

Tourism as a Catalyst for Poverty Reduction in Nepal

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Abstract

This research entitled tourism and poverty reduction with prospects of tourism in poverty reduction traces the tourism statistics of Nepal. This study is based on secondary data that has revealed huge prospects of tourism in poverty reduction of Nepal. This research has employed descriptive qualitative method. This research has explained the prospects of tourism and its contribution in poverty reduction. This research has found that tourism in Nepal has huge prospects and is in rising trend. In the whole spectrum of tourism, Nepal is making huge progress to attract number of tourists with significant increase in tourists' arrivals from different countries with slight increase in length of stay. The highest tourists' numbers are from India. From overseas foreign countries, American nationals are the highest in percentage i.e. 9.89 and followed by British 5.21 percentage in second position. Nepal's tourism industry is flourishing with increased high income of the nation after the Pandemic- 19. The current tourism is revitalizing its situation with improved condition and facilities making remarkable growth rate 65.05 percentages in the history of tourism of Nepal. The increase in tourists' number would work as a catalyst in poverty reduction with effective growth in the economic sectors of the nation.

Keywords: Community development, economic growth, poverty, tourism

Introduction

Tourism is such a phenomenon that an individual leaves his/her home for at least twenty-four hours with the aim of pleasure the leisure time outside of the home environment. WTO (1993) defines tourism as Traveling and lodging in locations outside of one's normal surroundings for a maximum of one year in a row for leisure, business, or other reasons is referred to as tourism (Woli, 2022). Tourism phenomena comprise pleasure, trekking, mountaineering, pilgrimage, and ecotourism, and recently it has been widely defined as sports tourism, educational tourism, and so on.

The country Nepal is full of potential for tourism with natural beauty with panoramic views, cultural as well as biological diversity that has been attracting tourists from all around the world (Oli, and Woli, 2024). The contemporary history of tourism in Nepal begins from the climb of Mt. Annapurna on June 3, 1950, by Maurice Herzog's party and Tenzing Norgay and Edmund Hillary, a New Zealand mountaineer, in 1953 (Shrestha and Shrestha, 2012). Nepal attracts a significant majority of international tourists for leisure, trekking, and mountaineering, with peak visitation occurring

between October and May. Over the past three decades, the country has seen remarkable growth in tourism, escalating from around 6,000 visitors in 1962 to nearly 500,000 by 2001, contributing 20% of total foreign exchange earnings (MoCTCA, 2001). However, political instability, regional conflicts, and global counterterrorism efforts have led to a gradual decline in these numbers.

Tourism holds immense economic and cultural significance in Nepal, often regarded as the nation's "third religion" after Hinduism and Buddhism. Despite its underdeveloped infrastructure, the sector offers vast potential for income generation, job creation, and equitable societal benefits (Thapa, 2012a). Recent data highlights resurgence, with tourist arrivals surging to 1,014,882 in 2023, a 65.05% increase from the previous year (CBS, 2023). Similarly, Upadhayaya (2013) focuses on how tourism promotes global understanding and alleviates poverty, and has an impact on almost every country and region.

The hotel and restaurant sector, a critical component of tourism, grew by 7.3% in FY 2016/17 and is projected to expand by 9.8% in FY 2017/18. This growth is attributed to rising tourist inflows, domestic tourism promotion, stable electricity supply, and reduced labor strikes. The sector's contribution to GDP remains steady at 2.0% (MOF, 2018/19). Nepal's global appeal lies in its unparalleled mountaineering, trekking, and adventure opportunities, including eight of the world's ten highest peaks and ten UNESCO World Heritage Sites. In 2018, tourism generated approximately \$472 million from 790,000 visitors (NPC, 2020). Globally, tourism contributed 10.4% to GDP and supported 319 million jobs in 2018, with leisure travel dominating 78.5% of total spending. Domestic tourism, accounting for 71.2% of expenditures, has driven growth in developing nations by decentralizing economic benefits and fostering national pride (WTTC, 2019). Nepal's unique blend of natural and cultural assets positions it to capitalize on these trends, though challenges like political volatility and infrastructure gaps persist.

Tourism is certainly one of the major sectors of employment and income generation in the country and has its comparative advantages that can be divided into three groups: sceneries and natural beauty, trekking and adventure, and pilgrimage, art and sculptures which are unique in Nepal (Sharma et al., 2012). Nepal can benefit from such tourism activities to strengthen its economy. Nepal also has recognized tourism is as a high-paying industry and a key source of revenue which was priorities in tourism policy. Nepal's Tourism Policy-2009 focuses on enhancing quality, accumulating foreign reserves, and creating job opportunities to help Nepalese people improve their living conditions and protecting environment for its sustainability (Bhandari, 2022). Therefore, the tourism sector is considered a tool for poverty reduction in Nepal.

Fueled by a 30.7% increase in visitor arrivals, Nepal's tourism industry substantially boosted activities in the transportation, lodging, and food services sectors in 2024, contributing 6.6% of the nation's GDP with US\$ 2.7 BN. From 2024 to 2034, it is expected to increase by 4.1% annually to NPR535.9 billion (7.1% of GDP). Similarly, directly, Travel & Tourism created 371,972 jobs (4.8% of employment) in 2023. This includes work in hotels, travel agencies, airlines and other passenger transportation services (commuter services are excluded). It also encompasses the business of restaurants and leisure industries that are directly fed by tourism. By 2034, Travel & Tourism will directly support 452,332 jobs or 4.6% of total employment, an increase of 1.5% pa from 2024 (WTTC, 2024). This is a fact that tourism can be a major tool to change the livelihood of the people in Nepal.

Tourism In Nepal has provided 1,191,488 jobs in 2023 which accounts 15.2% of total employment and by 2034, Travel & Tourism is forecast to support 1,400,731 jobs (14.3% of total employment), an increase of 1.4% pa since (WTTC, 2024). Most international tourists visit Nepal primarily for holidays, trekking, and mountaineering, especially during the peak tourist season from October to May (Thapa, 2012b).

Research Objective

The main objective of this research is tourism as a catalyst for poverty reduction with prospects.

