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The Role of Culture in Tourism Gentrification: A Case Study of Pokhara, Nepal since the 1970s

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ABSTRACT

This thesis examines the phenomenon of tourism gentrification in Pokhara, Nepal, set against a backdrop of increasing middle-class transnational mobility under globalization. Specifically, it investigates the impact of international tourism, which began to significantly influence the region after the 1970s. This research addresses how cultural exchanges between the local community and tourists have driven tourism gentrification and transformed local culture over several decades.

The study employs a triangulated research design, incorporating historiography analysis to trace the development of tourism alongside policy and stakeholder analysis, quantitative methods to delineate tourism-related infrastructure and population dynamics, and in-depth interviews with local stakeholders to capture personal and collective experiences of cultural transformation. This comprehensive approach aims to uncover the multifaceted narrative of tourism gentrification in Pokhara, focusing particularly on the role of culture in this process.

Findings from this research indicate that tourism gentrification in Pokhara is influenced significantly by cultural factors, alongside the more widely recognized economic disparities brought about by globalization. Culture not only serves as a magnet attracting lifestyle-led migrants but also as a strategic tool in promoting tourism, which leads to tourism gentrification. Additionally, in communities concentrated with tourists, new forms of cultural expression emerge through co-creation processes between visitors and locals, illustrating the dynamic interplay between global influences and local traditions.

The results confirm that while economic factors are critical, cultural aspects play an equally pivotal role in driving tourism gentrification. Given that tourism gentrification remains a relatively nascent concept with limited studies focusing primarily on Western cities, this research underscores the need for greater awareness of the soft elements, such as culture, that influence gentrification processes. Through its analysis of Pokhara's unique context, the study aims to contribute to broader discussions on sustainable tourism practices that respect and preserve local cultures.

KEYWORDS: *Tourism Gentrification, Pokhara, Cross-cultural Interaction, Co-creation*

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CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Globalization and advancements in transportation technology have revolutionized modern travel, leading to millions embarking on international trips each year. As the gateway to the Himalayas and a cultural melting pot of Hindu, Buddhist, and diverse ethnic traditions, Pokhara was declared Nepal's tourism capital in 2024. It annually welcomes a substantial number of tourists, catalyzing its transformation into a city where tourism has emerged as the dominant economic activity, much like other global tourist-centric urban centers. This surge in international travelers since the 1970s has especially transformed Lakeside, a major tourist hub in Pokhara, distinguishing it significantly from other local areas.

Tourism gentrification, a growing concern under the umbrella of transnational gentrification, manifests uniquely compared to traditional gentrification. Although it similarly results in the displacement of original residents, its characteristics are distinct and do not fit the traditional gentrification model. Although with increasing scholarly attention, numerous case studies have been done,¹ most research has been concentrated on Western cities, focusing predominantly on socio-economic aspects and often underestimating the role of culture. Economic and spatial changes in tourism gentrification are overt and well-documented, whereas cultural dimensions are usually only briefly mentioned. However, the tourism industry is fundamentally driven by culture, making tourism gentrification deeply linked with culture. Different cities' cultures lead to unique competencies in the tourism economy, directing their development paths and outcomes in diverse ways. This thesis focuses on the local development under globalization, aiming to understand how Pokhara's unique culture drives tourism, influences the economy, and shapes community development. It explores the long-term interactions and transformations of different cultures within the context of tourism gentrification, aiming to elevate the focus on cultural aspects to enable more sustainable and culturally inclusive tourism development strategies.

This study argues that culture is central to understanding tourism gentrification. By examining the case of Pokhara since it began to commercially attract international tourists in the 1970s, this research highlights the role of culture in local tourism gentrification. Drawing on interviews with locals, it adopts a bottom-up approach to delve deeper into how these cultural shifts and adaptations are perceived and navigated by the community, thereby providing a comprehensive insight into the transformative impact of tourism on local societies.

¹ For a comprehensive review of relevant case studies, see the literature review section of this paper.

This exploration is anchored in the transformative trajectory of Pokhara, especially following significant infrastructural milestones beginning with the completion of the Siddhartha Highway in 1968. This period marked the onset of profound changes, catalyzing Pokhara's evolution from a relatively secluded town to a key tourist hub. The study is designed to unravel the complex layers of this transformation, scrutinizing the spatial-economic and cultural implications of the burgeoning tourism sector on Pokhara's urban fabric.

This research employs a mixed-methods approach to offer a nuanced understanding of the relationship between urban development and cultural integrity amidst rising tourism in Pokhara. By analyzing tourism developments through various lenses, including quantitative data on spatial-economic changes and qualitative insights from local residents, the thesis aims to provide a comprehensive perspective on the transformative effects of tourism-driven gentrification. By examining the various factors that influence its urban and cultural landscapes, this research contributes to the broader understanding of tourism gentrification. Simultaneously, it aims to grasp the city's distinct dynamics, which is crucial for developing more sustainable tourism planning strategies in Pokhara.

1.3 Research Question and Sub-questions

The central research question of the thesis is:

In what ways has the cultural exchange between the local community and tourists driven tourism gentrification in Pokhara, and how has this interaction transformed local culture since the 1970s?

The question implies that the interactions between tourists and the local community are not just casual encounters but have deep, transformative impacts on the city, as well as its residents. The use of bidirectional points to the idea that this influence is not one-sided; rather, it flows both ways. The local culture attracts tourists and, in turn, is influenced by them. This reciprocal relationship can lead to a dynamic where both the cultural identity of the community and tourism are continuously evolving, enhancing the tourism gentrification in Pokhara.

Sub-questions further delineate this exploration:

1. How has the spatial-economic landscape of Pokhara evolved due to the shift to commercial tourism since the 1970s?

This sub-question examines the tangible and direct impacts of tourism-driven gentrification, focusing on changes in urban development and land use.

2. How has the local culture triggered tourism gentrification in Pokhara?

This sub-question considers how local cultural elements allure tourists, leading to increased demand for tourism, thereby initiating processes of tourism gentrification as a catalyst.

3. How does the bidirectional cultural interaction, under tourism gentrification, between local residents and tourists in Pokhara co-create new cultural expressions?

This sub-question seeks to comprehensively analyze the dynamic interplay between locals and tourists, exploring how their interactions not only transform existing cultural practices but also contribute to the emergence of new cultural expressions.

Through these questions, the thesis aims to provide a comprehensive understanding of Pokhara's transformation, considering both the spatial-economic impacts and the evolving cultural dynamics driving and driven by tourism gentrification.

1.4 Literature Review

1.4.1 Understanding Tourism Gentrification

In the context of urban development and social change, the concept of gentrification has garnered significant attention. Defined operationally, gentrification is characterized by the displacement of older, often low-income, working-class, minority, and elderly residents by younger, more affluent, and predominantly white professional groups.² This demographic shift occurs in previously deteriorated inner-city neighborhoods, where the changes are spatially concentrated and markedly distinct from broader community or regional trends. Crucially, the essence of gentrification lies not in the physical refurbishment of neighborhoods but in the underlying economic, social, and population shifts that drive these transformations.

Tourism gentrification, a concept first proposed by Gotham, refers to the transformation of a middle-class neighborhood into a relatively affluent and exclusive enclave characterized by the proliferation of corporate entertainment and tourism venues.³ Integral to this phenomenon is its close association with tourism; the influx of international tourists and their economic contributions create a global rent gap, thereby altering local real estate landscapes and driving urban transformations. Central to the emergence of transnational gentrification is the rise of a global middle class endowed with unprecedented mobility, a direct consequence of globalization.⁴ This demographic's expanding economic capacity and cross-cultural engagements have significantly contributed to the acceleration and expansion of gentrification processes, marking a shift in how urban spaces are consumed, valued, and contested in the global era.

Traditional gentrification and tourism gentrification, or transnational gentrification, diverge significantly in their dynamics and impacts on urban neighborhoods. While traditional gentrification is characterized by the displacement of lower-income residents due to the influx of higher-income domestic groups seeking urban lifestyles, tourism gentrification introduces a distinct set of challenges and transformations.

A key feature of tourism gentrification is its drive by lifestyle migrants — individuals who are drawn to a locale not for employment or long-term living but for the lifestyle it offers. These migrants often do not

² Peter Marcuse, "Gentrification, Abandonment, and Displacement: Connections, Causes, and Policy Responses in New York City," *Urban Law Annual ; Journal of Urban and Contemporary Law* 28, no. 1 (January 1, 1985): 195–240.

³ Kevin Fox Gotham, "Tourism Gentrification: The Case of New Orleans' Vieux Carre (French Quarter)," in *The Gentrification Debates* (Routledge, 2010).

⁴ Thomas Sigler and David Wachsmuth, "New Directions in Transnational Gentrification: Tourism-Led, State-Led and Lifestyle-Led Urban Transformations," *Urban Studies* 57, no. 15 (November 1, 2020): 3190–3201, <https://doi.org/10.1177/0042098020944041>.

integrate into the local economy in traditional ways; many do not work locally or speak the local language, leading to neighborhood changes that extend beyond mere economic displacement to encompass cultural and social shifts, creating environments that cater more to transient visitors than to the needs of existing communities.

Another critical aspect of transnational gentrification highlighted in this study is its temporal dimension, which marks a departure from more traditional patterns of residential change. Unlike the somewhat stable residential shifts seen in conventional gentrification, tourism gentrification is marked by highly fluid residential cycles, sometimes lasting only a few days. This transient occupancy exacerbates the effects of gentrification, leading to rapid changes in local neighborhoods and often resulting in the development of 'tourist bubbles.' These areas, primarily designed to cater to the preferences and demands of short-term visitors, can alienate and marginalize local populations, further deepening the socio-economic and cultural divides within urban centers.

The necessity to distinguish tourism gentrification lies in its unique impact on local communities and cultural landscapes. Unlike traditional gentrification, which is often a result of internal urban development dynamics, tourism gentrification is driven by external factors such as global tourism trends and the lifestyle preferences of international visitors. This distinction is crucial for understanding the complex interplay between local and global forces in shaping urban spaces, particularly in tourist-heavy destinations.

In the intricate matrix of urban development, cultural forces play a critical role in the onset and progression of tourism gentrification. The allure of authentic cultural experiences is often a significant draw for tourists, catalyzing the transformation of urban spaces to cater to these desires. The interplay between the commercialization of culture and the demands of international visitors precipitates a cycle of gentrification that significantly alters the cultural landscape of tourist destinations.

Culture acts both as a magnet and a canvas in tourism gentrification.⁵ Local cultures attract tourists seeking novel experiences, which in turn incentivizes investment in infrastructure and services that support tourism. This investment often leads to a gentrification process that reconfigures the cultural offerings of a community to suit the tastes of tourists. The authentic becomes curated, and the indigenous can be repackaged, leading to a loss of genuine cultural expression.

⁵ Andy C. Pratt, "Gentrification, Artists and the Cultural Economy," ed. L. Lees and M. Philips (Cheltenham, UK: Edward Elgar, 2018), 346–62, <https://www.e-elgar.com/shop/handbook-of-gentrification-studies>.

The interaction between local culture and foreign tourists in gentrified areas is insightfully analyzed through the lens of cultural consumption.⁶ This approach highlights the crafting of urban spaces and experiences aimed at attracting a demographic with higher incomes and cultural capital. The prioritization of culture consumption, however, is critiqued for leading to adverse effects such as the displacement of local populations, neglect of their cultural needs and demands, and the amplification of social inequalities and gentrification.

The concept of 'cultural capital' from Bourdieu's work also provides insight into how the cultural assets of a community contribute to its desirability and, by extension, to gentrification.⁷ Bourdieu's theory suggests that the knowledge, skills, and education that constitute cultural capital in a community become sought-after commodities in the tourism industry, driving gentrification as tourists seek to experience and consume the cultural capital of a place.

These theoretical frameworks highlight the complex relationship between culture and gentrification in the context of tourism. The cultural drivers of tourism gentrification are multifaceted, involving the commodification of culture, the tensions between global and local dynamics, and the transformation of cultural capital into economic capital. Recognizing and analyzing these drivers is critical for understanding the full implications of tourism gentrification on urban spaces and for developing policies that safeguard the cultural integrity and sustainability of communities like Pokhara.

⁶ Andy C. Pratt, "The Cultural Contradictions of the Creative City," *City, Culture and Society* 2, no. 3 (September 1, 2011): 123–30, <https://doi.org/10.1016/j.ccs.2011.08.002>.

⁷ Pierre Bourdieu, "Cultural Reproduction and Social Reproduction," in *Knowledge, Education, and Cultural Change* (Routledge, 1973).

1.4.2 Existing Case Studies on Tourism Gentrification

Since Gotham proposed the concept of tourism gentrification,⁸ several empirical studies have been conducted to explore this phenomenon in various urban contexts. The case studies of New Orleans, Panama, Lisbon, and Barcelona reveal critical factors, perspectives, and consequences of tourism gentrification.⁹ These themes highlight the roles of global influences, government policies, and local responses in urban transformations.

A significant factor in tourism gentrification is the influence of global economic forces and corporate capital. In New Orleans' Vieux Carre, the area's transformation into an entertainment destination is driven by global economic processes, such as the deregulation of national markets and the involvement of transnational corporations.¹⁰ Similarly, Panama's Casco Antiguo shows how global capital and transnational actors play a crucial role in neighborhood reinvestment and redevelopment, illustrating how globalization changes existing land-use patterns.¹¹ Lisbon's shift from credit-fueled suburbanization to tourist-driven gentrification underscores the impact of international real estate capital and foreign investment, reshaping the urban landscape to cater to high-income markets.¹² These cases show that tourism gentrification is closely tied to larger economic and political contexts, with global capital driving urban changes.

Government policy also plays a critical role in tourism gentrification. Urban policy planning in Panama's Casco Antiguo highlights the role of local development interests in attracting transnational investment and redevelopment.¹³ In Lisbon, the economic fallout from the global financial crisis led to changes in real estate investment patterns and housing market dynamics, influenced by urban rehabilitation efforts and government policies aimed at revitalizing historic centers.¹⁴ These policy decisions significantly affect the extent and nature of tourism gentrification, shaping how urban spaces develop in response to global economic forces.

⁸ Gotham, "Tourism Gentrification."

⁹ Gotham; Agustin Cocola-Gant and Antonio Lopez-Gay, "Transnational Gentrification, Tourism and the Formation of 'Foreign Only' Enclaves in Barcelona," *Urban Studies* 57, no. 15 (November 1, 2020): 3025–43, <https://doi.org/10.1177/0042098020916111>; Iago Lestegás, "Lisbon After the Crisis: From Credit-Fuelled Suburbanization to Tourist-Driven Gentrification," *International Journal of Urban and Regional Research* 43, no. 4 (2019): 705–23, <https://doi.org/10.1111/1468-2427.12826>; Thomas Sigler and David Wachsmuth, "Transnational Gentrification: Globalisation and Neighbourhood Change in Panama's Casco Antiguo," *Urban Studies* 53, no. 4 (2016): 705–22.

