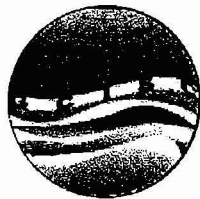


Mountains of Pakistan: *Protection, Potential and Prospects*

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DEVELOPMENT PROBLEMS IN THE MOUNTAIN REGIONS OF NORTHERN PAKISTAN

Hermann Kreutzmann*

ABSTRACT

The International Year of the Mountains (IYM 2002) coincides with one of the most severe economic crises in the mountain regions of Pakistan in the aftermath of last year's 9/11 events. Since then one of the major sources of income from service industries, the tourism and its affiliated sectors, has nearly completely dried up due to events which are out of reach of local people. Improved infrastructure and enhanced exchange relations have created an environment in which mutual dependency outreaches subsistence strategies for survival.

The present crisis has forced the mountain dwellers to re-evaluate economic strategies and to tap traditional sources of income, i.e. combined mountain agriculture, army service and out-migration. In this presentation the constraints and opportunities are investigated which open up the spectrum for the exploration of livelihoods in a harsh mountainous environment. Changing frame conditions, entrepreneurial zeal, participation in global exchange and communication form the dimensions in which action and reaction is performed.

Based on nearly three years of fieldwork during the last two decades recent developments are embedded in "winds of change" which have occurred since long but are gaining speed.

1. CONTEMPORARY APPROACHES AND CONCEPTS

The International Year of the Mountains 2002 (IYM) may be regarded as a climax of mountain research at least from the awareness and publicity point of view. The IYM which resulted in the Cusco declaration on sustainable development of mountain ecosystems and came to a policy-related closing meeting in Bishkek, and the Global Summit in Johannesburg have highlighted among other aspects the connexion of peaceful frameworks for the improvement of living conditions on the one hand and the interrelationship of political and societal conflicts with pauperisation and badly affected livelihoods on the other. Mountain development has been selected during this year as a prime focus for the implementation of programmes. At this point we have to ask how academic research and development practice are cooperating and in which fields activities are executed. Furthermore it is important to know what diagnosis is the starting point of activities and how effects and success are measured.

The last decade has seen a growing effort in mountain research¹ and some of the widely attended discussions prominently take place in the internet, e.g. the "mountain-forum" and its derivatives. Since the commencement of the Unesco-sponsored "Man and Biosphere" project more than a quarter century ago the prime interest has been directed

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¹ Cf. Funnell and Parish 2001, Kreutzmann 2000, Messerli and Ives 1997, Parish 2002, Price and Butt 2000)

towards the interrelationship between human beings and their environment (cf. UNESCO 1973). The normative values of human interference in high mountain regions range between two extremes: resource utilization and creation of the cultural landscape in a positive estimation, environmental degradation and destruction of natural resources as a negative impact.² The field of enquiry has been differentiated and the man-environment relations are discussed in a variety of topics. Contemporary high mountain research in this interface addresses specific fields of interest:

1. Population dynamics and mobility. Demographic growth in high mountain regions cannot be explained by emphasis on fertility and mortality patterns alone. Intra-montane migrations and extra-montane mobility are significant contributors to population processes. The expansion of community territories and the participation in seasonal and/or regular economic activities beyond the settlement region need to be accounted for as well.³ Extra-montane mobility is a prime strategy for participation in exchange relations, global communication and trans-national migration. Nevertheless, we observe in Pakistan's mountain regions despite massive out-migration a still growing residential population.
2. Land use and land cover change. The conflict potential generated by competition for limited communal resources is a growing feature of social conflicts about their accessibility in mountain regions, but elsewhere as well. The loss of the commons and territorial disputes about cultivable land and pastures bind substantial resources in less productive activities (cf. Ostrom, et al. 2002, for the Hindukush and Karakoram Ehlers & Kreutzmann 2000). The importance of space is addressed in different commissions of the International Geographical Union (IGU), especially in the Land Use/Land Cover Change (LUCC) project (cf. Lambin et al. 2001) which compiled a data base and implemented a research programme for the Hindukush-Himalaya (cf. as well Blaikie & Sadeque 2000) among other areas (cf. Teklea & Hedlund 2000).
3. Survival strategies in the mountain periphery. High mountain research in developing countries quite prominently features all kinds of aspects related to survival under peripheral conditions. The utilization of marginal resources, the supply of basic food items for local communities and the exploitation of niche production are represented as well as aspects of market access in the framework of deregulation and globalisation. "Growth, poverty alleviation and sustainable resource management in the mountain areas of South Asia" was the topic of a conference held in Kathmandu. Local activists, bureaucrats, development experts and researchers discussed and experienced a dialogue about different perspectives.⁴
4. Decreasing entitlements of marginal groups. Competition for limited resources can be enhanced by private and state interference leading to the loss and/or expropriation of community assets. Thus along the deprivation of property rights the local population loose the grip on their previous entitlements (cf. Saberwal

² Immediate remedies are seen in the exclusion of territories from un-controlled human interference as conservation zones and/or protected areas (cf. Doempke and Succow 1998, IUCN 1996).