Review of Related Literatures

Nepalese plan development has not yet identified it is a strong back bone of Nepalese economy. The different plans had different approach towards tourism but none of the plans talked about technological development till 1992. In 1992 the eighth five-year plan (1992 - 1997) was the first plan that put tourism as a center of all economic activity, the plan talked about technology and its role in tourism but it failed without any outcome (Shrestha & Jeong, 2016). By achieving the goals, the tourism improves livelihoods of the people across the country by developing integrated tourism, infrastructure, increasing tourism activities and products, generating employment in the rural areas enhancing inclusiveness of women and other deprived communities, and spreading the benefits of tourism to the grassroots level (MoCTCA, 2009).

Gautam (2021) investigates the effects of tourism industry on gross domestic product (GDP) and finds a significant positive relationship between tourism financing and GDP in the empirical study of Nepal. It clearly illustrated that tourism financing has a significant economic impact in the economy of the nation. Similarly, Kharel and Kharel (2021) noted significant contribution of foreign exchange earning in gross domestic product (GDP) of Nepal. There is significant economic impact of tourism industry different sectors of Nepalese Economy. The economic impact is measured in terms of foreign exchange earnings, employment generation, government royalties and contribution to GDP. There is highly positive correlation between total tourist's arrivals and foreign exchange earnings and government royalty and negative relations total tourists' arrivals and direct employment and contribution to GDP.

Paudyal (2012) made an empirical research based on economic survey of Nepal between 1975 and 2010. The researcher made quantitative analysis and Ganger causality test carried out between tourism receipt and GDP and found the casual relationship between tourist arrival and tourism receipt and finally reached to the conclusion that tourism has positive impact on Nepalese economy.

The travel and tourism industry is one of the largest and fastest growing sectors in the world, with economic growth in 2017 (4.6%) outpacing that of the global economy (3%) for the seventh year in a row, as well as all other major industrial sectors. This means that travel and tourism industry GDP growth was 50% higher than that of the global economy. In the same year, it employed 313 million people across the world, equivalent to 1 in 10 jobs, and generated 10.4% of global gross domestic product (GDP) (ICAO, 2018). The organization emphasizes that in 2017, there were 1.322 billion international tourist arrivals an increase of 7% compared to the previous year, and the strongest growth rate for seven years. Furthermore, it is also highlighted that 100 million new jobs could be created in the travel and tourism sector by 2028, 64.5 million of these will be in the Asia Pacific region, with 35 million in China and 10 million in India to the next decade.

Camilleri and Camilleri (2018) explores the underlying motivations driving tourism, emphasizing tourists' natural human desire to travel. The study also outlines the multifaceted components of the tourism industry, highlighting that travelers typically choose destinations based on geographical accessibility. The authors further illustrate how destinations tailor diverse tourism products to cater to varying preferences. Examples include urban (city) tourism, seaside and rural tourism, ecotourism, culinary and wine tourism, health and medical tourism, religious and cultural/heritage tourism, sports and educational tourism, as well as business tourism that encompassing meetings, conferences, and events (Oli, L. B. & et.al. 2025).

Sofronov (2018) has opined that tourism development policies in the world are increasingly important for developing countries. Not only have they introduced a new sector into the country's economy, but they have achieved macroeconomic objectives. That is why most countries concentrate their efforts on attracting foreign tourists, in order to increase the country's foreign reserves.

Research in Jamaica highlights that while all-inclusive hotels generate substantial revenue; their economic contribution is comparatively limited. These establishments often rely heavily on imported goods and employ fewer local workers than other accommodation types, reducing their overall benefit to the national economy (UNEP, 2016). Conversely, studies in Bangladesh suggest that enclave tourism, which restricts interaction between tourists and local communities, can mitigate negative socio-cultural impacts, such as conflicts arising from cultural differences (Zahra, 2013). Hence, interaction between tourists and locals is utmost important in order to mitigate the conflict arising from tourism.

Tourism's social consequences are multifaceted. Deery et al (2012) identify issues such as increased alcohol consumption, prostitution, drug abuse, and inflated property prices as common adverse effects. On the environmental front, the relationship between tourism and sustainability is critical. Sustainable tourism development seeks to minimize ecological harm while maximizing positive outcomes, positioning tourism as a catalyst for regional progress. This approach aligns with broader economic goals, as sustainable practices ensure long-term viability and equitable growth (Frent, 2016). The author has stressed balancing economic gains with environmental stewardship and social responsibility; tourism can drive holistic development, fostering prosperity without compromising cultural integrity or ecological health.

A study carried out in Jamaica can be exemplified where it has been concluded that the all-inclusive hotels although generate the highest revenues, On the other hand, it has been shown for Bangladesh that enclave tourism limits interactions their impact on economy is lower than other types of accommodations since all-inclusive accommodation generates more imports and employ fewer workers compared with other types of accommodation units (UNEP, 2016). Between tourists and locals and, as a consequence, these reduce negative impacts caused from such encounter (Zahra, 2013). Poudel (2014), contrarily, emphasizes that when two cultures come in contact cultural assimilation obviously takes place. The guest being supremacy of influential group the host group naturally adopts. The guest culture definitely influences the host culture. The author further views that urbanization; modernization and tourist activities also affect the local culture of the host group (Oli, L. B., 2020).

Derry et al (2012) opines that tourism causes social impacts such as- excessive alcoholic consumption, prostitution, drug abuse, and increase in the price of properties. Contrarily, Frent (2016) has explicated that a special issue of tourism effect on environment, a relationship having relevance within the concept of sustainable development in tourism. However, one can say that by minimizing negative effects and maximizing positive impacts tourism can be an efficient tool for developing an area/region. This is particularly true, tourism development is an integral part of the economic development which has to be done in a sustainable manner. By balancing economic gains with environmental stewardship and social responsibility, tourism can drive holistic development, fostering prosperity without compromising cultural integrity or ecological health.

