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## **Income Generation through Home Stay Tourism: A Case of Ilam Municipality**

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### **Abstract**

Home stay tourism has emerged as a promising avenue for income generation and community development in Nepal, particularly in rural areas where traditional forms of accommodation are scarce. This article explores the income generation opportunities offered by home stays in Ilam Municipality, Nepal, and delves into the impact of rural tourism on the local economy. The article also analyzes the challenges and opportunities associated with home stay development, emphasizing the importance of community-based tourism and its potential for economic growth, cultural preservation, and poverty alleviation. Drawing on qualitative approach, data were collected through the unstructured interview and direct interaction with local participants and visitors. The findings highlight the economic benefits of home stays, the empowerment of local communities, and the preservation of cultural heritage. However, challenges related to cultural authenticity, service quality, and equitable development are identified. The findings imply that the policymakers, tourism planners, and local communities should formulate effective plans and programs to enhance the sustainability and inclusivity of home stay tourism in Nepal.

*Keywords:* Home stay tourism, income generation, rural tourism, cultural exchange, community development, Ilam Municipality

### **Introduction**

Nepal offers multicultural tourism, like health, education, social status, cultural and art. Home stay is the Trekking makes it possible for local families to get money by

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working from home. Likewise, it enables tourists to benefit from the friendliness of the locals while engaging in cultural interaction. Many young people in Nepal have chosen to work for home stays rather than immigrate to other nations. This has empowered the youths for the participation to formulate plans and policies and has helped them to growth the national economy.

Nowadays tourism investment is only cities oriented due to this the rural area are back from income generating activities.

Tourism is the fastest growing industry in the present world. Through the adoption of tourism activities, people are getting jobs, mobilizing the available local resources, developing local infrastructure and improving living standard of the concerned family, home stay businesses have ample opportunities for generating women's entrepreneurship, income generating activities form the local productions of the community and fostering the nation's tourism sector which make huge impact on the nation's economy. The Tourism enhanced the, sharing of local knowledge and skills, employment, income, cultural exchange selling or tourism product like mini zoo, pond picnic spots, tea garden, local organic agricultural products and warm hospitality. In Ilam home stay, eco-tourism, agro-tourism and religious tourism are very helpful for the purpose of economic growth of the people.

In recent years, home stays have been quite popular in promoting tourism business in many rural areas of Nepal. In home stays, individual families rent their private rooms for tourists and visitors. It has become an important source of livelihood for many families in rural areas where they can generate some income. Unlike hotels run by business persons, home stays have been run by local families in their own houses. Home stays are primarily popular in most of the rural areas where hotels are not available. This has helped tourists (domestic and international) to explore local culture, traditions, diversity among others. Guest lives as family members with villagers, using their kitchen and participating in their everyday routines in what feels like a home away from home.

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They can also engage in daily activities and household chores of local people that provide a memorable experience

For many travel enthusiasts, home stay provides just the opportunity to assimilate with the local customs, relish the local cuisine and get to know the real local lifestyle. It is one among the inimitable chances to experience life as it is lived.

This particular hospitality industry must expand its offerings to move on. While upgrading home stay services, the stakeholders should strive to blend the domestic lifestyle with basic international standards, that is, offering the local experience in modern ways for international tourists. This would add more welcome doors at many virgin tourist destinations.

Kumar & Kunasekaran (2012) jointly studied about the contribution made by tourism towards poverty eradication in selected rural areas in Selangor, Malaysia. They mentioned poverty as the root cause of many social ills such as illiteracy, crime, drug abuse and high rate of divorce, and tourism was adopted as a strategy for poverty eradication in Selangor. However, they found that it had not been fully exploited by the rural community and those who had been finding it difficult to sustain. Their study, therefore, aimed to put together a model (or identifying variables) that would ensure the economic sustainability of rural home stay programs in Selangor, Malaysia. They used factor analysis to identify the variables of the communities' involvement in tourism activities.