¹⁰ Gotham, "Tourism Gentrification."

¹¹ Sigler and Wachsmuth, "Transnational Gentrification."

¹² Lestegás, "Lisbon After the Crisis."

¹³ Sigler and Wachsmuth, "Transnational Gentrification."

¹⁴ Lestegás, "Lisbon After the Crisis."

From the perspective of migrants, lifestyle opportunities are a primary reason for transnational migration to cities like Barcelona.¹⁵ Migrants from Western Europe and North America are attracted to leisure and consumption opportunities, making them privileged consumers of housing. This lifestyle-driven migration leads to the formation of ‘foreign only’ enclaves, where transnational mobile populations gather in tourist-centric neighborhoods. The presence of these migrants attracts further investment and redevelopment, reinforcing the cycle of gentrification.

Conversely, local residents experience tourism gentrification differently. In New Orleans, the influx of tourists and affluent newcomers has displaced working-class residents and diminished the neighborhood’s character.¹⁶ Similar trends are seen in Barcelona, where the presence of tourists and transnational migrants reshapes neighborhoods, displacing long-term residents, particularly working-class individuals and the elderly.¹⁷ In Lisbon, rising house prices and rents due to tourism-driven urban development have displaced long-term residents, raising concerns about housing affordability and quality of life.¹⁸ These perspectives highlight the socio-economic and demographic changes that come with tourism gentrification, often marginalizing local populations.

The consequences of tourism gentrification are evident in the housing market and the physical transformation of urban neighborhoods. The transformation of New Orleans’ Vieux Carre into an entertainment destination has increased property values and brought in national retail chains, changing the area’s socio-economic makeup.¹⁹ In Panama’s Casco Antiguo, global capital flows have created new housing opportunities but also incentivized redevelopment in previously neglected areas.²⁰ Lisbon’s historic center has seen significant changes due to urban rehabilitation efforts and the growth of short-term rentals, driven by tourist activity.²¹ These physical transformations often prioritize the needs and preferences of transient, affluent visitors over those of long-term residents.

The displacement of locals is a critical socio-economic consequence of tourism gentrification. In New Orleans, the growth of corporate tourism has displaced working-class residents.²² In Barcelona, the concentration of transnational migrants in tourist enclaves has excluded local residents from central

¹⁵ Cocola-Gant and Lopez-Gay, “Transnational Gentrification, Tourism and the Formation of ‘Foreign Only’ Enclaves in Barcelona.”

¹⁶ Gotham, “Tourism Gentrification.”

¹⁷ Cocola-Gant and Lopez-Gay, “Transnational Gentrification, Tourism and the Formation of ‘Foreign Only’ Enclaves in Barcelona.”

¹⁸ Lestegás, “Lisbon After the Crisis.”

¹⁹ Gotham, “Tourism Gentrification.”

²⁰ Sigler and Wachsmuth, “Transnational Gentrification.”

²¹ Lestegás, “Lisbon After the Crisis.”

²² Gotham, “Tourism Gentrification.”

neighborhoods.²³ Lisbon's experience highlights how rising housing costs and foreign investment in real estate contribute to the displacement of local inhabitants.²⁴ These demographic shifts underline the broader socio-economic impacts of tourism gentrification, often exacerbating inequalities and marginalizing vulnerable populations.

In summary, the empirical case studies of tourism gentrification show the profound impacts of global economic forces, government policies, and transnational migration on urban neighborhoods. These transformations result in significant socio-economic changes and the displacement of local residents, highlighting the need for policies that balance economic development with the preservation of community integrity and housing affordability. Future research should continue to explore these issues, focusing on strategies to reduce the negative impacts of tourism gentrification on local communities.

The exploration of tourism gentrification within urban studies has highlighted the significant impact of global tourism trends on local urban landscapes. However, a thorough review of the existing literature reveals gaps that necessitate further research, particularly concerning the limited exploration of the role of culture in tourism gentrification and the predominant focus on Western urban contexts. Addressing these areas is crucial for a more comprehensive understanding of the factors at play in diverse urban environments, especially in non-Western cities like Pokhara.

Despite scholars acknowledging the significance of culture in driving tourism and, by extension, tourism gentrification, the bulk of empirical studies have focused predominantly on socio-economic and spatial effects. This emphasis on property market dynamics, demographic shifts, and economic repercussions often overlooks the cultural transformations occurring within gentrified communities. Yet, tourism is fundamentally about local cultures and histories that appeal to visitors' tastes for the exotic and unique.²⁵ Moreover, tourism creates spaces where people from different cultures can meet and interact.²⁶ These cultural dimensions are vital to understanding the full impact of tourism gentrification.

Addressing culture in the context of Pokhara, a non-Western tourist destination, is particularly meaningful. Pokhara shows greater cultural differences since the main international tourists are from Western countries, exemplifying interactions that range from extreme cultural differences to subtler intercultural exchanges (e.g., interactions between Western tourists and Asian hosts). This makes Pokhara

²³ Cocola-Gant and Lopez-Gay, "Transnational Gentrification, Tourism and the Formation of 'Foreign Only' Enclaves in Barcelona."

²⁴ Lestegás, "Lisbon After the Crisis."

²⁵ Gotham, "Tourism Gentrification."

²⁶ Abraham Pizam, Yoel Mansfeld, and Hudson Simon, "Consumer Behavior Related to Tourism," in *Consumer Behavior in Travel and Tourism* (Psychology Press, 1999), 7–30.

an ideal case for examining the cultural aspects of tourism gentrification, providing insights that are often overlooked in Western-centric studies.

A major critique of current methodologies in tourism gentrification research is their overwhelming focus on Western urban settings. This Western-centric approach has led to a skewed understanding of gentrification as a global phenomenon, with significant implications for how it is conceptualized, studied, and addressed across different cultural and geographic contexts. The predominance of case studies from European and American cities has resulted in a limited perspective that often overlooks the unique conditions present in non-Western contexts. Such geographic bias raises concerns about the applicability of findings and theories derived from Western settings to cities with different historical, cultural, and socio-economic backgrounds.

For instance, the experience of gentrification in cities like Pokhara is likely to differ substantially from that in Western cities, given their distinct cultural and economic structures. The broader gaps between local and international tourists, especially those from Western countries, can lead to patterns of gentrification that differ significantly from those documented in current Western-centric studies. This underscores the pressing need for broader geographic representation in case studies, aiming to achieve a more comprehensive and globally relevant understanding of tourism gentrification. This expansion beyond Western-centric studies is not merely about diversifying case study locations but about enriching our comprehension of tourism gentrification as a complex, locally manifested global phenomenon.

To advance the understanding of tourism gentrification, it is imperative to address the noted gaps in current research, namely the Western-centric orientation of studies and the insufficient exploration of culture's role. By broadening the geographic scope of research to encompass non-Western cities and placing a greater emphasis on cultural analysis, future studies can offer more comprehensive insights into the various factors between local cultures and global tourism trends. Embracing geographic diversity and prioritizing cultural considerations will crucially contribute to a deeper, globally relevant understanding of the transformative effects of tourism on urban communities. This, in turn, will support efforts to navigate the challenges and opportunities presented by tourism-driven urban transformations in a more informed and sensitive manner.

1.4.3 Main Theoretical Framework

In the exploration of tourism-driven urban transformations, my thesis pivots around two main concepts to build the analytical framework: tourism gentrification and culture. These concepts are crucial for dissecting the intricate dynamics at play in Pokhara, a city experiencing rapid shifts due to increasing tourist influx. Understanding these notions and their interconnections sheds light on the broader implications of tourism on urban landscapes and local communities.

Tourism Gentrification

This study centers on tourism gentrification. While there is no consensus among scholars on the definition and framework of tourism gentrification, this thesis will use the methods combining two of the pioneering papers on the subject by Gotham²⁷ and Sigler and Wachsmuth²⁸. The framework provides the structure to analyze the unique causes and processes of tourism gentrification in Pokhara.

First, tourism gentrification highlights the twin processes of globalization and localization that define modern urbanization and redevelopment. Tourism connects local capital to international consumer demand, thereby thickening the global circuits of capital and migration constituting globalization.

On one hand, the increasing global mobility of transnational middle classes creates new opportunities for gentrification projects. Initial waves are usually described as isolated and laissez-faire;²⁹ gentrification often begins with ‘Bohemians,’ followed by middle-class succession, vividly seen in the 1970s and 1980s. On the other hand, tourism is a ‘local’ industry characterized by grassroots cultural production, the spatial fixity of the tourism commodity, and localized consumption of place. It involves activities and organizations producing local distinctiveness, cultures, and histories that appeal to visitors’ tastes for the exotic and unique.³⁰

Secondly, the concept of tourism gentrification challenges traditional explanations of gentrification that assume either demand-side or production-side factors drive the process. The transformations under tourism gentrification signify a profound alteration in the city’s character, driven by the complex interplay

²⁷ Gotham, “Tourism Gentrification.”

²⁸ Sigler and Wachsmuth, “New Directions in Transnational Gentrification.”

²⁹ Jason Hackworth and Neil Smith, “The Changing State of Gentrification,” *Tijdschrift Voor Economische En Sociale Geografie* 92, no. 4 (2001): 464–77, <https://doi.org/10.1111/1467-9663.00172>.

³⁰ Peggy Teo and Lim Li, “Global and Local Interactions in Tourism,” *Annals of Tourism Research* 30 (April 1, 2003): 287–306, [https://doi.org/10.1016/S0160-7383\(02\)00049-X](https://doi.org/10.1016/S0160-7383(02)00049-X); Peggy Teo and Brenda S. A. Yeoh, “Remaking Local Heritage for Tourism,” *Annals of Tourism Research* 24, no. 1 (January 1, 1997): 192–213, [https://doi.org/10.1016/S0160-7383\(96\)00054-0](https://doi.org/10.1016/S0160-7383(96)00054-0).

between lifestyle migrants' demands and the supply-side motivations of economic development. The resultant urban landscape shifts as a new tourist-centric enclave forms through the dual influence of supply and demand, resulting in a process of 'poshification.'

From the demand side, the central motivation lies with lifestyle migrants. These temporal residents move to pursue specific lifestyles, driven by capital-based and consumption-oriented motivations rather than employment. Due to the rise of the global middle class, such migrants, who pursue particular preferences and enjoy increased international mobility, have become a significant trend. Their preferences span geographical locations, biological habits (e.g., food consumption, health practices), and temporal activities (e.g., travel), making the destination's ability to meet these demands crucial. This shift towards lifestyle-driven migration transforms urban areas, with neighborhoods evolving to cater to these new residents' preferences, often at the expense of local culture and practices.

On the supply side, local states and property owners are motivated by the desire to attract 'global' economic development or catalyze tourism. This drive often results in substantial benefits for local elites and middle-class landowners through rent increases, property sales, and revenue from short-term rentals. Consequently, significant urban landscape changes emerge under the influence of tourism gentrification. City centers evolve to meet the demands of lifestyle migrants, with short-term rental properties replacing long-term residential options, exotic restaurants and cafes replacing local eateries, and souvenir shops supplanting local supermarkets.

This process embodies the transformation of specific urban areas into hubs of tourist consumption, where local social and cultural practices are commodified and adapted into globally appealing offerings, thus creating 'vacationland festivals' catering to more affluent tourist classes. Central to this phenomenon is the role of lifestyle migrants, a group distinguished not by employment-based relocation but by their pursuit of a desired lifestyle. Unlike traditional migration dynamics, which often juxtapose low-income residents against incoming white-collar workers, tourism gentrification introduces lifestyle migrants—individuals who might not engage with the local employment market or speak the local language, thereby forging a new form of neighborhood change.

The Definition of Culture

Over time, the humanistic view of culture, which focused primarily on intellectual pursuits, has evolved into a broader definition. This expanded perspective sees culture as encompassing the entire lifestyle of a people or society, not just their intellectual activities.³¹ However, defining culture too broadly risks making it analytically vague and practically ineffective. To maintain clarity and relevance in this thesis, the focus is narrowed to examine specific aspects of culture that directly influence and reflect the processes of tourism gentrification. Specifically, this thesis focuses on the role of culture in the urban context, highlighting how cultural symbols and activities shape, and are shaped by, the urban environment.

Cultural symbols have material consequences, which become more significant as cities rely less on traditional resources and technologies of material production.³² As urban economies shift towards knowledge and service-based industries, culture plays a crucial role in this transition. The emphasis on cultural activities and symbols can attract a creative and affluent population, thereby driving urban redevelopment and gentrification. Additionally, there has been a reevaluation of the key role of culture and cities in framing modern identities. Urban culture contributes to the identity of a city, influencing how residents and visitors perceive and interact with the urban space. This cultural identity becomes a valuable asset in the city's development strategy, attracting tourism and investment.

This approach serves two primary purposes: Firstly, it seeks to understand how culture acts as a driving force behind gentrification. Secondly, it endeavors to utilize a broader set of operationalizable indicators to grasp the cultural changes and impacts under tourism gentrification.

In post-industrial redevelopment, culture is often seen as instrumental in 're-valuing' land and generating consumption.³³ This perspective aligns with observations in both tourism gentrification scenarios and broader gentrification phenomena, where a common focus lies in various forms of cultural consumption and the purchasing power to attract suppliers. Echoing Richard Florida's Creative Cities theory³⁴, which argues that cities should develop based on the needs of the creative class, the argument extends to how culture is often used strategically in urban policy to attract higher-spending demographics. The notion that

³¹ Robert Cassen, "Introduction," in *Does Aid Work?: Report to an Intergovernmental Task Force*, Second Edition, Second Edition, Library of Political Economy (Oxford, New York: Oxford University Press, 1994), 1–14.

³² Sharon Zukin, "THE MYSTIQUE OF PUBLIC CULTURE," in *The Cultures of Cities* (Cambridge, MA: Blackwell, 1995), 259–92.

³³ Pratt, "Gentrification, Artists and the Cultural Economy."

³⁴ Richard Florida, "Cities and the Creative Class," *City & Community* 2, no. 1 (March 1, 2003): 3–19, <https://doi.org/10.1111/1540-6040.00034>.

a city could allocate resources and support preferentially to the creative class—a group already enjoying certain privileges—presents a challenge. Moreover, restructuring a city’s infrastructure and services to cater to this demographic sets clear priorities that might overlook broader community needs. In tourism gentrification, this translates to the selective promotion of local culture that appeals to visitors’ tastes for the exotic and unique.

On the other hand, this study aims to transcend the economic interpretation of culture. Culture is not merely a tool for urban revenue enhancement but is deeply embedded within the social fabric of cities, touching upon aspects of identity, belonging, and daily practices.