Azam et al. (2018) highlight the dual role of tourism in fostering socioeconomic progress while acknowledging its environmental trade-offs. Their research underscores that while tourism-driven economies experience significant growth, this often occurs alongside ecological harm, such as pollution and resource depletion. Contrarily, Buckley (2012) identifies key sustainability indicators population dynamics, peace, prosperity, pollution control, and environmental protection as critical frameworks for evaluating tourism's long-term viability. The study argues that regulatory policies,

rather than market-driven initiatives, remain the primary force behind sustainability efforts in mainstream tourism. Despite localized successes, the global tourism sector still falls short of achieving true sustainability. Buckley further emphasizes research gaps in areas like sustainability accounting, individual accountability, and conservation-focused tourism models as priorities for fostering a more environmentally responsible industry.

On the other hand, tourism development in Bali is considered problematic and is said to cause damage to the agricultural sector due to significant changes in land use (Sutawa, 2012). Contrarily, Chong (2020) reveals that the development of mass tourism affects not only the local environment, economy, and business governance but, more importantly, society, culture, heritage, and traditions. Although mass tourism in Bali still offers financial opportunities and stimulates infrastructure growth.

Mass tourism can serve as a bridge between different cultures, but this bridge can often be more stable and lead to cultural conflict. When tourism destinations become popular, changes in local cultural values and conflicts often occur. For example, in Bali, the Nyepi ceremony, which was once a spiritual ritual, has now become a tourist attraction that reduces cultural authenticity (Arsawati et al., 2018). In Kyoto, Japan, the role of the Geisha changed from a profoundly cultural practice to a tourist attraction, fueling discontent within the cultural community (Amoiradis et al., 2021). Tensions between tourists and residents often arise when tourists do not understand local cultural norms.

In Venice, Italy, tourist overcrowding is causing difficulties in residents' daily lives, and they feel neglected by the tourism industry (González, 2018). Changes in social and economic structures also occur in mass tourism destinations, such as Machu Picchu, Peru, where land conversion for tourism causes rapid environmental and social structure changes (Morillas et al., 2020). The commercialization of culture in Ubud into artistic entertainment transformed to meet tourist expectations is also a source of conflict. This process often leads to a decline in the quality of indigenous culture and tensions between the needs of the tourism industry and the preservation of local traditions (Rosalina et al., 2023). A sustainable approach is needed to overcome cultural conflicts resulting from mass tourism. Strategies such as educating tourists about local culture, developing sustainable tourism, empowering local communities, and creating regulations that protect local culture can help reduce negative impacts and improve relations between tourists and local communities. With a careful approach, tourism can be designed to provide benefits without damaging local communities' cultural authenticity and well-being (Simkova et al., 2024). Local culture and aesthetic values need to be preserved while prioritizing the tourism sector.

Salam et al. (2024) stresses that in the future, sustainable tourism policies that balance economic growth with environmental and cultural preservation are receiving serious attention. Government policy strategies such as community empowerment, strict enforcement of regulations, and encouraging intercultural dialogue can help reduce cultural conflicts and maintain Bali's attractiveness as a global tourism destination.

Material and Methods

This research is based on descriptive qualitative method adopting secondary source of data. The source of information has been taken from authentic journals, books, publications of ministries of federal government, national statistic Centre of Nepal, Nepal planning commission, world travel and tourism council, and authentic online sites. This study will fill the gap in the existing literature with the in-depth study on the contribution of tourism in the economy of the nation. The literature of this study has been thematically analyzed.

Result and Discussion

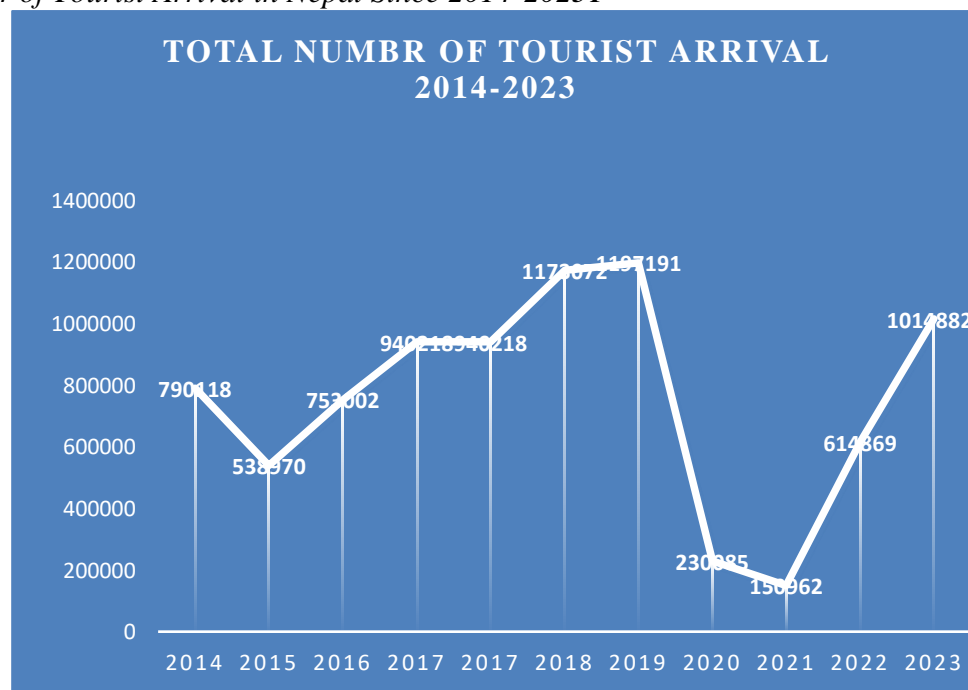
With a notable spike in visitor arrivals in 2023, Nepal's tourism industry is rapidly rebounding. There were 1,014,882 visitors overall, a 65.05% increase over the year before. With notable changes in the top five countries of origin, the pattern of tourist arrivals has also changed. India accounted for 31.52% of all tourist arrivals in 2023, with the United States (9.88%), China (5.99%), the United Kingdom (5.20%), Australia (3.82%), and Bangladesh (3.59%). Of these, 100,612 (9.91%) arrived by land, and 914,270 (90.09%) arrived by air (MoCTCA, 2024).