Tourism is a rapidly growing industry worldwide, and Nepal, with its rich cultural heritage, diverse landscapes, and welcoming people, offers a unique and multicultural tourism experience (Dahal & Timalisina, 2020). In addition to traditional forms of tourism, such as health, education, and cultural exploration, home stay tourism has gained prominence as a means of income generation, cultural exchange, and community development (Ghimire, 2017). Home stay tourism enables local families to open their homes to tourists, providing them with an opportunity to experience the warmth of

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Nepalese hospitality while immersing themselves in the local way of life (Dahal & Timalisina, 2020).

Nepal's home stay tourism has witnessed significant growth in recent years, particularly in rural areas where hotels are scarce (Ghimire, 2017). The concept of home stays originated as a means to supplement accommodation options during the Nepal Tourism Year 2011. However, its prime objective is to foster rural community participation in the tourism sector and provide additional income-generating opportunities for local residents (Bhatta & Norman, 2016). Home stays offer an authentic and immersive experience, allowing visitors to live with local families, share meals, participate in daily activities, and gain insights into the culture, traditions, and values of the community (Bhatta & Norman, 2016).

One of the remarkable outcomes of home stay tourism is the empowerment of Nepalese youth. Many young individuals, instead of migrating to foreign countries in search of livelihoods, are now choosing to work in home stays within their own communities (Gurung, 2019). This shift has enabled them to actively participate in local planning and policy formulation, contributing to the overall development of the national economy (Gurung, 2019). Moreover, home stay tourism has proven to be a catalyst for poverty reduction, employment generation, and the promotion of local products and services (Ghimire, 2017).

However, despite its positive impact, the home stay concept faces certain challenges. Initially intended for rural areas, home stays have started to emerge in urban settings, deviating from their original purpose (Bhatta & Norman, 2016). The concentration of tourism investments in cities has left rural areas lagging behind in terms of income-generating activities (Gurung, 2019). Additionally, ensuring the sustainability and quality of home stay services remains a concern. As home stay tourism expands, it is crucial to strike a balance between preserving local traditions and meeting the

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expectations of international tourists by adopting modern standards (Dahal & Timalisina, 2020).

In light of the potential of home stay tourism, this research article aims to explore the income generation opportunities offered by home stays in Ilam Municipality, Nepal. It delves into the impact of rural tourism on the local economy and analyzes the challenges and opportunities associated with home stay development. By understanding the factors influencing the success of home stay initiatives, policymakers, stakeholders, and the local community can work together to maximize the positive effects while minimizing any negative consequences.

The article draws on existing literature on home stay tourism in Nepal and other countries, emphasizing the importance of community-based tourism and its potential for economic growth, cultural preservation, and poverty alleviation (Bhatta & Norman, 2016; Dahal & Timalisina, 2020; Ghimire, 2017; Gurung, 2019). The research methodology adopts a qualitative approach, involving direct interaction with local participants and visitors to gather data. Analysis of the collected data will provide insights into the factors influencing the success of home stay tourism and inform strategies for enhancing the quality and sustainability of these initiatives.

Therefore, home stay tourism has emerged as a promising avenue for income generation and community development in Ilam Municipality, Nepal. By integrating local communities into the tourism value chain, home stays create economic opportunities, empower local residents, and showcase Nepal's rich cultural heritage (Bhatta & Norman, 2016; Dahal & Timalisina, 2020). However, careful planning, collaboration among stakeholders, and continuous improvement are essential to ensure the long-term viability and success of homestay tourism. This article contributes to the existing body of knowledge on home stay tourism and provides practical recommendations for policymakers, tourism planners, and local communities in their efforts to harness the full potential of this growing sector.

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### **Home stay in Nepal: Concept and Significance**

The concept of community-based tourism was first coined in the year 1970s in the world (Mitchell & Muckosy, 2008). Community-based tourism is the outcome of Rio-De-Jenerio, Brazil, Summit in 1992 for its sustainable development.

