields of tourism.

Apart from the shortcoming of complexity theory and the lack of interdisciplinary in tourism studies, approaching tourism from a commons perspective has the potential to contribute to comprehensiveness of tourism literature. One of the primary reason why tourism system has proven difficult to manage is because tourism is subjected to the "tragedy of the commons" (Healy, 1994). Since the release of Garret Hardin's "tragedy of commons" (1968), the literature on common pool resources(CPR) has grown tremendously, but their use and application in managing and studying tourism is a rarity (Healy, 1994; Healy, 2006; and Moore & Rodger,

2010). Healy (1994) was the first to identify the problems of commons in tourism sector. According to Ostrom (1990:30), CPR refers to, "natural or man-made resource system that is sufficiently large as to make it costly, although not impossible, to exclude potential beneficiaries from obtaining benefits from its use". In another word, the primary characteristics of common pool resources are non-exclusivity and rivalry. If the resource is CPR, an individual cannot be excluded from using the resources (non-exclusivity) and the consumption by one individual reduces the amount available for other consumers (rivalry).

The most important attributes of tourism system are similar to that of common-pool resources because they are non-excludable and rivalry (Healy, 1994; Briassouli, 2002; Healy, 2006, and Moore & Rodger, 2010). Briassouli take a more holistic approach in identifying the resources in tourism and the diverse group of users for various purposes. Tourism resources and their uses are categorized as the resources used by tourists in common with other tourists, and the resources used by tourists and locals (Briassouli, 2002). Acknowledging the limitation of Healy's analysis as being restricted to highly developed tourism landscape and concerned with tourists only, Briassouli points out Healy fails to account for the entire array of locals and other outsider users.

Healy (1994), in the context of tourism landscape, identifies two major classic problems of the commons that tourism is subjected to. First, is that of nonexcludiability which leads to overuse of the resources. The overuse of resources results in the congestion externalities and damage to the resources. Second, is the problem of free-rider because users have no incentives to contribute in investing for the maintenance of quality of resources as they can enjoy the benefits without contributing. Briassouli argues that tourism literature, in general, and Healy fails to account for the impacts of local on resources before and after tourism, the impacts on non-tourism activities, and the heterogeneity of the system. Briassouli, furthermore, points out that tourism areas have experienced rapid sociocultural changes endangering the socio-cultural wellbeing of the host destination. This is a classic example of social justice issues where the powerless and poor locals ultimately become the losers. The tourism system of Upper Mustang is subjected to all these aforementioned problems particularly because the landscape (natural) and culture (man-made) are the primary reasons tourists come to Upper Mustang.

Identifying tourism resources as the commons and the application of alternate institutional arrangements is crucial in the management of tourism resources (Healy, 1994).

Healy, citing Berkes (1989), suggests that the problems of commons can be mitigated by the application of various property rights regimes. Healy (2006) demonstrated how the Canadian side of Niagara Falls exhibited the classic characteristics of a poorly managed unregulated commons before the creation of the Niagara Parks Commission. Moore & Rodger (2010), after studying wildlife tourism, specifically whale shark tourism, from a commons perspective in Ningaloo Marine Park, Australia explored the possibility of wildlife tourism being a CPR issue and highlighted the importance of institutional arrangements in the management. Moore & Rodger made an important clarification that even though it is convenient to assume the tragedy of commons is inapplicable for protected areas because they are expected to be well managed, but that is not the case. Protected areas are not immune to management problems and conceivably exhibit kinds of problems that are unique to protected areas. All the scholars aforementioned are in consensus that further research is needed to enhance the applicability of commons perspective in tourism.

### Tourism as Commons in Upper Mustang, Nepal

As aforementioned, the most important attribute of tourism as commons is because tourism resources are non-excludability and rivalry. In case of Upper Mustang, the problem as a result of the exponential growth in tourism is the problem of unique over-appropriation (degradation of natural systems, cultural values, and economic implications), provision of soft (norms, rules, and regulations) and hard (roads, trekking routes, hotels etc.) human-made infrastructure, and monitoring sanctions associated with tourism in this particular region of Upper Mustang.