³ Cf. for Nepal Ortner 1989, van Spengen 2000, for an example from the industrialized world the case of Japan's mountain regions illustrates the transregional interrelationships prominently cf. Ajiki 1993, Okahashi 1996.

⁴ The key papers and results were published by Banskota, Papola & Richter 2000.

1999). This holds especially true for the least privileged and marginal groups. At the same time development actors arrive on the scene suggesting projects in regional planning aiming to improve the living conditions of mountain communities according to the development fashion of the day. Property rights in areas without cadastral surveys and/or weak institutions should be secured for the local mountain communities. Aspects of „mountain laws and peoples“ were electronically discussed within the „mountain-forum“ platform, the results were published in a brochure (Lynch and Maggio 2000).

5. Resource management and energy provision. Sustainable utilization of available fuel resources needs to be compared with the local energy sector, present consumption of fossile assets and the potential future growth scenario (cf. Clemens 2001, Rijal 1999). In line with a growing population and changing living conditions a higher demand for natural resources and energy provision is expected from local consumers. In addition, external players are competing for the natural potential in order to exploit timber resources and to develop energy generation, e.g. by construction of high dams (McCully 1996). Deforestation, transport of logs along modern traffic infrastructure, the utilization of potential hydraulic energy for extra-montane consumption are fields of conflicting interests. An electronic conference addressed these issues which were recently published under the title "mountain people, forest and trees. Strategies for balancing local management and outside interests" (Butt and Price 2000).
6. Water as the prime resource of competition. The water issue has been highlighted as a resource asset and problem for high mountain regions, several studies introduced this issue as an example for localized resource potential which is traditionally harvested and utilized locally or by transport of rivers in the forelands.⁵ Political-economic conflicts appear when external players introduce large scale projects with significant local effects and export of profits. Consequently the integration of marginal regions into the national and global market economy poses the threat of loosing control over resources. The World Commission on High Dams was introduced in 1998 to settle disputes and to enhance communication among different interest groups in the style of "round tables". It aims at optimizing project planning and development.⁶ The controversial water issue features quite prominently in the "Cusco declaration on sustainable development of mountain ecosystems" (<http://www.condesan.org>) and illustrates competing interests over resources in mountain regions and strategies for their utilization. Key words in the Cusco declaration of 2001 are: integrated watershed development, participation of communities, civil society and governments on all levels, responsibilities for regulation, control and conservation, respect for the organizations, cultural traditions and customary rights, economic compensation policies for mountain populations for the services rendered to develop low lands.

The sublime aims here proclaimed and the envisaged development strategies for mountain regions lead the path towards sustainable development and participation in globalized economies whatever the meaning of this might be. Conflict of interests among

⁵ Cf. Banskota & Chalise 2000, Horta 1995, Kreuzmann 1998, 2000, Nüsser 2001, Pande 1995, Vincent 1995.

⁶ The results were presented and are available under <http://www.dams.org>.

different actors, power struggles, economic and political intervention, external and in cases inappropriate development models fill the spectrum in which mountain development takes place. If mountain regions and their inhabitants are treated as part of world society then an assessment is necessary what we really know about the development deficits and potential of these areas. The hypothesis presented here is that mountain regions are singled out in their specificity as such without appropriately considering their incorporation into nation states, administrative structures and economic networks. There are manifold experiences from the industrialized countries where regional planning and domestic subsidiarity required detailed information and data bases (cf. for example the Swiss "transformation" study Brugger et al. 1984). In the context of mountain regions in developing countries where uncountable mountain-related NGOs are based and where numerous development programmes are implemented nowadays there is a significant lack of basic knowledge for the assessment of perceived deficits. How do development actors know where to alleviate poverty by initiating a programme? On a global scale we are used to different systems of indicators which are structuring the world on a country by country basis. What information do they contain about mountain areas?