In the process of tourism gentrification, even as some cultural elements evolve towards the consumption side for economic development, the outcomes affect not only the economy but also people’s behaviors and thoughts. In this context, ‘culture’ refers to activities and their resulting products that engage with the intellectual, moral, and artistic dimensions of human life. It encompasses pursuits that foster enlightenment and the education of the mind, distinct from the acquisition of purely technical or vocational skills.³⁵ To measure culture empirically, this research employs the UNESCO Culture 2030 Indicators³⁶ as a framework for understanding local cultural expressions. These indicators categorize culture into four dimensions: Environment & Resilience, Prosperity & Livelihoods, Knowledge & Skills, and Inclusion & Participation.³⁷ This categorization enables a comprehensive examination of culture that extends beyond mere commercial considerations to encompass the management of cultural heritage, the effects on local economies and livelihoods, the transmission of knowledge and skills, and the promotion of community inclusion and participation in cultural life. Through this lens, the study seeks to capture the nuanced ways in which culture contributes to, and is transformed by, the dynamics of tourism gentrification.

³⁵ David Throsby, ed., “Introduction,” in *Economics and Culture* (Cambridge: Cambridge University Press, 2000), 1–18, <https://doi.org/10.1017/CBO9781107590106.002>.

³⁶ UNESCO, “Thematic Indicators for Culture in the 2030 Agenda,” 2019, <https://unesdoc.unesco.org/ark:/48223/pf0000371562.locale=zh>.

³⁷ The indicators are used to measure concrete cultural behaviors as fundamental aspects of the interviews. For the full interview question list, see Appendix 1.

1.5 Methodology

1.5.1 Research Design

Reflecting on the literature review and the identified gaps in existing research, especially the call for culturally nuanced investigations across varied geographic contexts, this study pivots around a central inquiry introduced in the preceding section: **In what ways does the cultural exchange between the local community and tourists drive tourism gentrification in Pokhara, Nepal since the 1970s, and how does this interaction transform local culture?**

This question frames our exploration, setting the stage for a deeper analysis into the role of culture within the tourism gentrification process in Pokhara. Using a mixed-methods approach, this research seeks to analyze tourism gentrification through understanding the context of tourism development since the 1950s, followed by quantitative and qualitative lenses. The subsequent chapters will elaborate on how these different approaches help answer the research questions, culminating in a discussion that synthesizes all insights to provide a comprehensive answer to the phenomenon of tourism gentrification.

Chapter 2. Context of Tourism Development will delineate the different periods of tourism development in Pokhara after World War II, analyzing the reasons behind these transitions and their impacts. It will identify key stakeholders such as policymakers, local business leaders, and international tourism advocates, and consider external factors like global tourism trends and economic shifts. The analysis will trace how these elements have collectively influenced the evolution of Pokhara as a tourist destination. Through a detailed examination of policy documents from Nepal's various Five-Year Plans and other relevant legislative texts, this chapter will explore how state-led initiatives have shaped the infrastructural and cultural landscape of Pokhara to cater to an increasing influx of tourists.

Chapter 3. Quantitative Analysis will present a quantitative analysis based on data concerning land prices and the proliferation of tourism-related properties in the Lakeside area of Pokhara. This segment aims to quantify the degree of tourism gentrification from a spatial-economic perspective. This will include analyzing trends in land prices and land use patterns, providing a clear picture of how tourism has transformed the physical and economic landscape of Pokhara. The data gathered will help underscore the socio-economic disparities that have emerged as a result of tourism-driven urban development.

Chapter 4. Qualitative Analysis will utilize a bottom-up approach to understand local interpretations of the shifts caused by tourism gentrification. By focusing on the perspectives of the residents of Pokhara, especially from the Lakeside area, this research aims to bring the true voice of the locals to the research field of tourism gentrification. The perspectives of local residents are essential because, as the people actually living in the area, they understand the impact these urban changes have on their lives, and their genuine opinions about these transformations and effects. Incorporating these insights into the research field as a basis for analysis is crucial for fundamentally understanding tourism gentrification and planning better for future development. With the goal, through a series of interviews with diverse local stakeholders—including business owners, scholars, and officials—this part will delve into how the cultural exchange between locals and tourists has transformed cultural practices and community dynamics. The discussions will be framed around UNESCO’s Culture 2030 indicators, providing a structured way to assess the cultural impacts of tourism.

Chapter 5. Synthesis and Discussion will integrate the insights gathered from the previous chapters to paint a holistic picture of tourism gentrification in Pokhara. It will discuss how the local cultural elements have both influenced and been reshaped by the tourism industry. This discussion will aim to link the quantitative data on urban and economic changes with the qualitative insights into cultural shifts, providing a nuanced understanding of the interplay between these elements.

In conclusion, this methodology offers a structured yet flexible framework for exploring tourism gentrification in Pokhara, emphasizing the importance of local voices and quantitative data in constructing a comprehensive narrative. By adopting this triangulated approach, the study seeks to contribute meaningful insights to the discourse on tourism development, cultural integration, and sustainable urban planning.

1.5.2 Sources

The foundational sources for this thesis are meticulously selected to ensure a robust understanding of the various dimensions of tourism gentrification in Pokhara. The research design is structured around three primary source categories: policy documents, quantitative data, and qualitative interviews, each corresponding to different chapters within the thesis.

Chapter 2 draws extensively from policy papers including Nepal's Five-Year Plans—specifically the first, third, fourth, and fifth iterations spanning from 1956 to 1980. These plans mark a critical period of infrastructural advancements that catalyzed Pokhara's tourism growth. Additionally, the organizational structure of the Nepal Tourism Board Pokhara is analyzed. Secondary sources such as scholarly books and historical records also complement the analysis, providing insights into the key reasons and contexts behind the shifts in tourism policy and development. This amalgamation of sources helps to map out the policy-driven transformation of Pokhara into a burgeoning tourist hub.

Chapter 3 focuses on quantitative data to assess the extent and impact of tourism gentrification from a spatial-economic perspective. Primary data includes recent land price records of wards in Pokhara for the year 2024, sourced from Land Revenue Office Kaski, the local land office of the district. Additionally, data on the number of tourism-related properties in the Lakeside area and the greater Pokhara is compiled from the Nepal Tourism Board Pokhara and the Pokhara Hotel Association. This quantitative assessment provides a concrete measurement of the changes in the urban landscape, crucial for understanding the broader implications of tourism-driven economic shifts.

In **Chapter 4**, the qualitative dimension of the research is explored through 8 in-depth semi-structured interviews conducted with various stakeholders in Pokhara in April 2024. Interviewees include government officials, scholars, and local residents actively engaged in the tourism sector. These discussions are structured around UNESCO's Culture 2030 indicators, which help in systematically analyzing the often-intangible cultural expressions and impacts of tourism gentrification. This method allows for a rich, bottom-up understanding of how local populations perceive and adapt to the cultural transformations engendered by tourism.

In sum, this research design utilizes a triangular approach that aligns with historiographical analysis, quantitative assessment, and qualitative exploration. By incorporating a wide range of data sources and perspectives, the thesis aims to contribute a nuanced and in-depth understanding of tourism gentrification in Pokhara.

1.5.3 Sources Criticism

Criticism of Quantitative Data:

First, the analysis of land price records from the Land Revenue Office Kaski is central to understanding the spatial-economic impacts of tourism in Pokhara. The second major quantitative element involves data on the number of tourism-related properties, which is compiled from estimates provided by the Nepal Tourism Board in Pokhara and the Pokhara Hotel Association. However, limitations arise due to the non-digitalized nature of these records:

- **Lack of Historical Data:** The non-digitalized records make it challenging to access and analyze long-term data trends. This limitation is crucial because historical land price data would allow for a comprehensive analysis of the trends and patterns of land value changes over time, correlating these with phases of tourism development and policy changes. The absence of this longitudinal perspective hinders the ability to trace the gradual effects of tourism gentrification.
- **Irregular Data Collection:** The lack of regular data collection exacerbates the issue, as it does not allow for the monitoring of trends over time. This irregularity makes it difficult to analyze the pace of tourism infrastructure development or to compare growth rates across different periods. As a result, the study can only focus on the present situation without the ability to contextualize these findings within a broader historical or developmental framework.
- **Estimation and Accuracy Concerns:** The data on tourism-related properties are based on estimates rather than exact counts. This approach stems from the absence of a centralized institution responsible for the registration and consistent tracking of tourism businesses in the area. Such estimations are likely to introduce inaccuracies that could skew the understanding of how much the tourism sector has physically expanded within Pokhara.

These limitations are particularly problematic in studies of gentrification, where understanding the speed of changes is essential. Inaccuracies and data gaps may lead to underestimations of the actual impact of tourism on local communities and urban landscapes.

Interview Source Limitations:

The qualitative insights derived from interviews are essential for capturing the local perspective on the tourism gentrification in Pokhara. However, several factors could bias these insights:

- **Language Barrier:** Conducting interviews in English rather than Nepali could affect the authenticity and depth of the responses. Even though the participants speak English, they might not possess the full range of vocabulary to express complex emotions or subtle cultural nuances. This language barrier can lead to misinterpretations of the participants' true sentiments.
- **Selection Bias:** The necessity of using English limits the participant pool to those who are fluent in the language, who are often individuals more frequently engaged with tourists and potentially more positive towards tourism's impacts. This selection bias might skew the findings, as it does not capture the views of those less exposed to or negatively impacted by tourism.
- **Positive Response Bias:** Interviewees tend to share more positive impressions, particularly when interviewed by a foreign researcher, due to a desire to portray their community or themselves in a favorable light. This bias can obscure insights into the negative impacts of gentrification, such as displacement or cultural erosion, which are vital for a balanced understanding of the situation.

To address the limitations, the research employs a mixed-methods approach, which is designed to enhance the overall reliability and depth of the findings. By contextualizing and validating the quantitative data through qualitative insights, this strategy aims to minimize the biases that might arise from relying exclusively on one type of data.

To broaden the scope and depth of qualitative insights, the research includes interviews with a diverse range of stakeholders. By not limiting the qualitative research to a single group, the study avoids the pitfall of a one-sided narrative and ensures that multiple voices and experiences are considered. Additionally, the research extends beyond formal interviews to include informal field observations and conversations with locals who are not formal interviewees. This approach allows for the collection of spontaneous and organic data, providing further layers of context and understanding that enrich the formal interview data. These informal interactions can reveal subtleties and nuances that structured interviews might not capture, offering additional insights into the everyday realities of the residents affected by tourism gentrification.

CHAPTER 2: CONTEXT OF TOURISM DEVELOPMENT IN POKHARA

The forthcoming empirical chapters of this thesis embark on a detailed exploration of tourism gentrification in Pokhara, casting it as a crucial example within the broader analysis of urban transformations spurred by global tourism trends. The 1970s marked a significant turning point for tourism in Pokhara, driven by several key factors. These included a clear policy shift towards recognizing tourism as a vital source of foreign exchange, the completion of major infrastructure projects like the Siddhartha Highway that linked Pokhara to other cities, and the rise of international tourism trends. This section aims to introduce Pokhara's journey into the realm of tourism gentrification against this backdrop of concurrent developments. It underscores Pokhara's importance as a leading tourist destination in South Asia, illustrating how its urban evolution serves as a compelling case of tourism gentrification. This transformation, marked by significant economic disparities between local residents and international tourists, along with deep cultural interactions and exchanges, commenced in earnest following this infrastructural development. Located in Nepal, one of the world's least developed countries, Pokhara exemplifies the pronounced socio-economic divides that tourism can exacerbate in such settings. This backdrop sets the stage for an in-depth study necessary for comprehending the multifaceted nature of tourism-induced urban change.

Figure 2. Photo of Lakeside, Pokhara (2017)



(Source: personal archive of the author)

2.1 Pokhara in Historical Context

The Pokhara Metropolitan City, surrounded by the majestic peaks of Annapurna, Machhapuchhre, Dhaulagiri, and Manaslu, offers a breathtaking canvas of natural beauty, including nine enchanting lakes including Phewa Lake. Additionally, its vast socio-cultural diversity, shaped by a myriad of ethnic groups, religions, and traditions, has set it as a longed exotic tourist destination for international tourists, especially from the West, since the 1950s. This diversity, making it an irresistible attraction for both domestic and international tourists.

Historically, Pokhara has played a crucial role as a trade conduit between China and India, with its roots stretching back to the 17th century as part of the Kingdom of Kaski. This historical significance is mirrored in the medieval ruins dotting the surrounding hills, remnants of its role in the Chaubise Rajya. By the 18th century, under the vision of the King of Kaski, Pokhara was transformed into a burgeoning commercial hub, attracting Newar settlers from Bhaktapur and fostering a multicultural community composed of Khas, Gurungs, Magars, and a smattering of Newari and Muslim populations.

Notably, the city has also become a sanctuary for Tibetan exiles, with significant settlements established, adding another layer to Pokhara's multicultural identity. From 1959 onwards, the influx of Tibetan exiles, seeking refuge from annexation by China, introduced a new demographic element to Pokhara, further enriching its cultural mosaic. Today, approximately 20,000 Tibetans live in consolidated camps around Pokhara, contributing to the city's cultural and economic landscape through their distinct architectural styles, monasteries, and traditions.

The inception of tourism in Nepal coincided with significant political shifts in the early 1950s when the Ranas were overthrown by a popular democratic movement. This era also saw Maurice Herzog, a French mountaineer, become the first person to reach the peak of Annapurna I, marking the first ascent of an 8000-meter peak in human history. His book "Annapurna," which vividly described the region's allure, notably exposed Pokhara's beauty to the Western world and kick-started its tourism sector.

Today, Pokhara, along with Kathmandu and Chitwan National Park, are marketed as the golden triangle of Nepal. As the second largest touristic hub in Nepal after Kathmandu, Pokhara's vast socio-cultural diversity, shaped by a myriad of ethnic groups, religions, and traditions, has set it as a longed-for exotic tourist destination for international tourists, especially from the West, since the 1950s.

2.2 Tourism Development in Pokhara

Table 1. Tourism Development in Pokhara, Nepal

Year	Key Development	Period	Tourism Trend
1950	The first historic ascend of Mt. Annapurna I	1950s~1970s	Hippie era & transit point for mountaineers
1966	The first commercial trekking tourism		
1968	Completion of Siddhartha Highway, connecting Pokhara-Indian border		
1972	Nepal's first and the only tourism master plan	1970s~2000s	popular trekking & tourist destinations (mainly western tourists)
1976	Completion of Prithvi Highway, connecting Pokhara-Kathmandu		
1979	Ministry of Tourism established		
2007	Mega event - Visit Pokhara Year 2007	2000s~current	Increase of Asian tourists
2024	Pokhara declared as the Tourism Capital of Nepal		

(Source: compiled by the author)

2.2.1 1950s~1970s: The Era of Mountaineers and Hippies

The narrative of tourism in Pokhara traces its origins to the 1950s, marking the city's initial recognition as a strategic transit point for mountaineers. This period laid the foundational stone of Pokhara's burgeoning tourism identity, significantly influenced by the historic ascent of Mt. Annapurna I in 1950 by Maurice Herzog and his team. This momentous achievement cast Pokhara into the spotlight, unveiling it as a gateway to the majestic Himalayas and beckoning adventurers from across the globe.