Nepal Government first introduced the home stay concept in 2007 AD though it was the old concept in the world that has a significant role in the development of rural sector life-style in Nepal (Devkota, 2010). This programme was floated to provide additional accommodation for the anticipated number of tourists visiting the country during Nepal Tourism Year 2011. The government wanted to promote fairs and festivals, dance, music, food, and the lifestyle of the local people. Similarly, the prime aim of home stay is to enhance rural people's participation in the tourism sector. Two modalities have been planned as Community home stay and Privatehomestay'. It is also believed that such home stay programmes in rural areas will provide additional income for the locals. In urban areas, privately owned home stays are also encouraged to allocate two rooms with two beds each. Under the home stay idea, anybody who has a home with at least four rooms can use the empty rooms for tourist' home stay. At the same time, the host should be able to provide organic food with local culture and tradition. Nepal government has set the provisions or rules for the home stay operators. Firstly, they have to register their houses who would like to provide home stay accommodation at the local home stay Management Committee. Secondly, the house owner must be able to provide hygienic food with local taste and good room facilities. The accommodation package and other charges are determined by the Local Home stay Management Committee.

The home stay management committee further sets the rules for the home stay operators where hosts should be able to ensure cleanliness and a safe and secure environment, adequate toilet and bathroom facilities. The numbers of guests are determined as per the space available in a house. As per the guideline put forward by

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the concerned authorities, tourists are to be served the same food that the house owners consume. The guideline includes a code of conduct for tourists as well. Visitors have to dress appropriately and accept the hosts' culture and traditions. Further, they are advised not to use any drugs and narcotics. People's concept about tourism has been changed with the development of rural tourism around the globe. Tourists prefer different activities like walking, climbing, horseriding, adventure, fishing, hunting, seeing culture, heritage, temples besides luxurious hotels and resorts (Kunwar, 1997).

Home stay tourism has gained significant attention as a form of community-based tourism that promotes cultural exchange, economic development, and sustainable tourism practices (Bhatta & Norman, 2016; Gurung, 2019). In Nepal, home stay tourism has emerged as a promising sector, particularly in rural areas where traditional forms of accommodation are limited (Ghimire, 2017). This section reviews the existing literature on home stay tourism in Nepal, exploring its impact on the local economy, cultural preservation, and community development.

Home stay tourism in Nepal has been recognized as an effective strategy for income generation and poverty reduction, especially in rural communities (Ghimire, 2017). Studies have highlighted the economic benefits derived from home stays, including increased employment opportunities, enhanced income distribution, and the promotion of local products and services (Bhatta & Norman, 2016). By engaging in tourism activities, local communities can diversify their income sources and reduce their dependence on traditional agriculture and remittances (Gurung, 2019).

The success of home stay tourism hinges on the active participation of the local community and their ability to preserve and showcase their cultural heritage (Gurung, 2019). Home stays provide an avenue for cultural exchange between hosts and guests, allowing visitors to gain firsthand experience of local traditions, rituals, and lifestyles (Dahal & Timalisina, 2020). The interaction between tourists and host communities

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fosters mutual understanding, promotes cultural appreciation, and contributes to the preservation of intangible cultural heritage (Bhatta & Norman, 2016).

However, the development of home stay tourism is not without challenges. One key challenge is the need to strike a balance between preserving local traditions and meeting the expectations of international tourists (Dahal & Timalisina, 2020). As home stays become more popular, there is a risk of commodifying culture and transforming local traditions into mere spectacles for tourist consumption (Ghimire, 2017). It is essential to ensure that cultural practices and traditions are respected, and the authenticity of the experience is maintained.

Another challenge lies in the quality and sustainability of home stay services. While the warmth of Nepalese hospitality is often lauded, there is a need for continuous improvement in terms of infrastructure, hygiene standards, and training programs for hosts (Dahal & Timalisina, 2020). Maintaining the quality of accommodations and services is crucial for guest satisfaction and positive word-of-mouth recommendations, which can contribute to the long-term success of home stay initiatives (Bhatta & Norman, 2016).

Furthermore, the concentration of tourism investments in urban areas poses a challenge to the equitable development of home stay tourism (Gurung, 2019). Rural areas often face infrastructural limitations, inadequate marketing strategies, and limited access to resources and training programs (Ghimire, 2017). To address these challenges, there is a need for collaborative efforts between the government, local communities, and tourism stakeholders to ensure that the benefits of home stay tourism are distributed more evenly and reach marginalized rural areas.