2. THE HUMAN DEVELOPMENT INDEX (HDI) AND ITS APPLICATION FOR MOUNTAIN AREAS?

Indicators about quality of life have been introduced to illustrate regional disparities, deficiencies in infrastructure assets and inequalities in the access of socio-economic resources and opportunities. A widely used indicator is the Human Development Index (HDI) going back to a United Nations initiative to reduce short-comings of the one-dimensional per capita income, an indicator preferred by the World Bank and globally operating financial institutions. The HDI aims at acknowledging non-monetary transactions as part of domestic economies and at highlighting development effects which cannot be linked in any causal connection to monetary incomes at all. Nevertheless, the first dimension of three is the HDI's appreciation of per capita income in the units of purchasing power parity (PPP \$), the other two address quality of education and life expectancy. For our discussion about the standard of development in mountain regions these parameters have to be tested.⁷ HDI data are mainly available on the basis of nation states which immediately displays a practical problem.⁸ Statistical entities nearly never are congruous with relevant units of investigation. In a number of cases the available data are just the result of rough estimates, an indicator about data quality.

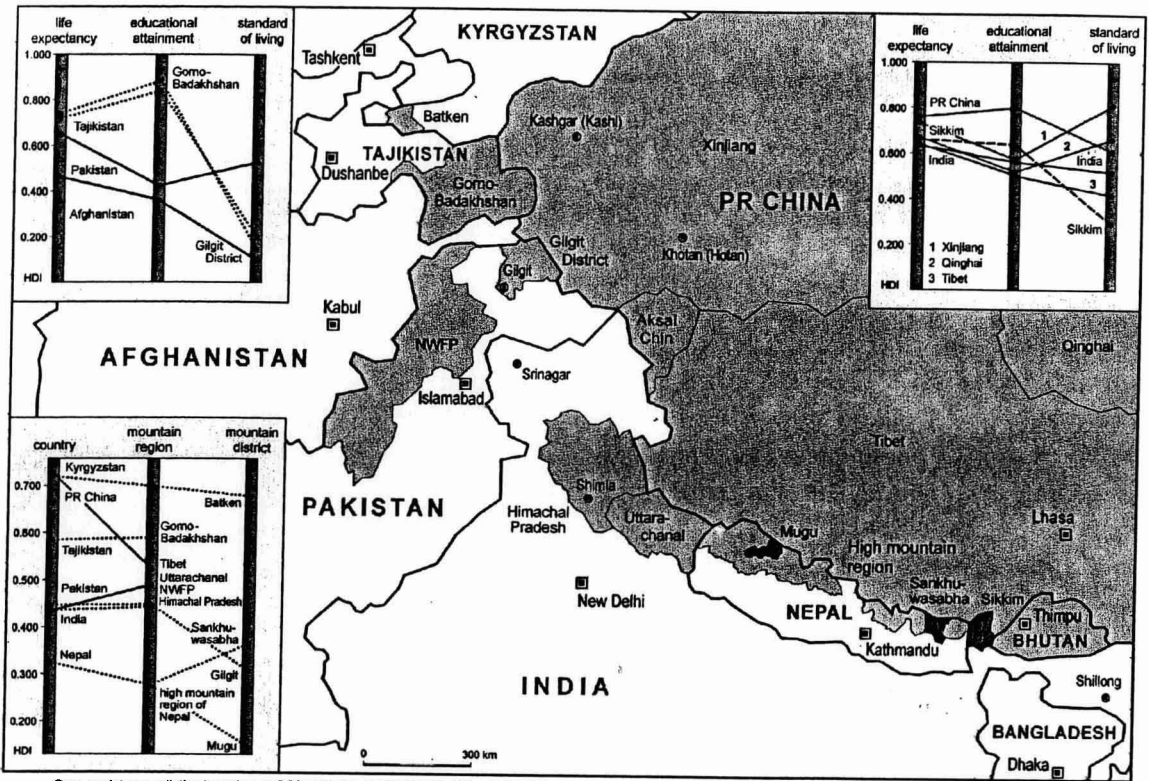
In the case of mountain regions in developing countries we find data about nation states in which mountain areas are located (Tab. 1). The range goes from some of the poorest

⁷ Here I omit a necessary and most probably enlightening discussion about the theoretical and methodological justification and interpretational implications of quality of life indicators, cf. for controversial appreciations Kreutzmann 2001, Papola 2001 and Rhoades 2001. Practical information about the definition, configuration and mathematical base of the HDI can be found in <http://www.undp.org/undp/hdroanatoools.htm>.