During the same period until the early 1970s, Pokhara witnessed a cultural shift with the influx of Western Hippies, which they call *Hippie Ko Pala* (Hippie Era).³⁸ These individuals, driven by a quest for adventure and a yearning for spiritual enlightenment, were drawn to the tranquil yet mysterious landscapes by Phewa Lake. Their journeys, steeped in a pursuit of discovery and self-realization,

³⁸ For more information, see Mark Liechty, "Hippie Ko Pala (The Age of Hippies)," in *Far Out: Countercultural Seekers and the Tourist Encounter in Nepal* (Chicago, IL: University of Chicago Press, 2017), 235–70, <https://press.uchicago.edu/ucp/books/book/chicago/F/bo25227234.html>.

contributed significantly to popularizing Pokhara's natural and cultural landscapes. Through photography and storytelling, these early explorers helped introduce the region's splendors to a wider audience, laying the groundwork for Pokhara's reputation as a haven for adventure seekers and cultural enthusiasts alike.

The hippie movement in Pokhara during the 1960s and 1970s further embedded the city as a significant node on the global map of countercultural wanderlust. Attracted by the natural beauty of Phewa Lake and the encompassing mountain views, hippies ventured into Pokhara as part of their broader search for different cultures and spiritual freedom. The picturesque landscapes and the peaceful ambiance of the lake became a powerful magnet for those escaping the materialistic confines of the Western world.

Moreover, the legalization of cannabis in Nepal during this era presented a unique allure. At a time when Western countries were increasingly criminalizing the drug, Nepal's liberal stance became a significant draw. The famed Hippie Trail, an overland journey that started in Istanbul and coursed through the Middle East and India before reaching Nepal, facilitated their movement. This route became especially popular as it offered a relatively accessible path to the mystical and exotic landscapes of Nepal, which resonated with the hippies' quest for spiritual and cultural freedom.

Pokhara, and particularly Lakeside, the eastern shore of Phewa Lake, evolved into a pivotal hub for these travels. The area's development was shaped significantly by the presence of hippies who pioneered tourism there. Establishments catering to Western tastes began to spring up, laying the early foundations for what would become a booming tourist economy. These visitors not only contributed to the local economy but also influenced the cultural fabric, introducing aspects of Western culture and establishing a cosmopolitan character in the heart of Pokhara.

Their impact was profound, transforming Pokhara from a quiet lakeside town into a sanctuary for those seeking a break from the conventional. The fusion of Nepali traditions with hippie lifestyles created a unique cultural synthesis that made Pokhara an iconic destination on the international travel circuit. This period of transformation was characterized not only by the growth of tourism but by the lasting cultural imprints left by the adventurers and spiritual seekers who made Pokhara their temporary home.

In summary, the era from the 1950s to the 1970s marked a transformative phase in Pokhara's tourism history, driven by the dual influences of pioneering mountaineers and the vibrant hippie movement. This unique blend of adventure, spirituality, and cultural exchange laid the groundwork for the complex tourism dynamics that would continue to evolve in subsequent decades.

2.2.2 1970s~2000s: Transition to Commercial Tourism

The death of King Mahendra in 1972 and the succession by his son, King Birendra, heralded a new era in Nepal's tourism policy. Recognizing the potential of tourism as a vital source of foreign exchange, King Birendra quickly implemented Nepal's first and only tourism master plan in 1972. This plan laid the groundwork for structured tourism development aimed at attracting international visitors.

Infrastructure-wise, the completion of major highways such as the Siddhartha Highway in 1968 and the Prithvi Highway in 1974 revolutionized access to Pokhara. These highways linked Pokhara directly to Kathmandu and were instrumental in reducing travel times and improving travel comfort. The enhancement of road infrastructure, coupled with the introduction of air travel to Nepal in the early 1970s, significantly broadened the scope of tourist arrivals. The Royal Nepal Airlines Corporation (RNAC), after acquiring its first jet aircraft in 1972, began direct flights from Delhi and major cities in East and Southeast Asia.³⁹ This significantly improved the comfort of travel and shortened travel times, thus beginning to attract tourists who were willing to spend more money on their travel experiences. The enhanced accessibility facilitated by these highways and the availability of air travel catalyzed an increase in tourist arrivals, propelling Pokhara from a remote mountain town to a burgeoning center of tourism and commerce, from catering to a niche group of mountaineers and hippies to becoming a cherished destination for a diverse array of tourists.

On the other hand, the 1970s also witnessed the decline of the hippie movement, which had been a significant cultural force in Pokhara during the previous decade. This decline was influenced deeply by the broader changes occurring globally and the specific regulatory adjustments within Nepal. As the hippie travelers receded, a more diverse and commercially oriented tourist demographic took their place.

One of the most direct impacts on the hippie community in Pokhara was Nepal's shift in drug policy. During the 1960s and early 1970s, its lenient stance on cannabis made places like Pokhara magnets for the hippie community, who were drawn not only by the natural beauty and cultural richness of the region but also by the liberal drug laws that aligned with their pursuit of freedom and alternative lifestyles. However, by the mid-1970s, under mounting international pressure, particularly from the United States where Richard Nixon declared a "drug war" which also included cannabis, Nepal began to tighten its drug

³⁹ These historical facts are referenced from Mark Liechty, "Nepal's Discovery of Tourism and the End of the Hippie Era," in *Far Out: Countercultural Seekers and the Tourist Encounter in Nepal*, ed. Mark Liechty (University of Chicago Press, 2017), 0, <https://doi.org/10.7208/chicago/9780226429137.003.0010>.

policies. The government started to crack down on the use and sale of cannabis, culminating in its criminalization. It directly discouraged many in the hippie community from visiting Pokhara.

Globally, the 1970s signaled a winding down of the counterculture movement that had defined much of the 1960s. This period saw a retreat from the idealistic pursuits of peace and love, as economic crises and political disillusionment took hold in the West. These changes influenced the demographics of international travelers, with fewer Western tourists seeking the spiritual and cultural escapism that had characterized the hippie trail. As global youth culture began to pivot towards new interests and lifestyles, the allure of the hippie lifestyle waned.

Once known primarily as a haunt for hippies and adventurers, Lakeside evolved into a vibrant commercial center, reflecting broader changes in global travel trends and consumer behaviors. Consequently, it transformed into the de facto center of Pokhara. This reflected Pokhara's transformation into a tourism-oriented city, adapting to the demands of international tourists.

2.2.3 2000s~Current: The Growth of Asian Tourists

Since the 2000s, the Asian economy has witnessed significant growth, leading to an increased number of Asian middle-class traveling abroad. Nepal, benefiting from its geographical proximity and cultural ties, has seen a notable rise in tourist arrivals from neighboring countries like India and China. The patterns and purposes of travel among these Asian tourists differ markedly from those of their Western counterparts, reflecting diverse cultural backgrounds and travel motivations.

Unlike Western tourists, who primarily visit Pokhara in the spring and autumn to engage in trekking activities and generally avoid the summer monsoon season, Asian tourists, particularly Indians, often travel during the summer. For many Indians, summer represents a prime vacation period, making nearby Pokhara an attractive destination for holiday getaways. The travel behavior of Indian tourists is thus more aligned with their domestic holiday calendar rather than the climatic conditions ideal for activities like trekking.

Furthermore, while Western tourists often visit Pokhara to engage in adventure sports or seek spiritual enrichment through exposure to different religions, Asian tourists, especially from India and China, frequently come on pilgrimages. For these visitors, Pokhara is not just a tourist destination but a spiritual hub linked to Hindu and Buddhist traditions. This distinct motivation shapes not only the activities they participate in but also influences the overall nature of their tourism experiences. Group religious activities

are more common among Asian tourists, contrasting with the more adventure or introspection-oriented pursuits favored by Westerners.

The economic impact of Asian tourists in Pokhara also varies based on their unique preferences and values. The differences in spending patterns are influenced not only by the purpose of their visit but also by cultural preferences in food, shopping, and entertainment. Asian tourists might spend more in areas that cater to their specific cultural tastes and religious practices, which could be quite different from the spending habits of Western visitors.

Additionally, the tourism influx from China and India to Pokhara is heavily influenced by diplomatic relations between these countries and Nepal, which guide and sometimes amplify cultural exchanges and festivities. Each year, events like the Dragon Boat Festival on Phewa Lake and full-scale celebrations of Chinese New Year are shaped by the Chinese government's diplomatic efforts to strengthen ties with Nepal. The completion of Pokhara International Airport in 2023, which initially welcomed direct flights exclusively from China, is another testament to these diplomatic actions. On the other hand, India has also made its presence felt through the organization of large-scale events such as Yoga Day, reflecting its cultural and political influences in Pokhara. These state-supported activities not only boost tourism but also foster a sense of community and shared cultural heritage between India and Nepal, contrasting sharply with the more individualistic pursuits typically associated with Western tourism. Such events create new types of tourism in Pokhara that are distinctively shaped by national relationships and cultural diplomacy, steering the development of tourism in directions that differ markedly from those driven by Western visitors, and further diversifying the facilities and services provided in Pokhara.

Despite the rise in Asian tourists, Western tourists remain the dominant group, profoundly influencing local tourism development. Their preferences and behaviors continue to shape the infrastructure and services offered in Pokhara, as the industry adapts to meet their demands for adventure, trekking, and spiritual tourism. This ongoing influence underscores the importance of Western tourists to the local economy and highlights the need to balance the diverse needs of all visitors. Consequently, this paper focuses on the significant impact of Western tourism on the development of Pokhara's tourism industry.

2.3 The Key Factors of Commercial Tourism Growth

In modern urban development, tourism-driven growth exhibits several trends. Many tourism cities experience state-led development, where government policies steer investment and real estate trajectories. A significant influence also comes from large international capital, such as global hotel chains, which act as powerful local players driving development (e.g., the case of international hotel chains shaping urban landscapes). However, the case of Pokhara presents a different model from the prevailing mainstream development approaches. Tourism in Pokhara began organically, initially drawing hippies attracted by the city's serene charm. This early interest set the stage for what would become a significant shift toward commercial tourism, influenced heavily by governmental strategies and private sector initiatives.

While similar actors participate in Pokhara's tourism gentrification, the city's development reflects a laissez-faire approach, lacking a single dominant actor. In the absence of a guiding force, the roles and influences of various stakeholders become more complex. This section aims to analyze the key stakeholders involved in Pokhara's tourism development, including the Nepalese government, local business owners and investors, international players (comprising large corporate capital and international politics), and tourists (consumers).

The government of Nepal has played a significant role in shaping the tourism landscape of Pokhara through a series of strategic plans and initiatives. The first Five-Year Plan, launched in 1956, aimed to capitalize on tourism as a source of foreign exchange, leading to the establishment of the Tourism Development Board in 1957, which was later integrated into the Department of Tourism in 1959. By the time of the fourth Five-Year Plan, Pokhara was designated the headquarters of the Western Development Region in 1972, marking it as a central hub for the economic activities of the Western region. This period also saw significant infrastructure developments that enhanced access to Pokhara, including the expansion of highway networks and improvements in air travel, which began attracting a more affluent class of international tourists.

Since the 1970s, the Nepalese national government has established tourism as a national priority, recognizing its potential for economic development. A pivotal moment in Pokhara's tourism trajectory was the Tourism Master Plan of 1972,⁴⁰ which envisioned a decentralized approach to tourism development. The plan projected Pokhara as a future resort center, emphasizing its recreational appeal

⁴⁰ Unable to access the original document; reference made to Bishnu Raj Upreti, Pranil Kumar Upadhyaya, and Tikaram Sapkota, "Tourism Planning, Development, Management and Envisioning Future of Pokhara," in *Tourism in Pokhara: Issues, Trends and Future Prospects for Peace and Prosperity* (Pokhara Tourism Council, 2013), 71–92.

and proximity to the Himalayas. This vision was further endorsed by the Department of Tourism, which commissioned a Pacific Asia Travel Association (PATA) report in 1975 titled 'Pokhara, Nepal, Development of a Secondary Destination Area,' aiming to refine and align Pokhara's tourism development with broader national goals.

The actual management of tourism in Pokhara is delegated to the Nepal Tourism Board Pokhara, operating under a Public-Private Partnership (PPP) model. This board consists of 11 members, six from various governmental institutions related to tourism, including the chairman from the Minister of Culture, Tourism, and Civil Aviation (MOCTCA), and five from the private sector. However, the role of the government in this structure is largely passive and supportive, focusing mainly on promotion and project-based initiatives. It lacks real planning power, often constrained by the need to maintain good relationships with international institutions for promotional purposes, which restricts it from adopting proactive and long-term strategic measures.

The budget structure of the Nepal Tourism Board Pokhara also limits its capacity for long-term planning, as it relies solely on taxes collected from air travelers arriving in Nepal, without a fixed central funding. Although it functions as a local branch, it remains tied to central government policies and cannot independently develop policies or projects. This interdependent relationship confines the Nepal Tourism Board to a superficial role in promotion, lacking the depth to intervene significantly or formulate impactful policies. Thus, the government maintains a supportive stance towards private sector-led initiatives, following the private sector's lead in the development of tourism in Pokhara.

Unlike European tourism cities, which often have policies guiding housing market development, government policies in Pokhara have historically focused only on infrastructure development and tourism policies, without concrete urban planning and housing policies. Since Lakeside became a center for Western tourists during the hippie era, much of the development has been local business-initiated. This development has been notably decentralized, with individual stakeholders independently capitalizing on emerging opportunities without a coordinated plan.

The initial development of Lakeside was largely demand-driven, beginning when Western hippies discovered the area as an idyllic retreat. Local residents quickly recognized the needs of these early visitors and began to establish guesthouses and restaurants to cater to them. This spontaneous response to tourist demand set the foundation for the future tourism infrastructure in the area.

As tourism increased significantly after the 1970s, capital-rich groups and property owners identified investment opportunities, prompting a piecemeal approach to development. These stakeholders began to open various tourism-related businesses one by one, each focusing on tapping into the growing market of incoming tourists. This method of development, although effective in rapidly scaling up the tourism offerings in Lakeside, led to a somewhat disjointed urban landscape.

This pattern of development has created the current scene at Lakeside, which is characterized by a vibrant yet uncoordinated mix of hotels, restaurants, and tourist shops. Each business operates independently, driven by individual profit motives rather than a collective vision or plan. This has resulted in a dynamic yet fragmented tourism sector where infrastructure and services vary widely in quality and integration. Despite the lack of a coordinated approach, the entrepreneurial spirit of local business owners has been pivotal in establishing Lakeside as a thriving tourist destination.