Since tourism is making a significant contribution towards achieving the goal of economic prosperity by enhancing employment opportunities, reducing poverty, and improving people's living standards, this sector can be seen as a key driver of the economy. In fiscal year 2018/2019, tourist arrival was 1.197 million; the contribution of tourism in GDP was 2.7 per cent; 200,000 people got direct employment; average tourist spending USD 48 per day per person; and the average length of stay was 12.7 days (NPC, 2023/24).

The tourism industry made up 21.9% of all registered industries as of mid-March 2023. Additionally, tourism-related industries make up 33% of FDI receiving industries, which accounts for 22.2% of all approved FDI. Nepal Tourism Statistics 2023 reveals the data that revenue from tourism has grown by nearly 190% since 2022. In 2023, NPR earned 61.5 billion in gross foreign exchange earnings. With a total revenue of USD 548 million and daily visitor spending of about USD 41 per day, the tourism industry produced substantial economic value in the fiscal year 2022–2023 (IBN, 2024).

Figure 1

Total Number of Tourist Arrival in Nepal Since 2014-2023T



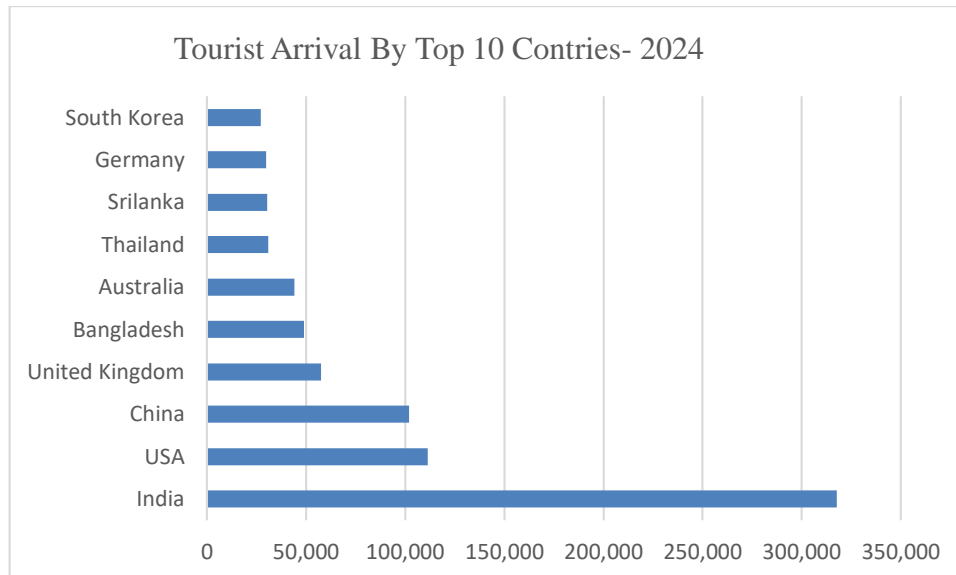
Source: MoCTCA, 2024

The above figure 1 represents the number of tourists' arrival in Nepal since the year 2014 to 2023. The above figure reflects the fluctuating trend of tourists in the different years. The year 2019 is the highest in tourists' number with 1297191. The number of tourists heavily slowed down between 2020 and 2021 due to pandemic-19. The tourism sector has satisfactorily improved increasing with

1011882 breaking the record after the post Covid. The period 2014 and 2015 were also low in tourist numbers, it is due to political instability in the nation.

Figure 2

Tourist Arrival by Top 10 Countries- 2024

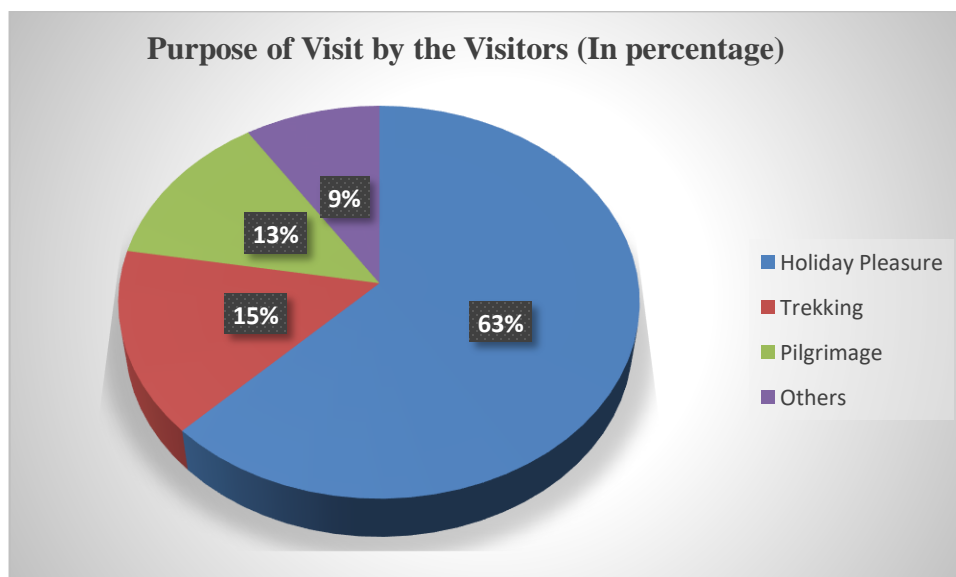


Source: Mo CTCA, 2024

The above figure 2. represents the tourist arrival in Nepal by top countries in the year 2024. The highest number is from India followed by USA and China and the lowest is 317772 followed by USA 111,216 and the lowest number of tourists 27,071 from South Korea are found to have visited Nepal. The figure illustrates low flow of tourists from third countries and needs to increase their number by applying strong motivational tools.