⁸ The availability of Human Development Reports gained an amazing momentum in recent years: national reports are available for Bhutan, PR of China, Tajikistan, Kyrgyzstan, Nepal, all of which are used in the discussion here. Reports for three Indian provinces including Sikkim initiated the process in India, and regional reports for South Asia have been published by the Human Development Centre in Islamabad, Pakistan. Nevertheless, a human development report with regionalized data for Pakistan as a nation-state is still to be awaited.

Table 1: Human development indices for selected mountainous countries 2000

| Region | Country | Area (10 ³ km ²) | Population (millions) | Life expectancy at birth | Adult literacy rate (%) | Enrolment ratio (%) | PPP (US \$) | HDI | HDI rank | GDI | GDI rank |
|---------------------------|---------------------------|---|-----------------------|--------------------------|-------------------------|---------------------|-------------|-------|------------|---------|------------|
| Africa | Ethiopia | 1097 | 62.9 | 43.9 | 39.1 | 29 | 668 | 0.327 | 168 | 0.320 | 142 |
| | Uganda | 236 | 23.3 | 44.0 | 67.1 | 45 | 1208 | 0.444 | 150 | 0.437 | 125 |
| | Kenya | 580 | 30.7 | 50.8 | 82.4 | 51 | 1022 | 0.513 | 134 | 0.511 | 112 |
| | Rwanda | 26 | 7.6 | 40.2 | 66.8 | 40 | 943 | 0.403 | 162 | 0.398 | 135 |
| South and South-east Asia | Papua New Guinea | 463 | 4.8 | 56.7 | 63.9 | 38 | 2280 | 0.535 | 133 | 0.300 | 110 |
| | Myanmar | 677 | 47.7 | 56.0 | 84.7 | 55 | 1027 | 0.552 | 127 | 0.548 | 106 |
| | Bhutan | 47 | 2.1 | 62.0 | 47.0 | 33 | 1412 | 0.494 | 140 | no data | not listed |
| | Nepal ¹⁾ | 141 | 23.0 | 58.6 | 41.8 | 60 | 1327 | 0.490 | 142 | 0.470 | 119 |
| | India | 3288 | 1008.9 | 63.3 | 57.2 | 54 | 2358 | 0.577 | 124 | 0.560 | 105 |
| | Pakistan | 796 | 141.3 | 60.0 | 43.2 | 40 | 1928 | 0.499 | 138 | 0.468 | 120 |
| Central Asia | Afghanistan ²⁾ | 652 | 24.8 | 45.0 | 31.0 | no data | < 785 | 0.229 | not listed | no data | not listed |
| | Kyrgyzstan | 198 | 4.9 | 67.8 | 97.0 | 68 | 2711 | 0.712 | 102 | no data | not listed |
| | Tajikistan | 143 | 6.1 | 67.6 | 99.2 | 67 | 1152 | 0.667 | 112 | 0.664 | 94 |
| Latin America | Guatemala | 109 | 11.4 | 64.8 | 68.6 | 49 | 3821 | 0.631 | 120 | 0.617 | 100 |
| | Colombia | 1139 | 42.1 | 71.2 | 97.7 | 73 | 6248 | 0.772 | 68 | 0.767 | 56 |
| | Ecuador | 284 | 12.6 | 70.0 | 91.6 | 77 | 3203 | 0.732 | 93 | 0.718 | 80 |
| | Peru | 1285 | 25.7 | 68.8 | 89.9 | 80 | 4799 | 0.747 | 82 | 0.729 | 73 |
| | Bolivia | 1099 | 8.3 | 62.4 | 85.5 | 70 | 2424 | 0.653 | 114 | 0.645 | 96 |



Source: data compilation based on AKRSP 1999, Bhutan HDR 2000, China HDR 2002, Lama 2001, Mahbub ul Haq 1997, MH-HDC 2002, Nepal South Asia Centre 1998, UNDP 1998 - 2002

Figure 1: Human Development Index (HDI) for nation states and mountain districts in High Asia

introduction of economic transformation by the newly independent state.⁹ The supply situation is extremely bad at present, quite differently to the Gilgit District in Pakistan's Northern Areas although the standard of living index is even lower there. The share of subsistence production compensates for overall supply deficits. The gaps in the values for Pakistan and Gilgit (cf. Fig. 1) are most significant in the dimensions of life expectancy and standard of living. Both reflect the overall deprivation of the Northern Areas of adequate social infrastructure and business opportunities. The mountain people of the Karakoram feature as marginal groups when entrepreneurship and market participation are highlighted. Only the level of education has improved and came close to Pakistan's average which is due to communal, national and international literacy and education programmes (cf. Kreuzmann 1996a). The brief discussion of a set of available data shows the scope and limitation for data interpretation.