Thus, home stay tourism in Nepal emphasizes its potential for economic growth, cultural preservation, and community development. Home stays have been recognized as a means of income generation and poverty reduction, providing opportunities for cultural exchange and empowering local communities (Bhatta & Norman, 2016; Gurung, 2019).



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However, challenges related to maintaining cultural authenticity, ensuring service quality, and promoting equitable development remain (Dahal & Timalisina, 2020; Ghimire, 2017). Future research should focus on addressing these challenges and exploring innovative strategies for enhancing the sustainability and inclusivity of home stay tourism in Nepal.

### **Methodology**

The methodology employed in this study was a qualitative approach, aiming to collect data through direct contact with local participants and subjective interactions with visitors and tourism enthusiasts. The research design allowed for in-depth exploration and understanding of the research objectives. The snowball sampling method, also known as chain referral sampling, was utilized to select respondents for the study. This method involved identifying initial participants who met the criteria and then asking them to refer other potential participants who fit the research context. The snowball sampling method was used to choose respondents from the Balangaun home stay. The entire population of 20 households in BalanGaun home stay was included in the study. This comprehensive approach aimed to capture the experiences and perspectives of all households involved in the home stay program. The data collection process encompassed both primary and secondary sources. To gather primary data, direct engagement with local participants, including home stay hosts and visitors, was carried out. Qualitative information was obtained through subjective interactions such as face-to-face interviews and group discussions. These interactive sessions facilitated a comprehensive exploration of the participants' firsthand experiences and perspectives regarding home stay tourism. In addition, secondary data in the form of documents, reports, and existing research pertaining to home stay tourism in Balangaun was reviewed. This secondary data complemented the primary data and contributed to a more comprehensive understanding of the research context. The qualitative data collected through interviews, discussions, and secondary sources were analyzed using thematic analysis. The data were coded,

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categorized, and examined for recurring themes, patterns, and variations. This qualitative analysis facilitated the identification of key findings and allowed for a comprehensive exploration of the research objectives. Ethical considerations were taken into account throughout the research process. Informed consent was obtained from all participants, ensuring their voluntary participation and understanding of the study's purpose. Confidentiality and privacy were maintained by anonymizing participants' identities in reporting and publications.

## **Results**

### **Income Generation and Distribution**

The study revealed that home stay owners in both study areas earned a similar amount of income. This suggests that the home stay business model has the potential to generate a consistent and comparable source of income for the hosts in these communities. The annual income distribution among the home stay members varied, with two members earning below 100,000 lakhs, three members earning more than 200,000 lakhs, and five members earning more than 4 lakhs. These income levels indicate the economic opportunities provided by the home stay program and its contribution to the financial well-being of community members.

### **Empowerment of Women**

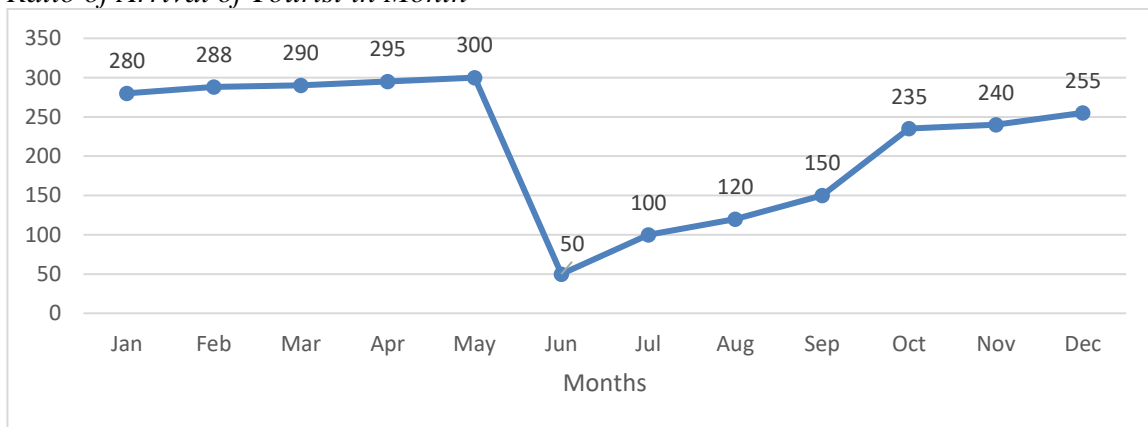
The focus group discussions highlighted the positive impact of home stays on women within the community. Participants reported that the home stay program had improved the relationships among women and made them economically empowered and independent. Out of the total members studied, 10 were directly involved in income-generating activities, while others were engaged in different occupations such as business, civil services, local shop keeping, agriculture, and foreign employment. This finding suggests that home stays contribute to women's economic empowerment and enhance their independence within the community.