Modern tourism destinations are often dominated by large international capital projects, such as global hotel chains and amusement parks, shifting ownership away from small groups and individuals towards transnational corporate influences. However, the development of Lakeside in Pokhara remains largely local, with most businesses being family-owned. International actors, such as online booking platforms and international credit card companies, play a crucial role as intermediaries between international consumers and local businesses. They significantly lower the barriers to tourism for both businesses and consumers, facilitating easier access to global markets.

Aside from transnational capital, changes in the international political arena during the 1970s had a significant impact on tourism in Nepal. For Pokhara, these changes catalyzed its evolution from a serene getaway to a bustling commercial tourism hub, influenced significantly by tourism gentrification driven by a globally mobile capitalist class.

The rise of the global middle class, empowered by increased international mobility, changing consumption patterns, and new lifestyles, has had a profound impact on Pokhara's tourism sector. Economic changes and the erosion of Keynesian welfare states have exacerbated inequalities, prompting citizens from wealthier nations to seek travel experiences abroad, thus pushing destinations like Pokhara towards a commercialized tourism model. This international tourist demographic, characterized by higher disposable incomes and distinct cultural and recreational preferences, has reshaped the demand for tourism experiences, aligning it with more commoditized and upscale offerings.

Simultaneously, historical and cultural shifts have also played pivotal roles in shaping this landscape. The decline of hippie culture in the West during the 1970s, a significant early driver of Western visitors to South Asia, marked a shift in the types of travelers visiting Pokhara. The cessation of the Hippie Trail, which once brought scores of Western travelers through Iran, Afghanistan, and into South Asia, coincided with geopolitical upheavals that drastically reduced the number of Western adventurers traveling overland through the Middle East to South Asia. Key events contributing to this decline included the Yom Kippur War in 1973, which led to strict visa restrictions in Syria, Iraq, and Lebanon, and the Iranian Revolution in 1979, which closed key routes and shifted regional dynamics.

Moreover, the political landscape in Nepal was influenced by international pressures, such as those from the United States' drug war policies under President Nixon. These pressures led to the 1976 enactment of the Narcotic Drugs (Control) Act in Nepal, which banned cannabis activities, a significant element of the laid-back lifestyle that had attracted many hippies to the region. The changing regulations and the fading of the hippie-driven tourism model opened the door for a new era of commercial tourism, driven by a different demographic with different expectations and patterns of consumption.

Thus, Pokhara's transformation into a commercial tourism destination can be seen as a microcosm of global economic and cultural shifts. The emergence of a new class of international tourists, alongside geopolitical changes that rerouted global travel patterns, catalyzed the commercialization of Pokhara's tourism. These external influences have left an indelible mark on the landscape, pushing it toward a model that caters increasingly to an international clientele seeking a blend of adventure, luxury, and exoticism in the heart of the Himalayas.

Last but not least, international tourists have significantly influenced the development of Pokhara from the demand side. The growth of international middle-class mobility (mainly from the West) in the 1970s, fueled by more accessible air travel and new highways, played a crucial role in transforming Pokhara's landscape. As these wealthier visitors began to frequent Pokhara, the local environment began to reflect a pattern of tourism gentrification. Short-term properties owned by newcomers started influencing the long-term residential properties of local inhabitants. These international tourists, with higher budgets and a preference for more comfortable travel experiences, have driven the demand for better infrastructure, upscale accommodations, and diverse recreational activities. This shift has prompted local businesses to adapt, catering to the evolving preferences of a global clientele. The presence of these tourists has not only boosted the local economy but also reshaped the culture of Pokhara, creating a dynamic tourism sector that continues to evolve in response to global trends.

CHAPTER 3: QUANTITATIVE ANALYSIS

While this thesis primarily seeks to illuminate the cultural influences and transformations driven by tourism gentrification in Pokhara, a comprehensive analysis of the economic-spatial impacts is indispensable. Understanding these dimensions is fundamental to grasping the full scope of gentrification's consequences on Pokhara, providing essential context for a deeper examination of the ensuing cultural shifts. The forthcoming Quantitative Analysis section, therefore, serves as a critical foundation, employing diverse datasets to unravel how tourism has reshaped both the economic landscape and spatial configuration of one of Nepal's most prominent tourist destinations. The insights gained from this analysis will not only highlight the dynamics of tourism gentrification but also set the stage for a nuanced exploration of its cultural ramifications.

3.1 The Rise of Tourism Infrastructures and Temporary-Let Properties

Table 2. The Rise of Tourism Infrastructures and Temporary-Let Properties

	Facilities	Number	Remarks
1	Tourist-standard hotels	387	Hotels at Lakeside, registered in Hotel Association Pokhara
2	General lodging	775	All kinds of short-term accommodations at Lakeside
3	Bars and restaurants	100	Providing standard continental foods at tourist level
4	Tours and travel agencies	181	Registered and active companies in Pokhara
5	tourism transport companies	86	Including tourism bus, jeeps and cars
6	trekking business	159	
7	currency exchange	42	
8	air sports centers	68	Including ultralight and paragliding

(Source: Nepal Tourism Board Pokhara and Pokhara Hotel Association, 2024)

Table 3. Tourist Arrivals in Pokhara

Year	Tourist Arrivals in Pokhara
1957	119
1962	681
1976	31,026
1987	50,275
1997	92,717
2007	165,177
2017	160,606

(Source: Nepal Tourism Board Pokhara, 2011 and 2017)

The development of tourism in Pokhara, particularly in the Lakeside area, has seen significant growth over the decades, with a notable surge in tourist numbers and the corresponding expansion of infrastructure to accommodate these visitors. From a modest count of 119 tourists in 1957, the numbers experienced a dramatic rise to 31,026 by 1976. This phenomenal increase in the 1970s marks a pivotal era in Pokhara's evolution into a major global destination.

This boom in tourism during the 1970s set the stage for ongoing growth, which continued to expand to 160,606 visitors by 2017. Although there was a slight decrease from the peak in 2007, when 165,177 tourists visited, the figures underscore Pokhara's sustained appeal.

Concurrent with the rise in tourist arrivals, there has been a substantial increase in facilities catering to these visitors in Lakeside. By 2017, the area boasted 387 tourist-standard hotels and 775 general lodging facilities, along with 100 bars and restaurants, 181 tour and travel agencies, and 68 air sports centers. This concentration of tourism services has cemented Lakeside's role as the heart of Pokhara's tourism industry.

An important aspect of tourism gentrification is evident in the housing market dynamics of Lakeside. Out of 3,984 households, 775 are dedicated to short-term rentals, often displacing long-term residential needs. With a local population of 14,455 and an influx of over 160,000 tourists in 2017, the pressure on local resources and infrastructure is skewed towards serving temporary visitors rather than the permanent community.

The local economy in Lakeside is overwhelmingly oriented towards tourism, reshaping the area's economic landscape and inducing cultural shifts. Lakeside has transformed into a hub tailored to

international tourists, featuring amenities such as continental foods and adventure sports. This shift towards meeting tourist preferences is a clear indication of tourism gentrification, where local traditions are adapted to meet tourist demands, sometimes at the expense of authentic cultural expressions.

3.2 Land Price in Pokhara

Figure 3. Heatmap of the Land Price in Pokhara (2024)

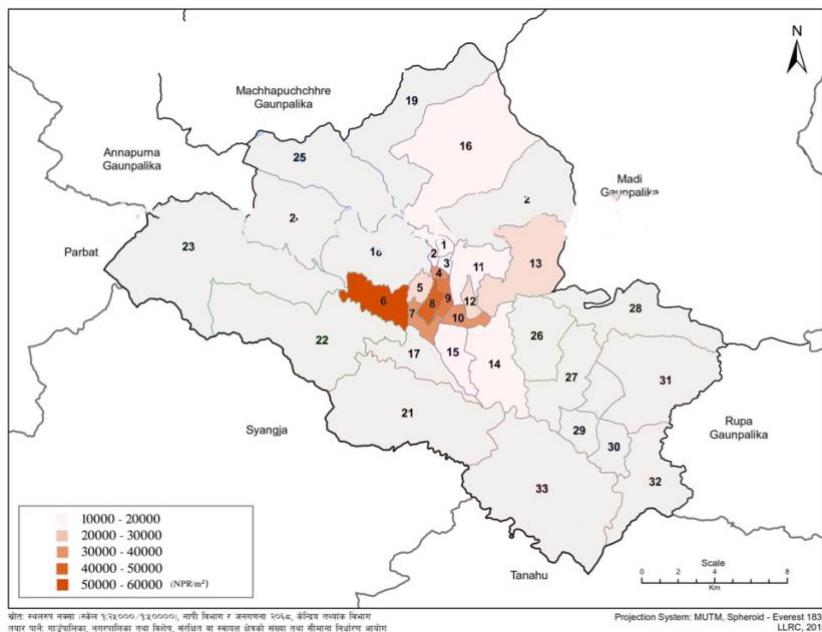


Table 4. Land Price in Pokhara (2024)

Ward	Price (NPR/m ²)
1	15,750
2	13,850
3	18,750
4	35,500
5	26,200
6	63,500
7	30,850
8	51,000
9	47,700
10	30,350
11	19,800
12	20,875
13	21,500
14	19,300
15	15,500
16	14,000

(Data source: Land Revenue Office Kaski, base map: Nepal Archives, <https://www.nepalarchives.com/map-of-pokhara-metropolitan-city-kaski-nepal/>, edited by the author)

(Source: Land Revenue Office Kaski)

Tourism could drive significant disparity in land prices encapsulates the influence of non-local demand on local property values, creating a globally scaled rent gap.⁴¹ In Ward 6 - Lakeside, a central hub of Pokhara's tourist activity, this phenomenon is particularly pronounced. Here, the average land price at Hallan Chok, the bustling heart of Lakeside, has surged to 110,000 Nepalese Rupees per square meter.

⁴¹ David Wachsmuth and Alexander Weisler, "Airbnb and the Rent Gap: Gentrification Through the Sharing Economy," *Environment and Planning A: Economy and Space* 50 (February 17, 2018), <https://doi.org/10.1177/0308518X18778038>; Ismael Yrigoy, "Rent Gap Reloaded: Airbnb and the Shift from Residential to Touristic Rental Housing in the Palma Old Quarter in Mallorca, Spain," *Urban Studies* 56, no. 13 (October 1, 2019): 2709–26, <https://doi.org/10.1177/0042098018803261>.

This gentrification process closely aligns with the patterns observed by Pratt⁴², where cultural producers—initially drawn to an area for its lower costs and potential—create an appealing scene that attracts a lifestyle-oriented consumer base willing to pay premium prices. This influx increases local property values, subsequently inflating costs and displacing the original residents and workers who can no longer afford to live in their own communities. This pattern has repeated itself in numerous global contexts, including London's Brick Lane and New York City's SoHo, where cultural revitalization led by artists resulted in property upgrades and eventual gentrification. These cultural producers, who were instrumental in raising the area's profile, ultimately find themselves priced out of the neighborhoods they helped transform.

In Lakeside Pokhara, the cultural producers are the tourism operators who tap into the area's aesthetic and recreational potential to draw international tourists. This area started its transformation in the neighborhood of Baidam, by the southeastern shore of Phewa Lake. The name 'Baidam' derives from the Nepali words 'be dam' meaning 'no cost,' reflecting its origins as a free settlement area, indicating its initial status as a less desirable, peripheral part of Pokhara. The entry of tourists, possessing far greater spending power than the local population, has turned Lakeside into the most expensive area in Pokhara.

This evolution reflects a critical aspect of gentrification: the disparity between local economic capacities and the economic impacts of global tourism. As international visitors continue to flock to Lakeside, driven by the cultural offerings curated by local businesses, the area's real estate values have soared, pushing the original community members to the margins or entirely out of the local housing market.

The case of Pokhara illustrates the dual-edged sword of tourism development. While it brings in considerable economic benefits, it also fosters socio-economic disparities that can undermine the long-term sustainability of local communities. The steep rise in land prices in Lakeside is a clear indicator of the pressures exerted by tourism-driven gentrification. Without careful planning and intervention, the cultural and social fabric of these areas risks being irrevocably altered, leaving behind a community tailored primarily to the needs and wants of visitors, rather than those of its original inhabitants.

the examination of land prices in Lakeside Pokhara reveals a significant case of tourism-driven gentrification. As a result of cultural and economic shifts initiated by tourism operators, what was once known as a "less-wanted" peripheral area has transformed into the most expensive district in Pokhara. This transformation shows that cultural revitalization by local actors leads to increased property values, ultimately displacing the original residents who can no longer afford to live in their own neighborhoods.

⁴² Pratt, "Gentrification, Artists and the Cultural Economy."

The gap in land prices in Lakeside clearly demonstrates the impact of non-local demand on local property markets, highlighting the economic disparities that tourism can introduce into local real estate landscapes.

3.3 Conclusion of the Chapter

The quantitative analysis in this chapter provides a critical foundation for understanding the broad economic and spatial impacts of tourism gentrification in Pokhara. By detailing the dramatic increase in tourist arrivals and corresponding growth in tourism facilities, particularly in the Lakeside area, the analysis highlights the profound transformations Pokhara has undergone since the 1970s. These changes are not merely numeric; they reflect significant shifts in the area's economic and cultural landscapes, deeply influencing the lives of local residents and the overall character of the community.

Tourism's role in Pokhara has catalyzed a robust expansion of infrastructure designed to accommodate an ever-increasing flow of international visitors, as evidenced by the rise from a modest count of tourists in the 1950s to substantial figures in recent years. Concurrently, the development of tourism-centric businesses like hotels, restaurants, and adventure sports facilities has transformed Lakeside into the bustling heart of Pokhara's tourist economy. However, this growth has also led to a surge in short-term rental properties, which now significantly outnumber long-term residential options, illustrating a clear shift in the housing market dynamics.

This restructuring of the local economy and alteration of the urban landscape underscore the characteristic patterns of tourism gentrification. The significant increase in land prices, particularly in Lakeside's central hubs, reveals how tourism has introduced a global scale rent gap, making the area less accessible to the original residents. The socio-economic disparities highlighted by these changes point to the dual nature of tourism development: while it brings considerable economic benefits, it also fosters inequalities that can undermine the sustainability of local communities.

As the data shows, tourism development in Pokhara, spearheaded by local cultural and economic actors, has led to a gentrification process that, while beneficial in raising property values and enhancing the city's global appeal, also risks marginalizing the very community members who contribute to its vibrancy. This complex scenario requires careful consideration and strategic planning to ensure that the benefits of tourism are balanced with the needs of local residents, preserving the cultural integrity and social cohesion of Pokhara as it continues to evolve as a major global destination.