When it comes to economic opportunities then a more specific perspective directed towards the sector and the actors is required. One of the prime suggestions to mountain dwellers who search for new economic openings is to engage in tourism enterprises. The mountain regions of Northern Pakistan are no exception to this approach. A closer look will show how prospects in this field have their limitations at the same time.

⁹ For a more detailed account of the transformation in post-Soviet Gorno-Badakhshan cf. Mamadsaid and Bliss 1998, UNDP 1998.

HDI = Human Development Index GDI = Gender-related Development Index

1) The data used in UNDP publications significantly differ from those published by Nepal South Asia Centre for 1996.

2) The data for Afghanistan are based on estimates for 1995-97

Sources: UNDP 2002, World Bank 2002

countries such as Afghanistan and Ethiopia to the states in the Latin American Cordilleras. In a similar category we find the post-Soviet transformation countries. None is recorded above the middle level (= 0.500 up to 0.800) of the HDI. Such statistical data permit the comparison between nation states, but they fail in providing the required information about regional disparities within mountain regions and about highland-lowland differences. The dilemma of data evaluation becomes quite obvious. What knowledge is available for mountain regions and what kind of statements can be made?

For a few mountain areas regionalized data can be discussed (Fig. 1 upper left diagram). In Tajikistan the difference between the nation state and the mountain district of Gorno-Badakhshan seems negligible. Similar observations hold true for India and Pakistan when provinces are compared. The Himalayan state of Himachal Pradesh reaches similar HDI values as the Indian Union on average, the newly created union state of Uttaranchal even ranges at a higher level (Fig. 1 bottom left). But deviations from this pattern become obvious when the Karakoram district of Gilgit is compared with the North-West Frontier Province (incorporating most of Pakistan's share in the Hindukush) and the nation state: Gilgit fares much lower in all components, but especially when the standard of living is concerned (Fig. 1 upper left diagram). In the PR of China the provinces of Qinghai, Tibet (Xizang), and Xinjiang incorporating major mountain areas range below the country's average when life expectancy and educational attainment are concerned (Fig. 1 upper right diagram). The value for standard of living is above average in Xinjiang and Qinghai (UNDP 2002b). Xinjiang's significant deviation is due to inter-provincial regional disparities. The industrialized northern part of the province excels, while less contribution stems from the mountainous south and west. Taking size and diversity of some provinces into account no reliable information can be derived for the Tien Shan, Kun Lun Shan and Qilian Shan Mountains. The Tibetan Plateau is represented by Xizang: while PR of China and India differ by quite a margin, Tibet fares at par with Uttaranchal (Fig. 1 bottom left diagram). The interpretation of these data has to be a careful one. Nevertheless, a growing database and a refined regional approach allow for some conclusions which draw closer attention to the problems of poverty measurement in mountain regions.

Explanations for development gaps need to be sought in the overall economic and socio-political context of a country like Nepal. The neighbouring Himalayan districts of Himachal Pradesh in India fare significantly better than Western Nepal. Nevertheless, both areas range in the category of low human development (HDI < 0.500) according to the UN classification.

The Hindukush and especially Afghanistan are white spots on the development map as no data are available. Tajikistan and Pakistan as its neighbours sharing common mountain ranges differ quite a bit in HDI values (cf. Fig. 1). The Pamirian administrative unit (*oblast*) of Gorno-Badakhshan complies with the rest of Tajikistan and significantly above Pakistan's average. In Tajikistan the Soviet model of modernisation which brought basic infrastructure, sufficient supplies and overall education even to the remotest parts can be interpreted from the high values of life expectancy and level of education. The significant difference in the category standard of living shows the socio-economic pauperisation of the majority of people since the collapse of the Soviet Union and the

3. CASE STUDY: TOURISM TRANSFORMATION IN NORTHERN PAKISTAN - OPPORTUNITIES AND CONSTRAINTS

Sustainable development in general and sustainable tourism in particular are concepts for future generations who should be enabled to make an adequate living in a specific setting. Here in the Northern Areas this is a mountainous environment we are confronted with. It has been a popular view that mountain regions belong to a periphery and are marginal in economic respect.

In the age of globalization we are well aware of the fact that no region on earth is that remote that it is not affected by the world market. Obviously international tourism is the best proof for this thesis as people leave their home continent or country in order to visit remote mountain regions. The purpose is to look for something different from home. Here people come for magnificent peaks, for trekking and mountain culture.

How does sustainable tourism match with globalization? Do both strategies contradict themselves if taking them as strategies in the economic sphere?

