**Psychological impact of COVID-19 on Nepal’s tourism sector: A study of mental health challenges among industry stakeholders**

**Abstract**

In an underdeveloped country like Nepal, tourism is one of the pillars of the country’s development. Tourism not only earns foreign currencies but also creates employment opportunities in both urban and remote areas. Nepal has witnessed significant improvement on socio-economic condition and lower rates of poverty. Nonetheless, COVID-19 impacted the tourism industry massively, and Nepal is still struggling to restore its previous economic growth. Other studies in Nepal focused on the holistic impact of COVID-19 on tourism. But this study was aimed at the psychological effect of it on Nepal’s tourism industry. To learn specifically how people are still suffering due to COVID-19’s impact on Nepal’s tourism and what people are doing to mitigate the impact, analytical methodology was used. Overall, the study suggests that both stakeholders and employees had mental turbulence due to financial crises during the pandemic. Some people had suicidal tendencies, and some people left the country for foreign employment. Moreover, some people engaged in anti-social activities for their survival. This study can help the concerned to realize how both employers and employees can help to minimize their traumatic experiences of the past pandemic. The government should identify how many people from the tourism sector have been directly affected by the pandemic and help them pay their debts through different schemes.

Key words: Nepal’s tourism sector, tourism industry, COVID-19, Psychological impact

**1. INTRODUCTION**

The novel coronavirus known as “severe acute respiratory coronavirus 2 (SARS-CoV-2) was first traced in a seafood market in Wuhan City of China towards the end of 2019” (Poudel & Subedi, 2020, p. 748). Although it originated in China, it has become pandemic. Just a few countries have remained intact. Most probably timely precautions and effective implementation of strict travel policies and awareness, “twelve of the 14 countries and territories that have reported no cases since the pandemic’s onset are islands in the Pacific and Atlantic oceans. Now the WHO is classifying an additional nine nations and territories as reporting zero Covid-19 cases” (U.S. News & World Report, n.d.). Since May Nepal witnessed a dramatic increase in the covid cases and “hospitals are overwhelmed, and the country’s Prime Minister is pleading for help from other nations” (Hollingsworth, et al., 2021). This situation compelled the government to impose a nationwide lockdown in Nepal. As of July, “Nepal reported 1,223 new coronavirus cases in the last 24 hours taking the nationwide infection tall to 667,109” (“With 1,223 new cases,” 2021). As of July 24, the coronavirus continues wreaking havoc on everyday lives of people in different spheres of life, affecting 222 countries, infecting 194,070,340 people and claiming 4,160,337 lives (Worldometer). “More than 9,026 and overall, 74 districts have been tested positive for the novel coronavirus resulting in different physical, socioeconomic and psychological impacts on the Nepalese” (Poudel & Subedi, 2020, p. 748). “The COVID-19 pandemic has forced people in social distancing and isolation; health and economic crisis; and ‘infodemics’, irrespective of profession, origin, and religion. Patients, health professionals, and the general public are under unprecedented mental pressure that may result into spectrum of short- and long-term psychological health issues like anxiety, stress, depression, panic attack, and post-traumatic stress disorder” (Shrestha et al., 2020, p. 3). This paper will examine the psychosocial impact of the coronavirus pandemic on the tourism sector of Nepal.

**2. COVID-19 LOCKDOWN**

The first step most of the governments around the world have taken is lockdown. Lockdown is considered to be the most effective measure in curbing the rapid spread of coronavirus. Depending on the situations in hand, some countries have taken very strict restrictions. The duration of lockdown varies from country to country. The fact that lockdown has continued intensely affecting the lives of common people cannot be denied. “To prevent this pandemic, governments have started to apply bans under many social restrictions. Lockdown is at the forefront of these restrictions” (Atalan, 2020, p. 38). Nepal has recently lifted lockdown, and some countries are still in some degree of lockdown. Social media has emphasized sanitizing, frequent handwashing with soap, social distancing, and wearing face masks. These measures have contributed to slowing the contamination and spread of the disease to some extent. Almost all the schools, colleges, universities, cinema halls, supermarkets, restaurants, etc have been shut down.

While the extension of lockdown and ineffective distribution of Covid-19 vaccines have triggered some anguish and annoyance among working classes, Brooks and et al. claim “the worldwide spread of the novel coronavirus has further led to neuropsychiatric issues such as fear, anxiety, depression, panic attacks, psycho-motor excitement, suicidal deaths and a general decrease in overall wellbeing” (Poudel and Subedi, 2020, p. 749). Similarly, people who are infected with COVID-19 but not experiencing any health issues are also likely develop mental health problems because they may be obsessed with the consequences of the disease or faced with stigma and discrimination from their own family members. The similar situations prevailed “due to the spread of MERS [Middle East Respiratory Syndrome] when preventive vaccine and treatment options were not clearly established, social anxiety and fear caused by uncertainty became core issues” (Jeong, 2016, p. 1). The government of Nepal has imposed lockdown several times because it is the most important action that one of the least developed countries like Nepal can take with its minimal resources. The figure 1 below is an indication of a declining trend in daily Covid-19 cases and deaths. To date, there has been a little research on the psychological impact of the pandemic on the unemployed people in Nepal.