Initially, the livelihood options were limited to agriculture, animal husbandry, and petty trade. With the boom in tourism industry, people of Upper Mustang have diverse range of livelihood options. Over the last decade, the number of tourism-oriented businesses in Upper Mustang has increased exponentially. Now, you can see several hotels, coffee shops, and gift shops in villages that did not have any just few years ago. Even more hotels, shops, restaurants are under construction. The population of Upper Mustang is already low and the local people do not have the human capital to meet the demand. Hence, a lot of people from southern Nepal are migrating to Upper Mustang for work, mostly construction work. In some villages, there are more non-natives than natives. With the increase in tourism, there increase in number of

workers. This influx of tourists and labors have caused stress to the resources of Upper Mustang, primarily water resources. There is scarcity of water because there are more users now. In addition, there is problem of pollution. Traditionally, there were no bathrooms and toilets did not require water. Today, every other new house has multiple rooms with attach bathrooms and modern toilets. This causes shortage of water. However, it is also a problem of provision. There are water sources, but not infrastructure to bring those water into the villages. Before tourism, Upper Mustang barely seen waste, because every wasted would be recycled or decomposed. Today the waste is indecomposable, there is no recycling plant or proper waste management facilities, and hence, the villages are polluted with plastic bags, water bottles, and metals.

With the construction of roads, the trekking trails are congested with off-road jeeps, tractors, and motor bikes. Apart from the pollution and diminishing the natural beauty, it disturbs the tourists who payed hundreds of dollars to trek in peace. Especially during the tourist season, there are not enough hotels to accommodate the tourist traffic. Tourist traffic, pollution, modernization, influx of dusty vehicles, and overflow of migrants have depreciated the value of majestic Upper Mustang. In addition, there have been problem of conflicts among locals regarding businesses. With a lot of tourism-oriented business, local have to compete for customers and often times they get into conflict. Recently, with the growth of tourism industry, blinded by instant cash economy, the cut throat competition for tourism-oriented has diminished the social fabric of Upper Mustang for which they were known for which they were popularly known all across the country.

Contrary to the expectation that tourism contributes to the economic positively, it has created a vast gap between the people of different socio-economic status since the beneficiaries are limited to few. It is important to note here that out of 27 villages in Upper Mustang, only few are situation along the trekking route. Most of the villages are either at distant from the route or they are not located where tourists are likely to stop for refreshments or stay. These villages benefit the least or do not benefit at all. The few villages that are located on the trekking route where tourists stop for refreshments or spend the nights are the ones that benefit directly from tourism. Even within those villages, some business benefit more than others. Usually people who are higher on the socio-economic status, are the few beneficiaries. The social capital of these few beneficiaries are the result of their wealth. These people are few in numbers, but they collectively own more businesses and have influence on the local governance. For instance, in the village of Lo-manthang, this person who is the vice-mayor is very affluent, he owns two hotels, several jeeps to transport tourists and supplies, tractors and a bulldozer for construction works.

In addition to over-appropriation and provision problems, there is critical problem of monitoring. ACAP does not have enough resources to monitor tourism activities. There is only one check post in Upper Mustang where tourists can check in and validate their permit. There are several incidents reported where the tourists were travelling without permit. It is easy to avoid the check post. Once the tourists are beyond the check post, there is no monitoring of any tourist activities. Lack of monitoring is a problem that has not been acknowledged. A news article reported that authorities have reported that thieves have plundered tens of thousands of Nepalese antiquities that are worth millions of dollars since 1980s. A lot of these antiques are from Upper Mustang. There are rules to which tourists are expected to abide by, however, because of lack of monitoring incentivizes tourists, they once in a while are caught breaking rules. If a tourist is caught without a permit, that tourist is taken to the police station. Once, the tourist is taken to police station, he/she will be mandated to pay the permit fee which is the same amount as regular fee. There is no additional sanction. In addition to the monitoring problem, there is the problem of graduated sanctions as well.

Tourism definitely has lot of positive impacts, but there are negative impacts as well. The negative impacts are amplified when tourism is not managed properly. Tourism is a promising industry for the region of Upper Mustang if properly managed. Currently, the existing tourism system is at the risk of imposing more cost than benefits. The institutional arrangements are feeble, not effective, and limited. To enjoy the fruition of tourism for a long time while maintaining the natural beauty of majestic landscape and unique culture, the problem of over-appropriation, provision, and monitoring should be addressed.

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