Globalization addresses the expansion of the world market forces and is carried out by international entrepreneurship in a highly competitive market. The experience with these models is that economic growth is the driving force and big players are eating up smaller ones. And daily experience shows that this is exactly what is going on in the world economy, in the industrial sector as well as in service industries including tourism. Places with most favourable conditions are selected for production and consumption. Competitive growth and short-sighted exploitation of available resources regardless of other considerations characterizes the present-day global economy.

What about sustainable tourism? The concept of sustainability is one of moderated growth. The long-term perspective of survival is envisaged. Sustainability advocates a resource use which safeguards a replenishment of basic resources such as energy, water, forests, pastures, landscape, mountains, cultural sights, historic monuments, sports facilities etc. All of them and many more have to be taken into account when talking about sustainability.

The competition between short- and far-sighted concepts opens up different scenarios of possible development in every economic field and as well in the tourism sector. As we are living in a world of limited resources there are maximum levels of resource use. If these limits are over-stretched then the consequence can be the destruction of the very basis of the economic activity. The carrying capacity is the limiting factor. The concept of tourism in sustainable development aims at an optimum resource utilization knowing that there is a limit beyond which destruction sets in. Both aspects should be kept in mind when talking seriously about sustainability. Consequently growth could be an adverse factor in the setting and has to be checked within the ecological, socio-economic and cultural framework.

The general advantages of tourism have been highlighted several times and are summarized only briefly:

- job provision in off-farm employment
- additional incomes from the service sector
- reduction of out-migration

- increase of the overall income of a location and/or region
- linkage factors for secondary and tertiary benefitters from tourism industry
- diversification of economic activities
- tourism as an agent of change and as an agent of protecting cultural heritage and natural landscapes

On first sight there seem to be only advantages. Even if I would now start to name the disadvantages in the ecological, economic and cultural field we would not come closer to the problem to be addressed here. More straightforward is a discussion about tourism in a globalized world.

A multidimensional approach to sustainable tourism has to identify advantages and disadvantages on different spatial levels (Tab. 2).¹⁰ Tourism is one of the most obvious examples of interdependency in a global setting. Taking these aspects into account it results from this set of observations that tourism is an endangered species and needs a favourable combination of many influencing factors. These factors cannot be controlled on one level and not by the entrepreneurs themselves.

International economic crises, national unrest, natural disasters, communication problems etc. are examples for unexpected and very effective signals influencing the performance of a tourism season. We have had ample evidence for this in recent years and the events of 9/11 have shown us that Pakistan is affected by developments which have taken place somewhere else. In the South Asian context India lost less than a quarter, Nepal nearly half of its tourism (mainly due to Maoist activities within the country), while Pakistan suffered a loss of tourism income between 70 to 95% during the present season. But not only the events of 9/11 have shown that there are limitations for tourism.

A common phenomenon is that there are initial phases in which tourism development creates additional sources and off-farm income opportunities which are rarely met by cash crops or other niche productions. This is on the long run the most profitable phase. In a second step major investments are taken: physical infrastructure such as hotels, restaurants, souvenir shops are built and opened. Great expectations are connected with these innovative and challenging actions. All investments are based on household and lineage savings and/or loans taken from banks and national, regional or community-based finance corporations. In a third phase the saturation point is reached. More and more entrepreneurs try to participate in the market, the supply outgrows the demand and revenue from the huge investments dwindles. Previously unexpected environmental and social follow-up costs enter the accounts. If during this phase a major crisis occurs the disaster for a broad layer of society is at door-step. The scenario described here is derived from the recent Hunza experience. The early entrepreneurs fared best and remained ahead of their competitors if they invested modestly. When the hotel boom took off in Hunza (Fig. 2), the demand already slowed down and competition with other global destinations grew. While the numbers of visitors stagnated and the average duration of their stays shrank the investment in new constructions continued on borrowed money. Different crises - either home-made in Pakistan or outside the country with effect on the country - occurred since the mid-90s with intervals becoming shorter. But nothing had an effect like 9/11 when from one day to the other the best tourism season for seven years collapsed to next to nothing (Fig. 3). Since then the lowest