**Figure 1**: Number of Covid-19 cases and death toll (on a daily basis) in Nepal in 2021

**3. IMPACT OF COVID-19 ON TOURISM**

The tourism industry is the backbone of Nepal. It is one of the main sources of generating foreign currencies. “The tourism sector is one of the country's largest industries, contributing about 8 per cent of the country's GDP and employing more than a million workers. The pandemic has brought the sector to its knees, affecting thousands of people whose livelihood depends on it” (Bhattarai, 2021). Nepal is a hotspot destination for various adventurous activities like paragliding, trekking, mountaineering, skydiving, birdwatching, boating, and many more fun activities. Traveller protocol prepared by the government of Nepal has affected the number of tourists. “Government has announced Special Flight Schedule and updated Protocol for Visitors arriving in Nepal. Airlines and travellers are requested to comply with the updated protocol, which includes mandatory Hotel Quarantine in one of Government approved hotels” (Nepal Tourism Board, n.d.).

Since the first nationwide lockdown came into effect on 24 March 2020, different sectors of Nepal’s tourism-based economy have suffered a lot. “Hotel occupancy rates in Kathmandu, Pokhara, and Chitwan have fallen by 70-80 percent. The top ten countries from where Nepal gets tourists are on high alert. Most countries have issued travel advisories for people traveling to and from China. Thailand’s health minister discourages travel abroad. South Korea is in complete crisis mode due to the rapidly growing outbreak” (Gupta, 2020). After the dramatic rise in the Covid cases, the COVID Crisis Management Coordination Committee (CCMC) on Friday recommended to the Council of Ministers to shut down 22 out of a total of 35 border points between Nepal and India, according to officials” (The Economic Times, 2021). The World Travel and Tourism Council (2019, 2022) reported a 43% decline in Nepal’s tourism sector contribution to GDP and an 11% reduction in employment. Similarly, the World Tourism Organization (2020) estimated a revenue loss of $428 million in Nepal’s tourism sector in 2020 due to the COVID-19 pandemic.

As Nepal imports most of the commodities from India, this action of the government caused some panic and confusion among common people as the price of basic things started to soar, and things were running out of the stock.

Tourism industry is also a big employment platform in Nepal. “There are about 200,000 people who are directly employed in hotel, restaurants, trekking, mountaineering, airlines and other tourism subsectors in Nepal (Asian Development Bank, 2019) and all of them are significantly affected by the pandemic” (Ulak, 2020, p.51). Those who have lost jobs do not get their salaries and they start to worry about their hand-to-mouth existence. On the other hand, relief materials are not disseminated equitably and effectively by the concerned bodies. “Likewise, massive cancellation of airlines, hotel and tourist bookings has resulted in widespread unemployment and loss of income. The loss of jobs and Nepal's inability to create opportunities will increase poverty and inequality, which could cause widespread crime and theft” (Bhattarai, 2021). These workers feel financially insecure, and they will be ready to cross their ethical limits for their survival.

In an employment-based survey carried out in Makwanpur district of Nepal to gauge the level of mental stress, “23.1% employed and 29.4% unemployed respondents reported that they had felt no distress, followed by 69.2% employed and 52.9% unemployed felt moderate distress, while 7.7% employed and 11.5% unemployed respondents felt severe distress by the covid-19 pandemic” (Dhital et. al., 2021, p.9). This result clearly solidifies the general truth that jobless or unemployed people suffer severe mental distress, which can ultimately trigger complicated health problems. It can be argued from this finding that there is a direct co-relationship between the high level of mental distress and financial insecurity.

“Poor quality employment, such as employment with no or short-term contracts, and jobs with low reward and control at work, have significant harmful impacts on mental health. Conversely, job security and a sense of control at work are protective of good mental health. Health workers and respondents enrolled in service have relatively better job securities and sense of control” (Gautam et al., 2020, p. 8). But, on the other side, “economic collapse, job loss and slashed income due to the pandemic as well as increased domestic and sexual violence and added workload during the lockdowns have all acted as contributing factors. In addition, those afflicted do not have normal social interactions that used to be a safety valve during more normal times” (Awale, 2021).