CHAPTER 4: QUALITATIVE ANALYSIS

Building upon the quantitative analysis that delineates the scope of tourism gentrification in Pokhara, the essence of this investigation deepens through this chapter. While quantitative data offers a macroscopic view of the transformations, qualitative analysis through focus group interviews uncovers the profound interpretations behind these changes. Beyond complementing the social and economic aspects with data for a more accurate analysis, these interviews are instrumental in understanding the cultural nuances—a critical dimension of this study.

The primary aim of this chapter is to incorporate the perspectives of the local residents to grasp the real impacts of tourism gentrification and their interpretations of these changes. This analysis is rooted in eight semi-structured interviews with different stakeholders residing in Lakeside, including government officials from the Nepal Tourism Board Pokhara, scholars, and local business owners. Additionally, observations from fieldwork serve as a complementary resource.

The interview design is centered around culture-related questions based on UNESCO's Culture 2030 indicators, aiming to understand the respondents' thoughts through concrete cultural expressions. These indicators cover various dimensions such as cultural facilities, cultural activities, and cultural education. The full list of interview questions can be found in Appendix 1. Each interview provides insights into how commercial tourism since the 1970s has reshaped Pokhara's spatial-economic landscape, the role local culture has played in this process, and the ways in which ongoing interactions between residents and tourists are creating new cultural expressions.

By answering these layers through the qualitative data, this chapter seeks to provide a deeper understanding of the complexity between tourism development and cultural change in Pokhara, exploring how it reshapes both the community of Lakeside and its environment.

4.1 Spatial-economic Transformation Under Tourism

Figure 4. Lakeside in 1976



(Source: photo archive of Peace Eye Guest House)

Figure 5. Lakeside in 2017



(Source: personal archive of the author)

This section addresses the first sub-question: How has the spatial-economic landscape of Pokhara evolved due to the shift to commercial tourism since the 1970s? The analysis of qualitative data reveals significant changes in Pokhara's urban environment, focusing on how tourism gentrification has created two layers of inequality. The first layer highlights the disparity between international visitors and local residents, while the second layer exposes the inequalities among the local population themselves.

4.1.1 Lakeside: The Tourist Enclave

“Lakeside has become a European city.”⁴³

The transformation of Lakeside in Pokhara since the 1970s into a hub of commercial tourism has reshaped its spatial-economic landscape significantly. Western tourists have been the primary consumers since the inception of commercial tourism, and this demand has shaped the development of Lakeside to cater to their preferred lifestyle. The area is now filled with continental restaurants, live bars, tourist-standard accommodations, cafes, and souvenir shops, creating an atmosphere reminiscent of a European city.

⁴³ Tika Ram Sapkota (scholar and former government official), interview by author, Pokhara, April 13, 2024.

Although the ownership of these properties belongs to local investors, the businesses are designed to meet the needs of foreign visitors. This focus has created a space that local residents often find less appealing, as it does not cater to their daily needs or cultural preferences. As a result, Lakeside has become a distinct enclave within Pokhara, serving as a symbol of ‘deterritorialized hedonistic cosmopolitanism’ where local cultural and social practices are repurposed to satisfy the demands of global urban tourism.⁴⁴

The transformative effects of tourism gentrification in Lakeside have significantly reshaped the area’s landscape, resulting in a range of spatial-economic shifts that ripple through the community. One critical consequence is collective displacement, where the tourism-driven economy not only forces current residents to move out but also creates a severe housing shortage for long-term residents. This shortage, coupled with price inflation, prevents new local residents from moving into the area⁴⁵. As a result, Lakeside experiences a cycle of exclusion, where the increasing demand for short-term, tourist-oriented properties diminishes the availability and affordability of long-term housing options for locals.

The consequences of tourism gentrification extend beyond mere increases in property prices; they also include a marked deterioration in living conditions that discourages long-term residency.⁴⁶ Under the influence of sustained tourist activity, Lakeside has experienced significant overcrowding and unceasing developmental pressures, which have collectively degraded the quality of life for residents. This has compelled many to sell their properties, primarily to investors whose interests align with the tourism sector. The intensification of these pressures can be linked to local legislative changes that permit businesses to operate 24/7, a policy implemented after Pokhara was designated Nepal’s tourism capital in 2024. It has led to a continuous commercial activity that further erodes the living conditions in the area.

Distinct from traditional forms of gentrification, which often aim at urban improvement and upgrading, tourism gentrification in Lakeside is driven by an economy that prioritizes short-term commercial gains over the stability and well-being of the residential community. This form of gentrification does not seek to enhance the urban environment but rather transforms it to cater primarily to the needs of transient visitors.

⁴⁴ Jordi Nofre and Jorge Sequera, “Touristification, Transnational Gentrification and Urban Change in Lisbon: The Neighbourhood of Alfama,” *Urban Studies* 57 (November 1, 2020): 3169–89, <https://doi.org/10.1177/0042098019883734>.

⁴⁵ Agustín Cocola-Gant, “Holiday Rentals: The New Gentrification Battlefield,” *Sociological Research Online* 21 (August 31, 2016), <https://doi.org/10.5153/sro.4071>.

⁴⁶ Cocola-Gant.

“In the city area, we have space limitations. To celebrate the festival, we need to have a swing and such kinds of things. But nowadays, we don’t have that much open space.”⁴⁷

Aside from residential properties, commercial properties and public spaces are also heavily influenced by the tourism sector.⁴⁸ The impact of these changes is clearly expressed by a local who noted the loss of communal spaces, highlighting how gentrification has removed many of the traditional spaces and activities crucial for community life. Marcuse’s concept of ‘exclusionary displacement’ illuminates this type of displacement that forces the neighborhood to alter its character, becoming less welcoming for long-term residents⁴⁹. Vital components of everyday life, such as social networks, local stores, and public facilities, are increasingly scarce. As Lakeside becomes increasingly segregated, catering predominantly to foreign visitors, it stands in stark contrast to other local neighborhoods. The lack of public spaces in the central area further disincentivizes locals from living there, exacerbating the divide between the tourist enclave and the rest of Pokhara.

In summary, while tourism-driven economic development in Lakeside has certainly boosted the local economy, it has also created an uneven spatial landscape. The transformation has prioritized the needs of transient visitors over those of long-term residents, leading to a segregated urban environment that marginalizes local needs. This process has resulted in significant disparities in land use, with commercial tourism dominating the central areas and diminishing the availability of spaces essential for the local community. The outcome is a divided cityscape where the benefits of tourism are unevenly distributed, highlighting the broader spatial implications of tourism gentrification in Pokhara.

4.1.2 Inequality Among Locals in the Tourism Economy of Lakeside

Apart from the starkly divided landscape between international tourists and local residents, the broader community of Pokhara also presents significant inequality among its locals. This internal disparity within the city is largely defined by the varying degrees to which individuals and groups benefit from the burgeoning tourism industry.

⁴⁷ Samir Baral (scholar from Pokhara), interview by author, Pokhara, April 22, 2024.

⁴⁸ Jorge Sequera, “Gentrification Dispositifs in the Historic Centre of Madrid: A Reconsideration of Urban Governmentality and State-Led Urban Reconfiguration,” accessed June 23, 2024, https://www.academia.edu/11810986/Gentrification_dispositifs_in_the_historic_centre_of_Madrid_a_reconsideration_of_urban_governmentality_and_state_led_urban_reconfiguration; Sharon Zukin et al., “New Retail Capital and Neighborhood Change: Boutiques and Gentrification in New York City,” *City & Community* 8, no. 1 (March 1, 2009): 47–64, <https://doi.org/10.1111/j.1540-6040.2009.01269.x>.

⁴⁹ Marcuse, “Gentrification, Abandonment, and Displacement.”

On one hand, the tourism sector in Pokhara has brought substantial economic benefits to those directly involved. Employment opportunities abound in hotels, restaurants, and other tourist-oriented businesses throughout the city, providing vital income sources for many families. These jobs often offer higher wages compared to traditional local industries, and for some, they pave the way for entrepreneurial ventures, such as tour companies or souvenir shops. The influx of tourists has also led to improved infrastructure in areas connected to the industry, such as better sanitation facilities, and more reliable power and internet supplies, primarily in zones frequented by visitors.

However, not everyone in Pokhara has shared in the benefits of the tourism boom. Those not employed in the tourism sector often face significant disparities in income and employment opportunities compared to those who are. With the city's economy heavily skewed towards tourism, there has been a considerable influx of jobs and higher wages within this sector. This concentration on tourism has inadvertently marginalized other industries, leading to fewer job openings and less investment in sectors outside of tourism. Consequently, individuals working outside the tourism industry find their roles and contributions increasingly overshadowed and undervalued, creating economic instability for those not linked directly to the tourism economy. This shift has made it challenging for these residents to maintain their livelihoods as the city's economic focus narrows, prioritizing tourism over more diversified economic development.

Moreover, the society of Pokhara is experiencing strains due to these economic shifts. The community that once thrived on close-knit relationships and mutual support is increasingly polarized. Those not profiting from tourism may feel marginalized or excluded from decision-making processes that favor tourism development over community welfare. Such decisions often prioritize short-term economic gains from tourism over long-term sustainability for the entire community, further deepening the divide.

While the tourism industry in Pokhara has indeed catalyzed economic development and modernization, it has also created a two-tier society where the benefits are unevenly distributed. This disparity raises critical questions about the equality and sustainability of its development trajectory. As the city continues to evolve under the influence of tourism, it is imperative to consider strategies that incorporate the needs and contributions of all community members, ensuring that Pokhara remains a place where both tourists and locals can thrive.

4.2 The Role of Local Culture in Shaping Tourism Gentrification in Pokhara

This section addresses the second sub-question: How has the local culture triggered tourism gentrification in Pokhara? It follows the structure proposed by Gotham,⁵⁰ analyzing the drivers of tourism gentrification from both the demand side (tourists) and the supply side (local businesses). By examining the cultural attractions and the ingrained hospitality of Pokhara, this section explores how these elements have fueled tourism growth and contributed to the gentrification process.

4.2.1 Tourist Demand and Cultural Influence

Pokhara has long been a hub for adventure tourism, especially after the Tourism Master Plan of 1972 clearly set the direction for the city's tourism industry. The plan emphasized the city's potential as a major resort center due to its proximity to the Himalayas, solidifying Pokhara's role as a base for trekking, paragliding, and other adventure activities. However, alongside its adventurous attractions, Pokhara's rich cultural and spiritual heritage also serves as a significant draw for tourists.

From the hippie era of the 1960s and 70s to the present day, the city has attracted Western tourists seeking a deeper understanding of Hindu and Buddhist cultures. For many, these Eastern religions present an enigmatic and exotic appeal that offers opportunities for exploration and learning. The rituals, temples, and monasteries found throughout Pokhara provide a window into spiritual practices far removed from Western religious traditions. Tourists flock to sites such as Bindhyabasini Temple, the World Peace Pagoda, and the serene lakeside Tal Barahi Temple, immersing themselves in the atmosphere of devotion and tranquility.

“Tourists are here to travel. They are not here to influence the culture. Instead,
they show an interest in our culture.”⁵¹

Tourism thrives on the production of local differences, local cultures, and diverse histories that appeal to visitors' tastes for the exotic and unique.⁵² Pokhara's cultural landscape, rich with spiritual and historical significance, is a major factor that attracts foreign tourists. As the quote from one of the interviews

⁵⁰ Gotham, “Tourism Gentrification.”

⁵¹ Dhirgaj Pahari (local business owner), interview by author, Pokhara, April 8, 2024.

⁵² Simon Coleman and Mike Crang, “Grounded Tourists, Travelling Theory,” in *Grounded Tourists, Travelling Theory* (Berghahn Books, 2002), 1–18, <https://doi.org/10.1515/9780857457134-006>; John Urry, “Cultural Changes and the Restructuring of Tourism,” in *The Tourist Gaze* (SAGE, 2002), 74–93; Lily M. Hoffman, “The Marketing of Diversity in the Inner City: Tourism and Regulation in Harlem,” *International Journal of Urban and Regional Research* 27, no. 2 (June 2003): 286–99, <https://doi.org/10.1111/1468-2427.00448>.

unanimously emphasized that Western tourists are very interested in their culture, this sentiment was echoed by all interviewees working in the tourism sector.⁵³ This underscores that local culture is a key driver of tourism in Pokhara, influencing the development and direction of the tourism industry in the city.

On the other hand, the influx of transnational middle-class tourists brings specific expectations and needs related to their travel experience. These tourists are not merely visiting; they are pursuing a lifestyle that differentiates their travel from their everyday life. Driven by a capital-based taste for a certain quality of life, they seek experiences that balance exoticism with familiarity. For instance, they prefer restaurants that offer both local flavors and the comforts they are accustomed to.

The concept of 'lifestyle' is notoriously difficult to define, encompassing various dimensions such as geographical preferences (e.g., neighborhood choices), biological habits (e.g., food consumption, health practices), and temporal activities (e.g., travel).⁵⁴ Lifestyle is fundamentally tied to social class, which, when performed as a function of cultural capital, is referred to as one's habitus.⁵⁵ This concept adds a place-based dimension to the suite of definitional attributes ascribed to social class and lifestyle.

In Pokhara, the influence of transnational tourists on local culture is evident in the transformation of Lakeside into a tourist enclave. Properties in Lakeside are increasingly tailored to meet the tastes and preferences of these foreign visitors. The area is now filled with continental restaurants, live bars, tourist-standard accommodations, cafes, and souvenir shops, creating an atmosphere reminiscent of a European city. Although the ownership of these properties belongs to local investors, the businesses are designed to meet the needs of foreign visitors. This focus has created a space that local residents often find less appealing, as it does not cater to their daily needs or cultural preferences.

As a result, Lakeside has become a distinct enclave within Pokhara where local cultural and social practices are repurposed to satisfy the demands of global urban tourism. This transformation highlights the complex dynamics of tourism gentrification, where the influx of international tourists and their lifestyle preferences significantly shape the direction of local development. The prioritization of tourist tastes leads to an uneven spatial landscape, where the central areas cater primarily to transient visitors, creating a divide between the tourist enclave and the rest of the city.

⁵³ Similar sentiments were expressed by Rishi Poudel, Sushanta Gauchan, and Bala Ram Dahal, all interviewed by author, Pokhara, April 2024.

⁵⁴ Sigler and Wachsmuth, "New Directions in Transnational Gentrification."

⁵⁵ Pierre Bourdieu, "Structures, Habitus, Practices," in *The Logic of Practice* (Stanford University Press, 1990), 52–65.

In summary, the role of local culture in attracting foreign tourists is significant, but it also leads to substantial changes in the cultural and spatial landscape of Pokhara. The demands of transnational tourists prioritize certain lifestyle aspects, shaping the development of tourism properties in Lakeside and creating a unique but uneven urban environment that reflects the broader impacts of tourism gentrification.