Figure 3

Visitors by Purpose in 2023

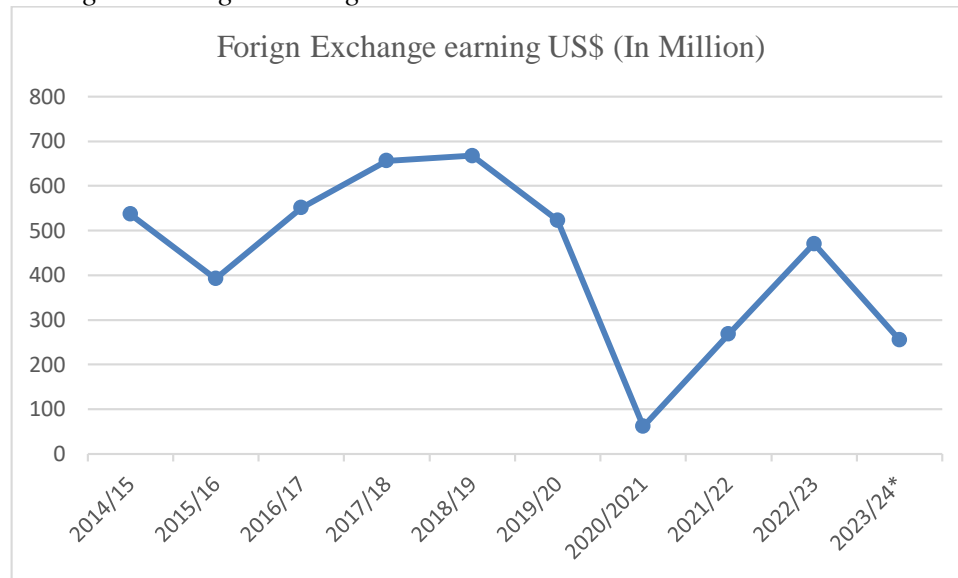


Source: MoCTCA, 2024

The above figure 3. shows the purpose of visit by the tourists in Nepal. The highest number of tourists have visited Nepal with the purpose of holiday pleasure ie. 65 percent followed by trekking 19 percent and pilgrimage by 13 percent. The lowest number of tourists visited Nepal with the purpose of others is 9 percent of the total. The above figure shows that recreational facilities need to be increased and extended in order to attract tourists from the global market because most of the tourists have trend to visit Nepal for holiday pleasure.

Figure 4

Foreign Exchange Earning- 2014/15- 2023/24



Source: MoCTCA, 2024

The above figure 4. represents the foreign exchange earnings from tourism by Nepal. The figure depicts the highest foreign exchange earnings from tourism in the year 2018/19 and 2022/23 ie. US\$ 667.7 and 470.6 million respectively. The year 2020/21 being hit by pandemic-19, the earning is found to be very low than ever before ie US\$ 61.6 million with poor income. The heavy lockdown all round the glob badly impacted Nepal's tourism industry in the same year.

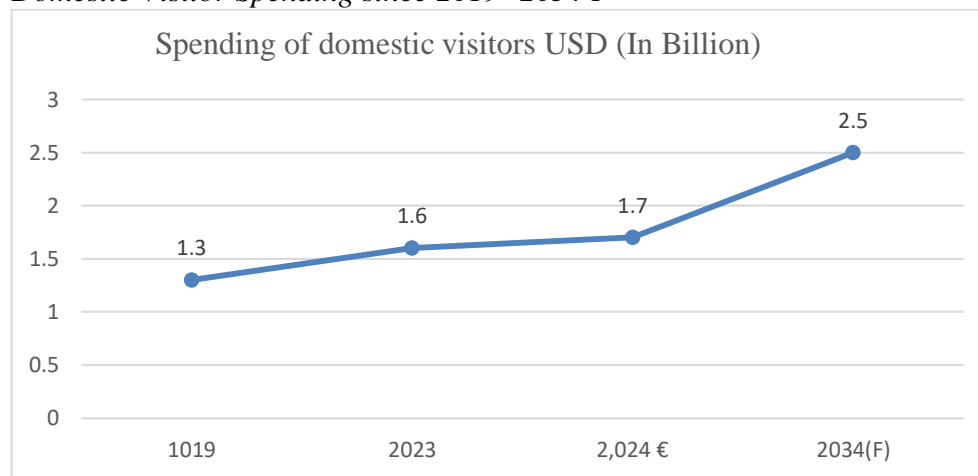
Figure 5

International Visitors' Spending- 2019- 2034F



Source: WTTC, 2024

The above figure 5, illustrated above depicts the rise in visitors expected total spending in the year 2024 US\$ 774.8. The tourists total spending in the year 2023 was 633.7 million. The tourists spending is expected to increase by US\$ 141.1 million in the year 2024 than the year 2023. It is the highest spending of tourists after the pandemic period. The above figure shows the forecasting result in the increase of tourists spending in the year 2034.

Figure 6*Domestic Visitor Spending since 2019- 2034 F**Source: WTTC, 2024*

The above figure 6. Illustrates the spending of domestic visitors in different years with future forecast result of the year 2034. The figure shows the increasing trend of domestic visitors' spending. In the year 2019 before the pandemic the spending of domestic visitors was only 1.3BN. Then the spending increased by 0.3BN and reached 1.6BN in the year 2023. The estimated spending 1.6 is expected in the year 2024. The figure also forecasts the increase in spending to 2.5BN in the year 2034 increasing by 0.8BN than the previous estimated year.