Shrestha and et al. (2020). “found significantly lower rate of psychological distress in city dwellers and in people with low education level. The rate of psychological disorder is low (11.5%) as the pandemic is still emerging. Focus and customized approach to determinants of psychological health like education and awareness, psychosocial support, self-empowerment, and professional services can break the chain of emerging psychological distress pandemic” (p. 7). There is an urgent need of psychological support for many people. The concerned should come up with effective strategies to make it as much accessible to the general public as possible.

**4. DISCUSSIONS**

Due to the pandemic each sector was affected massively. But the pandemic affected Nepali people psychologically more than socially and culturally. People continued to celebrate their festivals online. Many things were normalized through digital platforms. When the pandemic became rampant in Nepal, the internet usage increased dramatically. As of 2023, more than 53% of the total population had access to the internet (Sherma, 2024). Nonetheless, the tourism industry could not be operated online. Employers and employees had to take loans from banks and relatives. Some established businesspeople had to start from scratch. People are still dealing with mental stress owing to the debts that they owe because of the pandemic. Some committed suicide. Some have already slipped into depression. Gurung (2023) conducted a study and found that the government of Nepal need to strategize and formulate new policies to improve the mental health of people in community settings. They found that age group, marital status and education level had not connection with the level of stress. So, the government was advised to mental relief programs for all types of people. Most people’s mental health problems can be directly linked to job losses and business deficits. Most industries somehow existed working remotely. However, the tourism industry was crippled because the tourism industry cannot serve guests online.

Timsina’s data (Table 1) collected from a field survey demonstrate that the government and an organization such as Nepal Tourism Board (NTB) has a big responsibility to create a more flexible business protocol to restore the hopes of tourism. Although each sector can contribute to the recovery of Nepal’s tourism, the government has a huge responsibility. The government has to take the initiative to address any underlying issues and other issues such as psychological disorders owing to people’s job losses and employers’ unpayable debts.

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| --- | --- | --- |
| **Responsible Authority** | **Number of Respondent** | **Percentage** |
| Government | 6 | 40.00 |
| National Tourism organization | 2 | 13.33 |
| Private tour operators | 4 | 26.66 |
| Hospitality Industries | 2 | 13.33 |
| Tourists themselves | 1 | 6.66 |
| Total | 15 | 100 |

**Table 1:** Responsibility for the recovery of tourism in Nepal

Therefore, to address this impact the government and financial institutions can work from a humanistic perspective rather than commercial one. The author would like to make the following recommendations. 1. Tourism boards, hotel associations, trekking agencies, bankers and the government should identify and quantify how many people from the tourism industry took loans during the pandemic. 2. Banks must charge these debtors or borrowers with a minimum interest rate. Also, their loan tenures should also be extended. 3. The government should organize free counselling sessions to those who are still fighting mental instability and depression. 4. The government or bankers must offer financial assistance without interest to those who are willing to resume their services in the tourism sector. The government should shift its attention to local tourism and launch feasts, musical concerts, and other exhibitions to promote local sources and infrastructures. 5. “Collaboration between operatives, government, and donor agencies is necessary to meet the financial obligations of the industry after the lockdown” (Kumar & Ekka, p. 9657). I reiterate again that most sectors somehow survived the effect of the pandemic by offering online services, but the tourism sector had not options. The government of Nepal or Nepal Tourism Board must look for more plausible interventions.

To address the decline in tourism multipliers, it is essential to strengthen the connection between tourism and other economic sectors such as agriculture, manufacturing, and services. Encouraging local sourcing, supporting community-based tourism, and investing in tourism-related infrastructure can enhance the tourism multiplier effect, ensuring broader economic benefits. Additionally, promoting sustainable and responsible tourism practices is vital for the sector's long-term viability. Future research should explore the pandemic’s lasting impact on employment and income in tourism, how some hotels and lodges in tourist areas survived, how many disappeared and how they established business resilience at difficult times. Extensive research is required to know how such businesses can survive in the future if any hard times persist for more than 3 years.

**5. CONCLUSION**

A lot of studies have shown high prevalence of psychological distress among those Nepali people who are involved in the tourism industry either as an employer or an employee. Employers have difficulty paying the rent and providing salaries to their staff, whereas employees’ main concern is their survival. The government has to collect data about those who have lost jobs and those who lost jobs and had to take loans from others. They may still be paying the interest of the debts or struggling to pay their debts. Some are still traumatized. Everyone does not have access to psychological counselling. The pandemic is over, but some people are still living with the impact of it. This scholarship can draw the attention of the concerned departments from Nepal to the mental suffering of those who were engaged in the tourism sector. The study found that both employees and employers were affected massively. As a landlocked country, tourism has to be boosted to increase the country’s revenue. More employers and employees must be motivated to resume their services.

**DISCLAIMER (ARTIFICIAL INTELLIGENCE)**

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

**COMPETING INTERESTS**

The author has no competing interests at all.

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