4.2.2 Cultural Hospitality and Supply-Side Influence

“In Nepal, the majority of the people consider that, when guests come to your house, consider them like a god. Do not let them stay hungry. Give them a place to sleep. Nowadays, it is part of our education system also. [...] That is how we are learning about the culture. We are fitting that in the hospitality [industry]. So, it's nature, it's not because of tourism or business, it's just the culture.”⁵⁶

In Pokhara, the cultural emphasis on hospitality and inclusion, deeply embedded within local traditions, has shaped a unique landscape in the tourism sector. This attribute, while serving as a source of pride and a fundamental aspect of their identity, also paradoxically feeds into the dynamics of tourism gentrification, creating uneven development within the city.

The traditional Hindu philosophy *Atithi Devo Bhava*, which means ‘guests are gods,’ illustrates the deep-rooted cultural belief that underpins interactions with foreigners.⁵⁷ Initially, tourism in Pokhara grew out of cultural exchanges—hosting tourists and providing food was viewed not as a commercial activity but as an extension of hosting a guest at home. This perspective has profoundly influenced the hospitality sector in Pokhara, where interactions with tourists are driven by a genuine sense of welcome rather than purely commercial interests. While the tourism industry has grown and become more capitalized, this foundational belief continues to influence business operations, ensuring that the core of the service remains deeply cultural.

⁵⁶ Baral, interview, April 22, 2024.

⁵⁷ This philosophy was mentioned in several interviews (Dhiraj Pahari, Ram Acharya, Samir Baral) when discussing hospitality in the tourism business, indicating that for them, this interaction is not just for business but is valued as a natural part of their cultural identity.

Figure 6. An archive photo from the 1970s showing a local house in Pokhara hosting a foreign hippie.



(Source: photo archive of New Tourist Guest House)

Nepalese culture's inclusiveness and openness, stemming from its diverse ethnic composition, further accentuates this hospitality. Nepalese pride in their cultural inclusiveness means that they are generally more accepting of different cultures, including those brought by foreign tourists. Unlike some local neighborhoods in other tourist destinations that have concerns about cultural preservation,⁵⁸ the residents of Pokhara show a more welcoming attitude towards visitors with different cultures. This welcoming nature is integral to the Nepali identity and enhances the appeal of Pokhara as a tourist destination.

Despite these noble intentions, the open and inclusive attitude can lead to significant challenges. The very pride in their hospitable culture makes the local community susceptible to the overpowering influence of dominant foreign cultures. As tourism becomes a major economic force, the balance between maintaining cultural integrity and catering to tourist expectations becomes increasingly difficult to manage. This situation is complicated by the economic disparity between the local population and the wealthier foreign tourists, which can lead to a dynamic where the latter's expectations and behaviors begin to dictate local practices and priorities.

⁵⁸ For examples of local resistance movements, elite discontent, and displacement concerns in other tourist destinations, see Sigler and Wachsmuth, "Transnational Gentrification," 705-722.

‘Foreigners are getting real good privilege. Because we are here to deliver the hospitality, and then we consider them as guests. They are here to visit. Let's make a good image. Let's make a good relationship. For that, we used to get dominated. And then some foreigners feel like they are privileged, and then they try to dominate the whole system because they feel like we are weak. They hardly consider that we know something. We are giving them the privilege; hence they consider they are superior. That kind of contradiction can be seen.’⁵⁹

This quote from a local scholar captures the double-edged sword of Pokhara’s hospitality. On one hand, the desire to project a positive image and forge good relationships leads to exceptional treatment of tourists. On the other, this can sometimes result in a perceived hierarchy where tourists feel superior, potentially leading to disrespect and exploitation of the local norms and values.

Furthermore, the inherent trust that Pokhara’s residents tend to place in people from different cultures, particularly foreigners, can exacerbate these issues. This trust, while a testament to their open and welcoming nature, can lead to situations where the local community’s generosity and willingness to embrace others are taken for granted.

The shift to commercial tourism, although initially rooted in non-business purposes, has evolved significantly since the 1970s. More local businesses are now striving to meet consumer needs, creating a spiral effect that further drives tourism gentrification. The cultural foundations of hospitality and inclusiveness, while attracting tourists, have inadvertently contributed to an unbalanced power relationship that drives changes in local culture. The result is a scene where local culture is continually reshaped to align with the tastes and expectations of transnational tourists, prioritizing their demands over those of the local population.

In summary, while Pokhara’s culture of hospitality and inclusion has undoubtedly been a magnet for tourists seeking authentic and warm experiences, it also poses significant challenges. The very traits that make Pokhara attractive can, if not carefully managed, lead to cultural and economic subordination under the weight of global tourist demands. This delicate balance is what the community must navigate as it continues to grow and evolve in the face of expanding tourism.

⁵⁹ Baral, interview, April 22, 2024.

4.3 Cultural Shift After the Process of Co-creation Under Tourism

This section addresses the final sub-question: How does the bidirectional cultural interaction under tourism gentrification between local residents and tourists in Pokhara co-create new cultural expressions? By analyzing interviews with local residents, two main insights emerge. Firstly, there is a noticeable shift in local culture adapted under the current tourism gentrification urban context. Secondly, the co-creation of new cultural forms can be observed through the interactions between locals and international visitors.

4.3.1 Different Forms of Cultural Expressions

Modern cities are places where cultures are constantly being negotiated. As different cultures meet in the same place, the interactions keep reshaping and redefining those cultures. In Pokhara, especially due to the influx of international tourists, the interaction between different cultures occurs more intensely and frequently because tourism itself is a cross-cultural behavior.

Urbanization has led to a decrease in public space and less time for cultural activities, especially in the Lakeside area. Locals often have other priorities in life, such as work, which results in them spending less time on cultural practices. For example, festivals, which are the most important part of their cultural life, used to be celebrated for an entire day. Now, many only visit the temple in the morning before starting their day. The scale of celebrations has also become smaller; instead of celebrating with the whole community in the village, where there is ample public space, they now celebrate with family and friends in a more simplified manner.

The most important question is whether these cultural transformations mean that Western cultures brought by tourists have replaced local values. The answer is no.

Firstly, the inclusive attitude of the local culture in Nepal allows new cultures to enter without replacing the old ones. Instead, it enables the coexistence of new and old cultures within the same space. Secondly, tourism has heightened the awareness of the importance of cultural preservation. In modern urban development, culture not only shapes identity but is used by urban developers to market cities to tourists.⁶⁰

⁶⁰ Zukin, "The Mystique of Public Culture."

‘I think we have a little bit of a problem letting people know that we have many different cultures in Nepal. It’s (local culture) not vanishing. It's known to Nepali people, but it is unknown to foreigners.’⁶¹

This heightened awareness has shifted the focus of cultural practices. When local business owners were asked how they celebrate festivals, they mentioned celebrating with their guests and introducing traditions to them. One hotel owner expressed his concern about cultural presentation: This indicates a shift in perspective; culture is not merely a natural part of life anymore, but rather something important to preserve and showcase to international visitors.

Within the context of tourism gentrification, globalization acts as a key for cultural hegemony, often leading to a scenario where cosmopolitan and modern cultural norms tend to eclipse local ones. This phenomenon is evident in the way traditional festivals and practices are increasingly presented to appeal to a global audience, thereby prioritizing certain types of cultural expression over the original ones.

However, contrary to the notion that international cultures are supplanting local traditions, Pokhara illustrates a different dynamic. Here, the transformation of cultural practices under tourism gentrification does not signify a loss but rather an evolution, facilitated by the unique Nepali cultural value of inclusiveness. This attribute enables various cultural expressions to coexist and flourish simultaneously. The city's approach to traditional festivals exemplifies this evolution. While the modes of celebration have adapted to accommodate the realities of a tourism-driven economy—where business activities might take precedence during festival times—the core spirit and communal aspects of these occasions are preserved, albeit in modified forms.

⁶¹ Sushanta Gauchan (local business owner), interview by author, Pokhara, April 13, 2024.

Figure 7. A local dancing with foreign visitors during the Nepali New Year in Pokhara. (2024)
This interaction illustrates how traditional festival celebrations in Pokhara have evolved to include and celebrate with foreigners.



(Source: personal archive of the author)

‘They (tourists) show an interest in our culture, and that makes us feel that we have to preserve it, because it's valuable. Nowadays, people mainly come for trekking. So, mountains are the main selling point for us. But slowly, if we preserve our cultures and our festivals, people will come to experience them.’⁶²

Moreover, as a local business owner explained, the interaction with international visitors has reinforced the local commitment to cultural preservation. This sentiment highlights how external appreciation of local culture can enhance its value and encourage efforts towards its preservation. Tourists' fascination with Nepali traditions has led to a renewed interest among locals in maintaining and showcasing their cultural heritage.

⁶² Pahari, interview, April 8, 2024.

In conclusion, while the cultural landscape of Pokhara is undoubtedly changing in the face of tourism gentrification, these changes are not merely erasive. Instead, what is seen in Pokhara is a flowing balance between adapting and preserving local traditions, made possible by the inherently inclusive nature of the local culture. This balance allows Pokhara to keep its cultural richness alive, evolving in a way that respects its traditions while welcoming new influences, which in turn enriches the cultural landscape of the city.

4.3.2 Generation of New Cultural Practices

The process of tourism gentrification in Pokhara has not only reshaped existing local cultural practices but has also given rise to new cultural forms. This evolution is a clear example of co-creation, where the arrival of international influences blends with local traditions to create fresh cultural practices that add to the city's cultural landscape.

A prime example of this synthesis is seen in the transformation of the hippie culture in Pokhara. Initially, the city became a popular spot on the hippie trail due to its serene landscapes and the welcoming local community. The hippies were drawn to Pokhara's peaceful environment and scenic beauty, which perfectly complemented their countercultural lifestyle during the 1960s and 1970s. Though the traditional hippie era has waned, the cultural imprint it left in Pokhara continues to evolve, merging with local customs and laying the groundwork for new, modern cultural expressions that appeal to today's global visitors seeking similar experiences.

Another significant development driven by tourism gentrification is the flourishing yoga culture in Pokhara. Rooted in the spiritual traditions of Hindu culture, such as meditation and self-exploration, yoga in Pokhara has expanded beyond a mere practice to become an integral part of the city's identity, especially noticeable in Lakeside. The tranquil setting by Phewa Lake and the stunning mountain views provide the perfect environment for yoga and meditation. This has inspired many Westerners to move to Pokhara and set up yoga centers, which serve not just tourists looking for spiritual engagement but also as community hubs for locals and expatriates, fostering a vibrant community centered around wellness and spiritual health.

These emerging cultural practices, born from the melding of local environment and global cultural currents, showcase the dynamic nature of cultural exchange in Pokhara. The city's capacity to adopt and

integrate diverse cultural elements demonstrates its openness and adaptability. Through this ongoing cultural co-creation, traditional practices might evolve or change in form but they continue to thrive, contributing to a richer and more diverse cultural environment. As Pokhara remains a magnet for international visitors, this continual infusion of new cultural influences is likely to encourage more innovation in local cultural expressions, ensuring the city remains a vibrant cultural hub.

Figure 8. Yoga Retreat in Pokhara



(Source: Purna Yoga Retreat, <https://www.purnayoga.com.np/picture-gallery.htm>)

4.4 Conclusion of the Chapter

The chapter on Qualitative Analysis provides a detailed exploration of the impacts of tourism gentrification in Pokhara, revealing the specific cultural shifts and socio-economic transformations that occur alongside this phenomenon. Through interviews with various stakeholders and field observations, this chapter offers a comprehensive understanding of how tourism has reshaped the city's landscape and cultural practices.

Tourism gentrification in Pokhara has significantly altered the spatial-economic landscape, especially in the Lakeside area. This transformation has created two layers of inequality: one between international visitors and local residents, and another within the local population. The development of amenities catering to Western tourists has led to the creation of a European-like enclave that often feels disconnected from the daily lives and cultural needs of local residents. This has exacerbated housing shortages and inflated property prices, forcing long-term residents out of central areas and creating a cycle of exclusion.

The chapter also examines the role of local culture in driving tourism gentrification. Pokhara's rich cultural and spiritual heritage, combined with its ingrained hospitality, attracts a global audience. However, the influx of international visitors brings specific expectations that influence local cultural practices. The interaction between tourists and locals has led to an adaptation of cultural expressions, where traditional practices are modified to fit the tourism-driven economy while maintaining their core spirit. This interplay fosters a unique environment where new cultural forms emerge, blending local traditions with global influences.

Despite these changes, the resilience of local culture is evident. The inclusive nature of Nepali culture allows for the coexistence of new and old cultural expressions, preventing the complete erosion of traditional values. Moreover, the appreciation of local culture by tourists has reinforced the importance of cultural preservation among locals, shifting the focus towards showcasing and maintaining cultural heritage.

In summary, the chapter reveals that tourism gentrification in Pokhara brings both positive and negative impacts. While it has modernized the city and brought economic benefits, it has also created socio-economic disparities and altered traditional cultural practices. The challenge lies in balancing the preservation of local culture with the demands of global tourism, ensuring that Pokhara remains a vibrant and culturally rich destination that benefits all its residents.

CHAPTER 5: SYNTHESIS AND DISCUSSION

The chapter aims to synthesize these findings and provide a comprehensive discussion that captures the complexities of tourism gentrification and contextualizes its implications within broader urban development trends. This chapter will delve into how tourism has reshaped Pokhara's urban landscape, affecting both its physical infrastructure and the community.

The exploration begins with an examination of tourism gentrification's spatial-economic impacts, particularly the conversion of residential buildings into tourist accommodations. This transformation has led to a noticeable shift from long-term housing to short-term visitor stays, resulting in the displacement of local residents and an increase in rent prices. These changes have altered neighborhood dynamics, making it challenging for long-term residents to find affordable housing and maintain cohesive communities. The displacement due to rising rents and the influx of tourists has disrupted traditional social networks and eroded cultural practices, leading to a more transient and less stable community environment.

The synthesis further highlights the empirical data gathered from both quantitative and qualitative research, demonstrating how tourism-driven development has led to spatial segregation, particularly in areas like Lakeside. This segregation has intensified the divide between locals and tourists, with locals often feeling marginalized from the economic benefits of tourism. The lack of long-term residential housing in tourist-dominated areas has forced local residents to relocate, exacerbating socio-economic disparities and diminishing community identity.

Moreover, this chapter will discuss the cultural changes and community adaptations triggered by tourism. As local businesses and residents shifted their focus towards catering to tourists, traditional cultural practices have often been overshadowed by economic interests. However, tourism has also fostered cultural exchange, blending traditional and new cultural elements. This has allowed locals to retain their cultural essence while integrating new influences, creating an evolving cultural landscape.