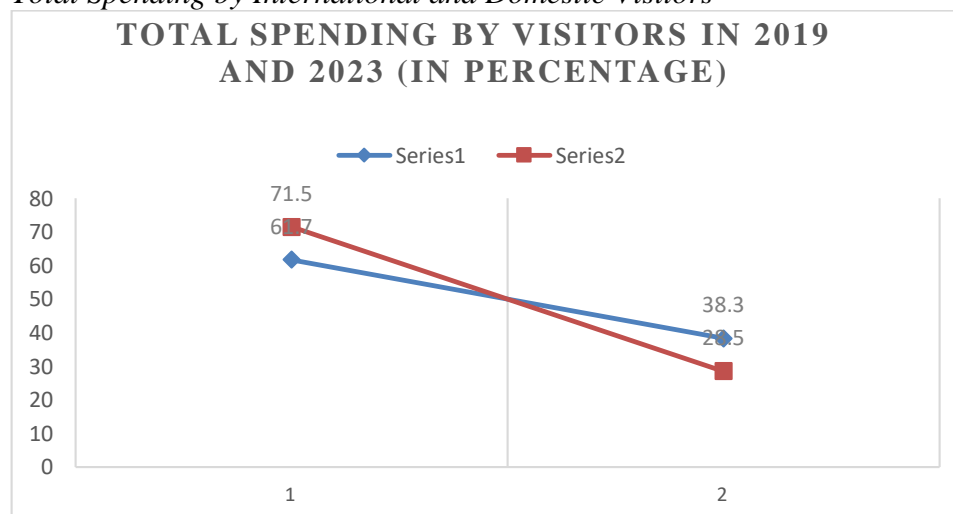
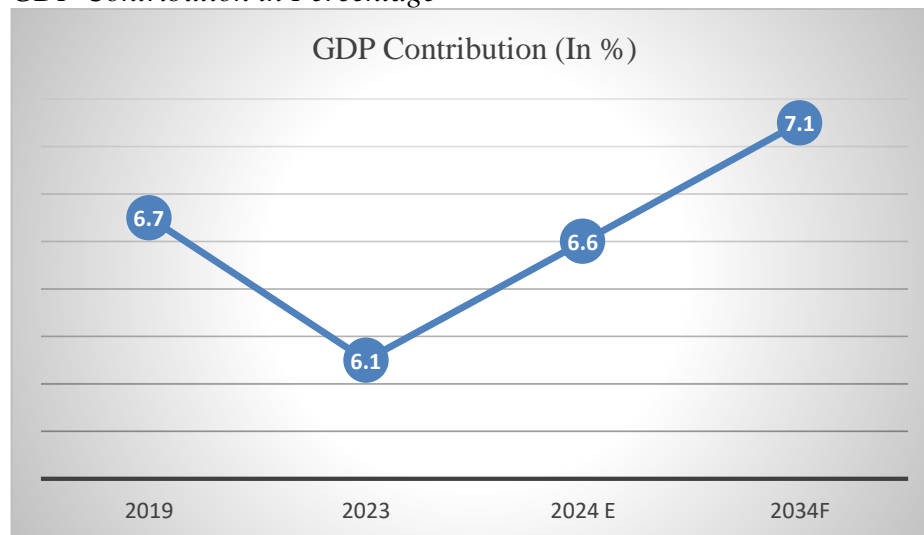
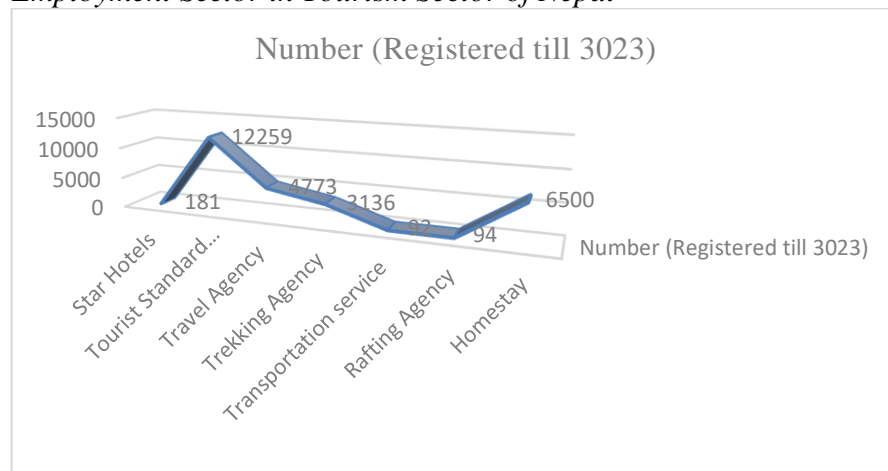
Figure 7*Total Spending by International and Domestic Visitors**Source: WTTC, 2024*

Figure 7 above shows the total spending by both international and domestic visitors in the years 2019 and 2023. The figure depicts increasing expenses by domestic visitors than those of international visitors. In the years 2019 and 2023, the domestic visitors' spending was 61.7 and 71.5; respectively increase of 9.8 in 2023 than the previous year. The international visitors' spending is found below the cross line, which is 28.5 and 38.3 in the same years, with a difference of 9.8BN. The same increasing rate was found in both types of spending in the same years. Domestic visitors' spending is found to be higher than international visitors' spending in both years. In the year 2023, the domestic visitors' spending was 33.2 BN higher than international visitors' spending.

Figure 8*GDP Contribution in Percentage**Source: WTTC, 2024*

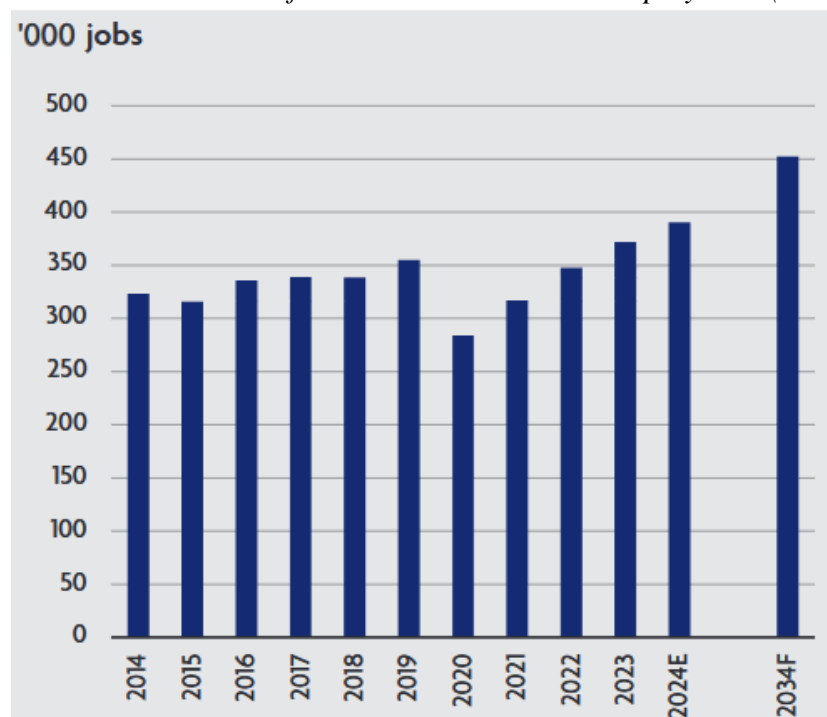
The above figure 8 represents the GDP contribution in different years with future forecast. In the year 2019 before the pandemic, the GDP contribution in the economy was 6.7 better than the year 2023 by 0.6 %. In the year 2024, the estimated GDP of tourism in the economy is 6.6 lower than that of the year 2019 by 0.1 %. The future forecast has been made to reach GDP to 7.1 %.