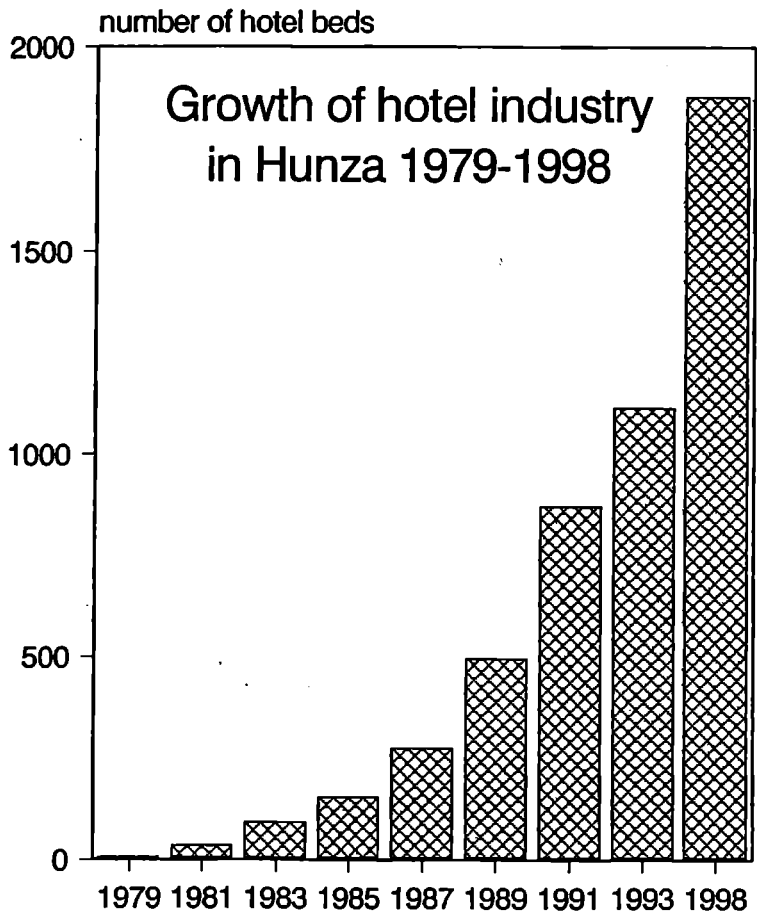
¹⁰ Cf. for detailed studies on tourism in Northern Pakistan Kreutzmann 1996b, Ottacher 1999.

Table 2: Multidimensional approach to sustainable tourism

| Level | opportunities | constraints |
|----------------------|--|--|
| international | the world tourism industry is one of the biggest and fastest growing sectors of the global economy | competition within the industry has increased tremendously, tourist's taste is changing |
| | more people from more countries are travelling overseas and to remote destinations than ever before | the number of destinations have increased and people compare tourism attractions and prices |
| | communication has been improved through air travel, road networks, phone, fax and internet | the quality of communication differs quite a bit between different regions |
| national | policy makers can create a tourism friendly environment by lifting bureaucratic restrictions and subsidizing necessary imports | administration might keep up restrictions which hinder the full utilization of opportunities |
| | policy makers accept the expectations of foreign visitors despite cultural differences | policy makers adhere to restrictions which adversely affect the competitiveness |
| | entrepreneurs are supported by national institutions in promoting their tourism destination | lacking coordination of media representation might lead to counter-productive results |
| | governmental stability and respect for the domestic civil society enhance the attraction of the respective country | civil unrest, terrorism, sectarian clashes, etc. adversely influence the appearance of tourism destination in all kinds of media |
| Local | additional incomes can be generated by local workforce | competition between different economic sectors: labour force shortage during peak seasons |
| | the built-up infrastructure is improved | valuable and rare land resources are minimized |
| | a short season allows high returns and offers scope for additional economic activities as well as accepting tourism as a side income | seasonality of tourism business does not allow high investments in physical infrastructure as investment can be recovered only over long time |
| | farmers provide a beautiful landscape by following their activities and fulfill the task of landscape gardeners | tourism entrepreneurs sell the beautiful landscape to their clients without sharing their profits with the farmers |
| | the supply situation with high-quality consumer goods is improved | the import of consumer goods reduces the local allocation of profits and participation of local suppliers |
| | more and better tourism facilities increase the potential for higher numbers of visitors | growing investment in tourism facilities do not improve the market conditions as competition among entrepreneurs increases while the market stagnates and loans have to be paid back from smaller or fading profits. Thus the number of local benefitters is reduced |