The synthesis underscores the need for sustainable tourism policies and urban planning that prioritize cultural integrity. The decentralized tourism development model in Pokhara, while promoting community engagement, lacks strong authoritative intervention to implement effective cultural preservation guidelines. This discussion will emphasize the importance of recognizing culture as an integral part of urban life, shaping social interactions and community identity beyond mere economic interests.

5.1 Tourism Gentrification in Pokhara: A Multifaceted Phenomenon

Tourism gentrification in Pokhara manifests prominently through spatial-economic consequences, significantly impacting the city's urban landscape and social fabric. One of the most evident impacts is the conversion of residential buildings into tourist accommodations, which leads to a substantial shift in housing use from long-term residential purposes to short-term visitor stays. This change has far-reaching implications for long-term residents, including displacement, rising rent prices, and alterations in the neighborhood. As housing becomes increasingly oriented towards tourists, residents struggle to find affordable housing and maintain a cohesive community. This phenomenon underscores a broader trend where the economic benefits of tourism often come at the expense of local populations, who face growing challenges in preserving their living spaces and community bonds. The displacement of local residents due to rising rents and the influx of tourists alters the community's dynamics, leading to a loss of traditional social networks and cultural practices. This shift not only affects the economic status of residents but also disrupts their social and cultural environment, creating a more transient and less stable community.

Empirical data from the quantitative and qualitative chapters highlight the overlapping impacts of tourism gentrification in Pokhara. Since the 1970s, Lakeside has seen the development of tourist-oriented facilities, predominantly featuring temporary-let properties and commercial spaces catering to visitors. Interviews with locals reveal a perception of the area as a "European city," reflecting the significant spatial segregation resulting from tourism-driven development. This segregation is evident in the scarcity of long-term residential housing within Lakeside, pushing local residents to live and conduct their daily activities outside the tourist-dominated area. This displacement exacerbates the divide between locals and tourists, creating a fragmented urban environment. The spatial segregation not only disrupts the daily lives of residents but also marginalizes them from the economic benefits generated by tourism, further widening the socio-economic gap between different groups in the city. Additionally, the lack of local presence in Lakeside results in the erosion of community identity and a sense of belonging among long-term residents.

Most empirical studies on tourism gentrification primarily focus on physical landscape changes and the displacement of local residents by tourism developments.⁶³ However, the processes and impacts of tourism gentrification are more complex, particularly regarding cultural aspects. Tourism gentrification, influenced by globalization, can transform a city's symbols and identity. Despite being a global

⁶³ These literatures have been discussed earlier in the literature review section.

phenomenon, tourism is inherently local, shaped by unique factors such as key local players, policies, tourism development history, and cultural characteristics. These elements collectively influence the trajectory of development and lead to diverse outcomes in different destinations. In Pokhara, the unique cultural and historical context plays a crucial role in shaping the nature and impact of tourism gentrification. The interplay between global influences and local specificities creates a complexity that affects the city's development patterns and the experiences of its residents. This complexity is often overlooked in empirical studies, which tend to focus on more visible and immediate changes rather than the underlying cultural transformations.

Pokhara's tourism development began with the allure of its natural beauty and relaxed regulations attracting hippies. Unlike other destinations with deliberate planning, Pokhara's shift to commercial tourism lacked strong leadership or government housing policies guiding its development. Consequently, local development motivations played a crucial role, closely tied to cultural factors. While the visible pattern of development resembles other cosmopolitan neighborhoods, the cultural changes in Pokhara are distinct, shaped by its unique local context. The absence of a coherent development strategy allowed local actors and cultural factors to play a more prominent role in shaping the city's transformation. This organic and unplanned growth has led to a unique blend of traditional and modern influences in Pokhara's urban landscape. The flexibility and adaptability of local culture have facilitated this transition, allowing the city to retain its unique identity despite the pressures of globalization.

5.2 Cultural Transformations and Community Adaptations

Since the 1970s, the rise of commercial tourism in Pokhara has triggered profound cultural transformations and community adaptations. As the city evolved into a major tourist destination, the focus of local businesses and residents shifted towards catering to visitors, often at the expense of traditional cultural practices. This section narrows down the focus to how tourism gentrification has reshaped Pokhara's cultural landscape, emphasizing the crucial role of culture in shaping community identity and the city's symbols beyond mere economic interests. The intricate interplay between tourism and local culture highlights the need to preserve cultural integrity amidst rapid urban development and globalization.

Initially, the rise of tourism in Pokhara led to a focus on cultural consumption, with local businesses recognizing the potential to attract tourists by showcasing their culture. Elements of daily life, such as

food and festivals, were transformed into marketable attractions. Local business owners, who were among the early gentrifiers, played a key role in this process. While cultural consumption, such as attending events and visiting cultural institutions, is often associated with gentrification, it is essential to also consider cultural production, as local businesses are the actual gentrifiers. They adapted their cultural practices to meet the demands of tourists, turning embedded cultural elements into products that could be consumed. However, this focus on economic gain often overshadowed the deeper cultural values that define community identity.

Cities often use culture as a tool for urban regeneration and economic development,⁶⁴ and Pokhara has followed a similar pattern. For local businesses and residents, culture has become a crucial part of attracting and entertaining foreign visitors. However, culture also guides behavior in interactions and indicates patterns of social interaction. The inclusive values of Pokhara's local culture have promoted a unique form of cultural exchange, fostering a blend of traditional and new cultural elements. This interaction has allowed locals to retain the essence of their culture while integrating new influences, creating a dynamic and evolving cultural landscape that is distinct from other tourist destinations.

The awareness of cultural importance sparked by tourism needs to move beyond consumption and economic instrumentalism. Culture in Pokhara should be seen as an integral part of urban life, shaping social interactions and community identity. To sustain cultural integrity, Pokhara requires strong policy interventions and urban planning that recognize and support the role of culture. The current decentralized tourism development model, under the Nepal Tourism Board Pokhara, follows a public-private partnership (PPP) approach that encourages community engagement. However, it lacks a strong authoritative body to implement effective cultural preservation guidelines. A more inclusive definition of culture, beyond economic focus, is essential for maintaining the city's cultural heritage.

Tourism gentrification in Pokhara has brought about significant cultural transformations and community adaptations. While local culture has been commodified for economic gain, its deeper role in shaping community identity and social cohesion remains critical. Pokhara's experience underscores the need for sustainable tourism policies and urban planning that prioritize cultural integrity.

⁶⁴ Charles Landry, "The Creative City-A Toolkit for Urban Innovators," January 1, 2000; Lily Kong, "Conceptualising Cultural and Creative Spaces," *Bunkakeizaigaku [Cultural Economics]* 9, no. 1 (February 1, 2012): 12–22; Simon Anholt, "Definitions of Place Branding – Working towards a Resolution," *Place Branding and Public Diplomacy* 6, no. 1 (February 1, 2010): 1–10, <https://doi.org/10.1057/pb.2010.3>.

CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion of the Research

This thesis examined tourism gentrification in Pokhara, Nepal, focusing on the cultural exchanges between the local community and tourists and their impact on the local culture and economy since the 1970s. The study aimed to uncover how these interactions have driven changes in Pokhara and contributed to the gentrification process. A triangulated research design, including historiography analysis, policy and stakeholder analysis, quantitative methods, and in-depth interviews, was employed to provide a comprehensive understanding of the issue.

The findings indicate that cultural exchanges have significantly shaped the development of the Lakeside area in Pokhara. Since the 1970s, the influx of Western tourists has introduced new cultural practices and preferences, leading local businesses to adapt and cater to these new demands. This adaptation resulted in the emergence of continental restaurants, live bars, tourist-standard accommodations, cafes, and souvenir shops, transforming Lakeside into an area that primarily meets the tastes of foreign visitors. Consequently, Lakeside now resembles a European city, distinct from other parts of Pokhara that retain more traditional cultural characteristics.

Moreover, tourism gentrification in Pokhara is driven not only by economic factors but also by cultural ones. The unique blend of Hindu, Buddhist, and Tibetan cultural elements in Pokhara has attracted tourists seeking adventure and spiritual enrichment. This demand has encouraged local businesses to emphasize cultural authenticity while modifying local traditions to align with tourist expectations. The result is the creation of new cultural expressions that blend local and foreign elements, reflecting a co-creation process between residents and visitors.

Quantitative analysis of land prices and the proliferation of tourism-related properties highlights the economic impact of tourism gentrification. The significant rise in land prices, particularly in the Lakeside area, underscores the influence of tourism on the local real estate market. This increase in property values has led to the displacement of long-term residents and the conversion of residential properties into short-term rental accommodations. Although this transformation has brought economic benefits through increased tourism revenue, it has also posed challenges for local residents, who face higher living costs and reduced access to affordable housing.

The spatial-economic landscape of Pokhara has evolved considerably due to the shift to commercial tourism since the 1970s. The development of major highways and the introduction of air travel played crucial roles in making Pokhara more accessible to international tourists. These infrastructural improvements facilitated the growth of the tourism sector, transforming Pokhara from a remote mountain town into a major tourist destination. The resulting spatial-economic changes include the expansion of tourism-related infrastructure and the reconfiguration of urban spaces to meet the needs of tourists.

The rich cultural heritage of Pokhara has been a key driver of its appeal to international tourists. The city's diverse cultural elements, combined with its natural beauty, have made it a popular destination for those seeking unique cultural experiences. Local businesses have leveraged this cultural appeal by incorporating traditional elements into their offerings, attracting more tourists and further fueling the gentrification process. This strategy has increased tourist arrivals and enhanced Pokhara's visibility on the global tourism map.

The interactions between tourists and locals have led to the emergence of new cultural practices that reflect both local traditions and tourist influences. For example, the local hospitality industry has integrated Western dining preferences and entertainment forms, such as live music and international cuisine, into the traditional Nepali hospitality model. This fusion has created a unique cultural landscape that appeals to a broad spectrum of tourists while reshaping local cultural norms and practices.

In summary, this thesis underscores the significant role of culture in driving tourism gentrification in Pokhara. The cultural exchanges between tourists and locals have not only transformed the local economy but have also led to the creation of new cultural expressions that blend local and global influences. These changes highlight the importance of considering cultural factors alongside economic ones when examining the impacts of tourism gentrification.

The findings contribute to a broader understanding of tourism gentrification by emphasizing the critical role of culture in this process. While economic factors are undoubtedly important, this study demonstrates that cultural elements are equally pivotal in shaping the development and transformation of tourist destinations. The unique context of Pokhara offers valuable insights into the interactions between culture and tourism, providing a more nuanced perspective on the phenomenon of tourism gentrification.

This research highlights the need for sustainable tourism practices that respect and preserve local cultures. As tourism continues to be a major economic driver for cities like Pokhara, it is essential to develop strategies that balance the economic benefits of tourism with the need to maintain cultural integrity and

social cohesion. By doing so, destinations can ensure that tourism development benefits both visitors and local communities, fostering a more inclusive and sustainable approach to tourism.

Through a detailed examination of tourism gentrification in Pokhara, this study reveals the profound impact of cultural exchanges on local communities and underscores the importance of integrating cultural considerations into tourism planning and policy-making. These insights contribute to the ongoing discourse on sustainable tourism and the preservation of local culture in the face of globalization and economic development.

6.2 Limitations and Areas for Future Research

This thesis has provided a comprehensive analysis of tourism gentrification in Pokhara, Nepal, highlighting its spatial-economic and cultural dimensions. However, several limitations inherent in the methodological approach and data sources used have influenced the scope and depth of the findings. Addressing these limitations not only clarifies the context of the research but also opens avenues for future studies to enhance the understanding of tourism gentrification.

The reliance on non-digitalized records from the Land Revenue Office Kaski presented challenges, particularly the lack of accessible historical data. This limitation restricted the ability to analyze long-term trends in land prices and their correlation with tourism development phases and policy changes, thus providing only a snapshot rather than a continuous historical perspective. Additionally, data on tourism-related properties suffered from irregular collection intervals and estimation inaccuracies. The absence of regular and precise data collection hindered the ability to track the evolution of tourism infrastructure development comprehensively. This gap makes it difficult to assess the true scale of tourism expansion and its impacts over time.

Interviews conducted in English might not have captured the full depth of respondents' perspectives due to language limitations. This could affect the authenticity and richness of the qualitative data, potentially leading to nuances being lost or misinterpreted. The selection of English-speaking interviewees might have introduced a bias towards individuals who are more positive about or benefit from tourism. Additionally, a positive response bias could have led participants to underreport negative impacts, presenting an overly favorable view of tourism's effects.

The focus on tourism as the primary lens for understanding urban development in Pokhara may overlook other significant factors influencing the city's transformation. This narrow focus could limit the

comprehensiveness of the analysis. The intensive fieldwork required for gathering data was constrained by a two-week timeline, which may have affected the depth and breadth of data collection.

Future research could benefit from employing digital tools for collecting and analyzing data, particularly for tracking land prices and tourism development over extended periods. This would allow for a more detailed longitudinal analysis that can better illustrate trends and patterns. Research should aim to include a wider range of stakeholders, particularly non-English speakers who might offer different perspectives on the impacts of tourism gentrification. Investigating tourism gentrification in other destinations that experience similar influxes of tourists could provide comparative insights, validating or challenging the findings from Pokhara. Such studies could also explore the effects of different tourist demographics on local communities. Further research could delve deeper into the cultural changes induced by tourism, examining how different cultural groups within tourists influence local traditions and social practices. Longitudinal studies that track the changes in Pokhara over more extended periods could provide insights into the long-term impacts of tourism gentrification, offering a more nuanced understanding of its benefits and drawbacks. By addressing these areas, future research can build on the foundations laid by this thesis, contributing to a more nuanced understanding of tourism gentrification and its multifaceted impacts on urban development and cultural transformation.

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APPENDIX: INTERVIEW QUESTION LIST

The following questions served as the starting point for the semi-structured interviews conducted during this study. As the interviews were semi-structured, more in-depth and follow-up questions were asked based on the interviewees' responses.

1. What places do you go to for cultural activities? What specific activities do you participate in? Does each community (neighborhood, district) have a venue or center for cultural activities, considering these activities are fundamental in building community identity?
2. What are the open spaces available for cultural activities? What activities take place there? Who are these spaces built for, and how often do people use them?
3. What cultural businesses are present here? What is your opinion on these types of businesses? Have they influenced your lifestyle over time?
4. How do you define "culture"? How did you learn about culture, and has your understanding of it changed over time? Is there a different definition of culture considering tourism?
5. What languages did you learn in school or outside of school, and why?
6. How was cultural education approached in your school?
7. What types of cultural training were offered (e.g., religious, art)? Where do cultural training sessions usually take place (e.g., school, training center, workplace)?
8. What is your perception of people from other cultures? On a scale from 0 to 10, how much do you trust them compared to Nepalese people?
9. How much do you spend on cultural activities each month or year? How do you allocate this money?