Figure 9*Employment Sector in Tourism Sector of Nepal**Source: MoCTCA, 2024*

The above figure 9. represents the employment sector of Nepal. Highest number of employment is generated through different sectors. Till 2023, 12259 tourist standard hotel, 4773 travel agencies and 3136 trekking agencies are registered in Nepal. Those sectors create number of employment to the youth of Nepal. The unregistered sectors are also operating in tourism sector directly and indirectly. They have also gained benefits from the tourism sector. Besides this, Nepal has total 6500 rural homestays scattered throughout the country. The rural people are also engaged in economic activities through homestay business.

Figure 10

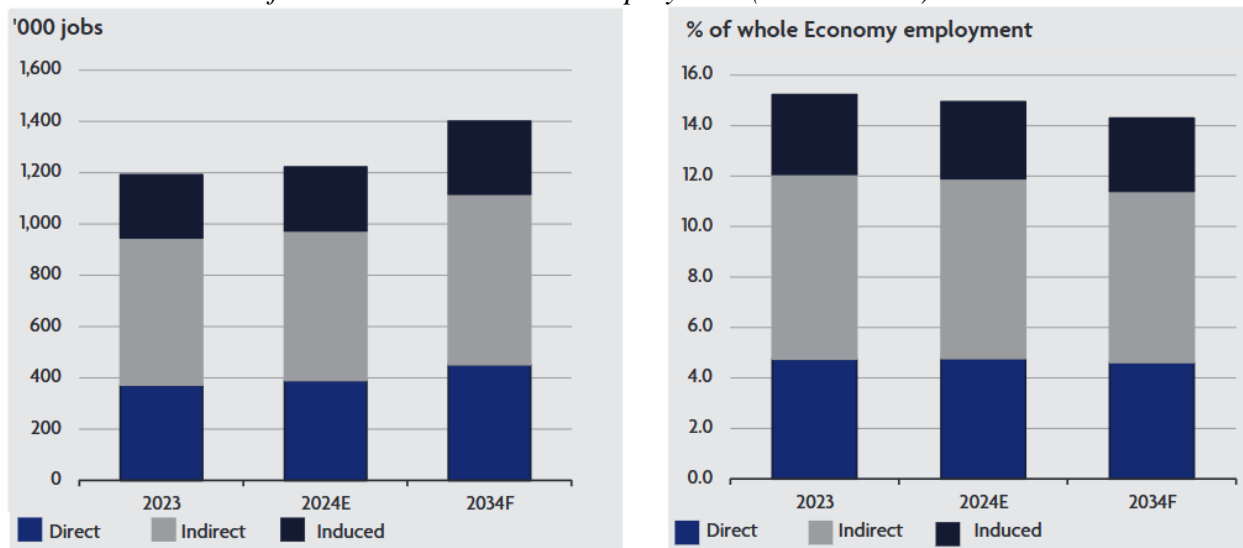
Direct Contribution of Travel and Tourism to Employment (2014-2034F)



Source: Adapted from WTTC, 2024

The above figure 10, indicates direct contribution to jobs and employment in the country. The year 2023 is taken as the satisfactory year for direct contributing jobs and employment that accounts about 375000. The lowest contributing year was 2020, it is due to pandemic year. After the pandemic period 2020, direct contribution in jobs and employment has been found improved.

Satisfactorily, the projection for direct contribution for jobs and employment in the year 2034 is 400000 which will be more satisfactory for nation's economic sector if the forecast result is improved.

Figure 11*Total Contribution of Travel and Tourism to Employment (2023-2034F)*

E - Estimate, F - Forecast

Source: Adapted from WTTC, 2024

The above figure 11. depicts the total contribution of jobs and employment in the year 2023 along with the estimated 2024 and future forecast results in 2034. The figure shows 1200000 jobs with total direct, indirect, and induced jobs and employment. The estimated jobs and employment in the year has been shown slightly improved than then the year 2023. The future forecast is expected to reach to 1400000 jobs and employment in the year 2034.

The above figure in the right side shows that the tourism sector has contributed 15% in the whole economic employment of the nation with direct, indirect, and induced employment. The figure also shows the estimation of the same 15 % in the year 2024. The future projection in contribution to whole economic employment is 14.5 %. The figure shows the decrease in contribution to economic employment in the preceding years because by that time, it is expected to increase employment in other sectors too.

Discussion

Natural and Eco-tourism

Exploring conservation areas by walking or riding in the forest, or on the mountain or beach, navigation in rivers, lakes and the sea, observation of flora, fauna and other natural attractions such as mountaineering, trekking, hiking, cycling, paragliding, sightseeing, waterfalls, caves, cannoning, flora and fauna, bird watching, jungle safari including entire adventurous tourism in Nepal.

Dhakal (2015) opines that Nepal has huge prospects of ecotourism with its natural vegetation. The tourists visiting Nepal can observe natural phenomena of plants and animals with environment protection that lead to sustainable development. By preserving the non-consumptive and low-impact use of local resources, ecotourism prioritizes ecological resource integrity, environmental conservation, community development, and economic growth (KC, 2017) Eco-tourism involves visiting unique natural habitats with the purpose of aiding conservation efforts and observing wildlife and environment conservation. Because natural resources are recognized as the cornerstone of the ecotourism sector and the source of all associated economic benefits, their conservation is becoming

more and more important (Boley and Green, 2015). The flora and fauna that are available in Himalayan region have enriched Nepal with natural beautification and has been eye catching for the global tourists. The national parks for wild life conservation are other attractions for the tourists visiting Nepal. Nepal's low land is habitat for endangered and rare species. The one horned rhino and Bengal tigers have been protected in the national parks of tropical jungles and national. The red panda and snow leopard are also the unique species protected in Himalayan regions of Nepal.