**Allocation for Cultural Activities**

According to the home stay committee members, 10 percent of the total income generated was allocated for cultural activities. This allocation demonstrates a commitment to preserving and promoting the local culture within the home stay program. By incorporating cultural activities, guests can have authentic cultural experiences while contributing to the preservation of local traditions and heritage.

**Figure 1**

*Ratio of Arrival of Tourist in Month*



Source: Home stay Tourist Darta Register, 2079 BS

The above figure reflects the number of tourists visit in Balan Gaun home stay Ilam every month. Tourists visit from various places and parts. The table shows that highest number of tourists arrives in May and the lowest number in June. The table also shows that winter season is more attractive and appropriate for tourist visit to home stay.

**Discussion**

**Poverty Reduction and Employment Opportunities**

The results indicate that income generated through various tourism activities, such as home stays, may lead to a reduction in the poverty level in the village. Additionally, the availability of employment and entrepreneurial opportunities through the home stay program has prompted the return of youth who had previously migrated to

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other cities in search of jobs. This finding highlights the potential of home stays in contributing to local economic development and reversing the trend of rural-urban migration. It provides opportunities for the youth within their own community, fostering sustainable livelihoods.

### **Challenges and Areas for Improvement**

The study identified challenges and areas for improvement in the home stay program. The road infrastructure in the area was not fully developed, although it remained accessible throughout the year. The visitor log book indicated that the majority of visitors were locals from the nearby municipality and rural municipality, with only a few from outside the area. This suggests the importance of advertising and enhancing the services provided to attract a wider range of visitors and increase the economic benefits for the community.

### **Conclusion**

This article sheds light on the income generation opportunities offered by home stay tourism in Ilam Municipality, Nepal, and its impact on the local economy. The findings highlight the positive aspects of home stays, such as economic benefits, empowerment of local communities, and cultural preservation. Home stay tourism has emerged as a promising avenue for income generation and community development in Ilam Municipality, providing economic opportunities, empowering local residents, and showcasing the rich cultural heritage of Nepal.

However, challenges related to cultural authenticity, service quality, and equitable development are identified. The concentration of tourism investments in urban areas and the need for continuous improvement in infrastructure and training programs pose challenges to the sustainability and quality of home stay services. It is crucial to strike a balance between preserving local traditions and meeting the expectations of international tourists, ensuring the long-term viability and success of home stay tourism. This research article contributes to the existing body of knowledge on home stay tourism

by providing insights into the factors influencing the success of home stay initiatives in Ilam Municipality. The study emphasizes the importance of community-based tourism and provides practical recommendations for policymakers, tourism planners, and local communities to enhance the sustainability and inclusivity of home stay tourism in Nepal.

Future research should focus on addressing the identified challenges and exploring innovative strategies to overcome them. Collaboration among stakeholders, including the government, local communities, and tourism industry players, is essential to ensure that the benefits of home stay tourism are distributed more evenly and reach marginalized rural areas. By harnessing the full potential of home stay tourism, Nepal can further promote economic growth, cultural preservation, and poverty alleviation while providing unique and immersive experiences for visitors.

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