Source: own compilation

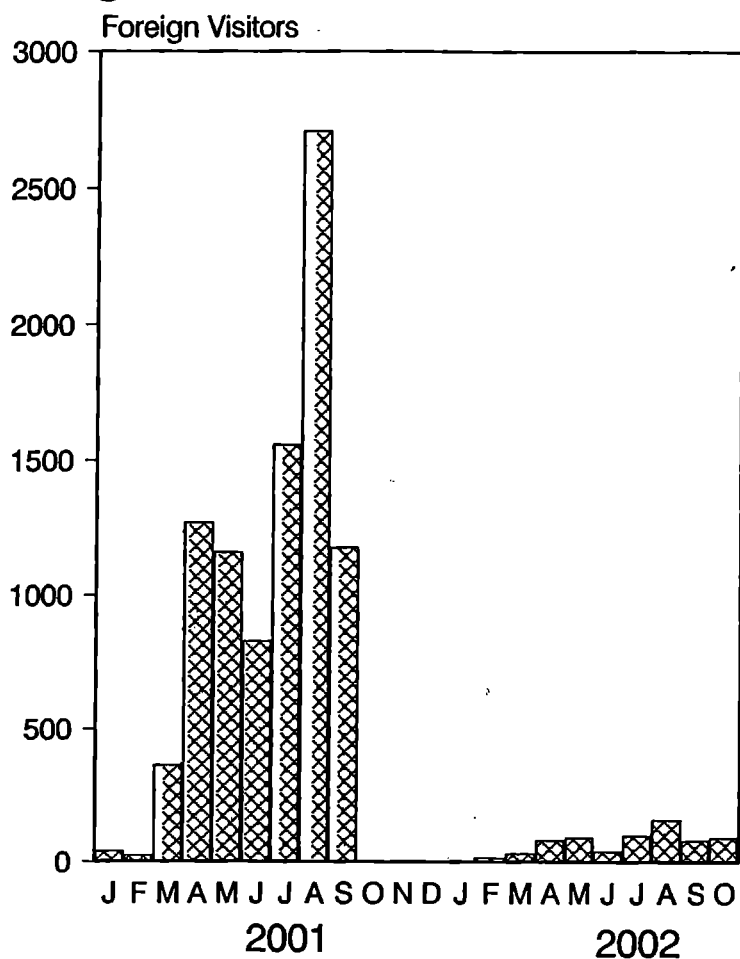
international tourism flow for more than two decades was observed. Tourism operators had to close their offices, tourist guides were laid off, demand for services and local products became non-existent, loans were defaulted and bankruptcy of tourism entrepreneurs is on the brink. People who had extracted a substantial income from tourism so far went back to their roots and practiced mountain agriculture again, basically the only insurance they possess if not drawing a pension from a previous engagement in government jobs. How does the federal administration cope with these developments? The reduction of peak royalties by 50% through the government did not attract more international expeditions so far. The experience of 9/11 has dramatically shown how vulnerable the tourism sector in Northern Pakistan is and how little prognostic value can be attributed to the promises of sustainable tourism.



Source: Didar Ali, Ghulam Rasool and H. Kreutzmann

Figure 2: Development of hotel industry in Hunza 1979-1998

Foreign visitors to Baltit Fort 2001-2002



Source: Baltit Fort Office, Dec. 2002

Figure 3: Foreign visitors to Baltit Fort 2001-2002

From the discussion provided here it follows that tourism might remain to be a major source of income for the Northern Areas in future. Tourism should be one and not the only niche which has to be utilized in this specific setting. Over-reliance on this source is not advisable as the tourism world market is controlled on different levels by different players. Seasonal effects can be triggered off any time and anywhere. In this regard sustainability means to develop rather safe sectors such as mountaineering, trekking and individual tourism for different segments. Influence – wherever possible – needs to be instrumentalized on the national and regional level to create and effect an environment favourable to tourism industry.

4. FUTURE PROSPECTS FOR MOUNTAIN DEVELOPMENT

The data deficit has become obvious during our evaluation of available information for mountain regions as the basis for an assessment of development deficits. In recent years development agencies and practitioners have reacted. Qualitative and quantitative information of project areas is collected in a more sophisticated manner. For a number of Central and South Asian countries annual Human Development Reports are compiled. If

livelihood strategies of mountain people (cf. Bohle and Adikhari 1998) and the level of living conditions are the focus of development activities then the level of knowledge needs to be enhanced and appropriate concepts for the assessment of poverty conditions are required. The discussion of the HDI can be only a first step towards a more informed debate about the significance of mountain regions and the visibility of mountain people in a participatory approach. But it could provide us with a background and framework in which more detailed and sector-specific enquiries could draw necessary attention to the local and regional pressing problems. Tourism collapse in Northern Pakistan is only one of the unpredictable crisis observed recently. The experience shows that diversified strategies of income-generation and strong community linkages are the prime checks for avoiding crises to become more threatening.

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