Cultural and Historical Tourism

Nepal possesses various cultures in rural communities with different lifestyles of the communities reflecting their values of life. The native communities in rural life is enriched to their cultural events, like music, dance, arts, and festivals. The tourists have the opportunity to observe livelihood through rural tourism (Dangol et al., 2024). The tourists have the opportunity to observe and experience the local livelihood through cultural tourism. Livelihood encompasses activities, resources, and strategies people use to sustain their living and well-being (Pandey and Pathak, 2025).

Nepal has prospects of historical tourism with ancient sculptures, monuments, architecture, religious artifacts, museum, archeological remains, and ancient cultures. The country has four UNESCO listed world heritages which include Kathmandu valley, Chitawan national park, Sagarmatha national park and Lumbini (Adhikari and Dahal, 2019). Lumbini, the birth place of Lord Budha is famous pilgrimage site in Nepal mostly visited by the tourists entering Nepal.

Social and Cultural Diversity- Nepal is known for its multilingual, multiracial and multicultural country (Gautam and Poudel, 2022). Ethnic and cultural diversity with variation in languages. The country constitutes 142 castes and ethnic groups with 124 languages in the small Himalayan country (CBS, 2021). The people are bound in national unity in spite of several cultural beliefs. The ethnic and cultural diversity of Nepal is unparalleled considering its size in the world map. There are 125 ethnic groups who speak 123 different languages and follow more than 10 different religions in the tiny Himalayan nation. Nepal shows unity in diversity. The richness of Nepali culture is its beauty through the various festivals (Oli, L. B., 2023). A festival is a special occasion of celebration, typically religious or cultural, marked by rituals and festivities (Pathak, 2024).

Pilgrimage and Spiritual Tourism

Nepal is considered the land of goddesses and many temples, and Boudha stupas are located in the Himalayan nation. The pilgrimages are scattered across the country from east to west and north to south of the nation. There is deep spiritual interlink between the people and the landscape in the Himalayan nation. The rivers, mountains are also considered sacred in the Himalayan nation (Gwalik et al., 2022). Nepal is taken as the pilgrimage destination for Hindus and Budhists followers. The famous destinations are Pashupatinath, Boudha Stupa, and Swyambhu in Kathmandu, Patan Darbar Square, Bhaktapur Darbar Square and other sites are Muktinath, Janakpur dham, barah Chetra, Manakamana, Lumbini, Khapdad Ashram, and Badimalika are other lucrative destinations for attracting the both Hindu and Buddhist pilgrims. Nepal in the world is considered the place of spiritual belief. Nepal draws a lot of tourists who want to see holy places as well as those interested in yoga retreats and Himalayan meditation. The birth place of Buddha, Lumbini, is a popular destination for pilgrims. Additionally, visitors engage in a type of meditation called vipasana at a number of locations throughout Nepal, including well-known places like Shivapuri. This kind of travel serves people looking for enlightenment and spiritual development via immersive experiences in Nepal's tranquil and

hallowed pilgrimage sites (IBN, 2024). The peaceful with natural environment of Nepal is considered suitable for yoga retreat and meditation for spiritual development.

Adventure and Rural Tourism

Badal and Adhikari (2024) views that village tourism is a means of discovering rural livelihoods, including their culture, beliefs, customs, arts, and civilization. Customs with rural tourism are traditional practices, rituals, and cultural behaviors preserved and showcased to attract and educate visitors (Pathak, 2023). Nepal is a rural nation. When visiting Nepal's villages, one can observe a way of life that hasn't altered despite the development of contemporary science and technology. In Nepal, promoting the idea of homestay has the potential to revolutionize the nation's economic success. In this concept, visitors stay with the locals for a few days and are treated like valued family members (Acharya and Helpinny, 2013). The tourists spend a significant sum of money in the neighborhood as a result. Aside from this, tourists are primarily drawn to the simplicity, local cuisine, and cultural customs. Because Nepal is a country with many villages, there is a great deal of potential for tourism there if village tourism is properly promoted. Genic (2021) has highlighted that Nepal is regarded as the primary adventure tourism destination. In 2023, the government issued 2253 expedition permits, a 15.3% increase from the year before, demonstrating the continued success of adventure tourism (IBN, 2024). Nepal is well known to all around for mountaineering, trekking, paragliding and bungee jumping and is widely linked to a variety of adventure sports. In the stunning city of Pokhara, visitors can experience the thrill of paragliding. The chances of going skydiving, boating, fishing, angling, and canyoning are high. Bungee jumping in the Bhoti Kosi River Gorge is the most exhilarating of all these experiences. Nepal can gain a great deal by encouraging tourists from around the world to embark on these adventures. Nepal's stunning natural surroundings and strategic locations make it the perfect place to explore the country's enormous tourism potential.

Conclusion

Tourism is a phenomenon that tourists visit different destinations with different purposes. By tourism Nepal has been success to overleap the tourist numbers and revitalized economic growth after the pandemic period. The high number of tourists choosing Nepal as a destination are Indian, American, and Chinese. Most of the tourists who visit Nepal are recorded to be with the purpose of holiday pleasure. The tourism industry has positive impact on Nepalese life with multiple benefits. The employment sector by tourism is increasing satisfactorily after the pandemic with the fair contribution to GDP of the nation. The recent increase in tourist number and foreign exchange is witnessed positive sign for future tourism development in Nepal. Nepal can be hub for the tourists and benefits can be obtained from them if facilities, infrastructure, and attractions are increased. Furthermore, Nepal can obtain high income from Indian tourists if proper measures are taken to attract them with publicity, more facilities and attractions.

Finally, the year 2024 has been the record breaker in enhancing economic activity with the rise in GDP and creating employment opportunities in Nepal. The growing income and huge prospects of tourism if harnessed properly and efficiently managed with proper tourism planning can be a catalyst for poverty reduction in Nepal. This research further recommends the future researcher to carry out the study on economic sector of tourism in detail that supplements the rural livelihood and overall poverty reduction in Nepal.

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