# Economic Impact of Homestay Tourism

(A study of homestays in Pokhara Metropolitan Ward No. 16)

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Mini research submitted to:

**Research Committee** 

Kalika Multiple Campus Pokhara

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# LETTER OF RECOMMENDATION

This mini research entitled "ECONOMIC IMPACT OF HOMESTAY TOURISM, (A study of homestays in Pokhara Metropolitan Ward no. 16)" is prepared by Bijaya Babu Adhikari under my supervision and guidance as for the requirement for the Research Committee of Kalika Multiple Campus, Pokhara -14, Kajipokhari, I hereby recommend this research work for the final evaluation and approval by research committee.

.....

Dr. Ramji Sharma

Research Supervisor

Date: 2023/02/22

# **APPROVAL SHEET**

This mini research has been evaluated and approved by the following Research Management Committee, Kalika Multiple Campus, Pokhara-14, Kajipokhari.

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Bijaya Babu Adhikari

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#### Abstract

The trend of homestay establishments in Nepal has gained momentum in recent times. However, questions have been raised about their actual offerings and economic viability. This study aims to uncover the reality of homestays in Ward No. 16 of Pokhara Metropolitan in Nepal. Out of the five registered community homestays, three are run by the Gurung community while the remaining two are operated by Brahmin and Chhetri communities. Interestingly, the flow of visitors and business prospects of these homestays vary significantly. For instance, Armalakot is attracting more visitors, and some households are earning satisfactory revenue from homestay operations. On the other hand, Dhikidanda and Haripau homestays seem to be out of operation. The popularity of resort and restaurant businesses is rising, and they are becoming the preferred accommodation options for visitors. The distribution of guests within community homestays also varies greatly, with some households receiving more visitors than others. Consequently, some homestay operators are content with the business they are generating, while others are deeply disappointed due to their investment losses. In conclusion, the findings of this study emphasize the need for a comprehensive evaluation of the homestay program in Nepal to identify the factors that contribute to its success or failure.

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#### Unit 1

# Introduction

# 1.1 Background

In south Asian region sandwiched between two giant states China and India, Nepal is a small and beautiful nation with wide range of cultural practices and ethnic diversity along with immense natural gifts awaits to welcome tourists from all around the world. Economically it is known as one of the poor countries. Tourism is recognized as a highly potential sector which could contribute to uplift the economy. Within tourism there are large varieties of sectors (products) but village tourism is considered as the one which could directly benefit the poorer section of the population. At present all levels of governments of Nepal (federal, provincial and local) are promoting homestays by different mechanisms as consequence homestays are widely spreading and increasing in their number day by day. According to government of Gandaki province (2076), there are 309 community homestays in Gandaki province alone. (सामुदायिक होमस्टे दपर्ण, २०७६)

Homestay is getting popularity in more vibrant ways these days. Sometimes it seems that this is a new fashion our villages surrounding urban areas are adopting. Homestay though it is not a new concept in tourism product they are appearing in news more frequently. Being a part of village tourism, it has been appreciated as good approach to enhance economic status of rural people by the use of local resources physical as well as cultural.

In Nepal Sirubari Syngja and Ghalegaun Lamjung are known as the pioneer of the village tourism. After the successful practice of homestays in Sirubari and Ghalegaun they are started in other parts of the country. After the state restructuring of 2015 provincial governments and local governments are actively promoting homestays.

Gandaki State in the FY 2075-76 implemented a program called *Community Homestay Infrastructure Development Program (CHIDP)* to support community homestays of all 11 districts in Gandaki Province. 272 homestays were able to receive the donation from this programme. The state government invested 27, 81, 40, 482.00 rupees, the local government support was 2, 42, 39,064.00 rupees and the members of community homestay members invested 7,06,93443 rupees. With the support of the State government and local government, 3402 houses were involved consisting of 5425 rooms with a total of 9666 beds for internal and international tourists.

In Kaski district there are 36 homestays involving 658 houses which have 1400 beds. In case of Pokhara city highest number of community homestays are registered in ward no. 16. Out of 17 community homestays there are five homestays in ward no. 16.

#### 1.2 Statement of problem

Nepal is facing economic crises these days. Major cause is trade deficit hammered by devastating gap between import and export. Foreign currency collection is about to deplete in near future. Agricultural modernization limited into texts; industrialization seems incompetent in open economy. In such scenario how long does the remittance hold our economy? We need to find a better alternative to rescue our economic crises. Tourism if managed properly may become an effective solution to these economic problems. State's approaches in tourism marketing seems to be ineffective if we observe the number of tourists who had visited Nepal during last few years. Tourism is a global phenomenon and we have to face strong competition to attract international tourist in Nepal. Being one of the poorest countries we cannot attract tourists in modern sectors so our emphasis should be in ecotourism and indigenous cultural tourism. Peoples fade off with urban life may become our target to see our cultural milieu along with natural landscape. In this scenario village tourism

should be our focus. Homestay can be started with low investment by utilizing or improvising local people's own houses. It means people with poor economic status can also be benefited from this approach of tourism with small effort added by government. As a part of rural tourism homestay is spreading widely throughout not only the countryside but in areas very close to big urban areas of Nepal. It is to be observed that whether the homestays operated in Nepal are fulfilling their motive of establishment. Do the people operating homestay are benefitting?

Pokhara is the largest metropolitan city in terms of area since it included Lekhanath municipality along with many VDCs during state restructuring process of 2074. Within Pokhara ward no. 16 is also the largest ward in terms of area. Out of seventeen homestays of Pokhara metropolitan it consists of five homestays run by community. They are: (प्रदेश सरकार उद्योग, २०७६)

- i. Haripaun Community Homestay
- ii. Rijenasha Community Homestay
- iii. Garlang Community Homestay
- iv. Dhikidada Community Homestay
- v. Armalakot Pratayan Prawardhan Samiti

# **1.3 Research Questions**

The motive of this research is to seek answers of the following questions.

- i. What are the motives of establishment of homestay?
- ii. Are homestays economically benefitting the stakeholders?
- iii. Is infrastructural development getting more emphasis after introduction of homestays?
- iv. What are economic opportunities created by the homestay?

v. What are the negative impacts (economic) of homestay?

# **1.4 Research objectives**

To study the economic impact of community homestays operated in ward no. 16 of Pokhara Metropolitan city is major objective of this study. This research's main focus is to assess economic opportunities along with the threats created by homestays in study area.

#### Unit 2

# Literature review

#### 2.1 Tourism

Man has been a confirmed traveller since antiquity -a nomad- as travelling has been a characteristic feature of human society and lifestyle. Technically, tourism may be contemplated as the relationships and phenomena originating from the journeys and temporary stays of people travelling mainly for pleasure, leisure and recreational purposes (Karma, 1997).

Tourism is what a tourist does. Different people have different motives to travel. We can say a person a tourist if he goes out of the daily living zone to satisfy his curiosity and his desire to know, relax, rest and recover his strength in surrounding different from his usual environment planning to get back for recreation (Agarwal M.K., 2012).

According to the United Nations World Tourism Organisation (UNWTO), tourism entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors. Generally speaking, a visitor is classified as a (same-)day visitor if their trip does not include an overnight stay and a tourist if it does include an overnight stay. The purpose of their trip can be for business, leisure or personal reasons, other than to be employed by a resident entity in the country or place visited.

**2.2 Global Context:** According to the report of WTTC 2022 in the year 2019 the contribution of travel and tourism in global GDP was 10.3% almost 333 million jobs were supported by this industry. Though its contribution in GDP is reduced by 50.4% in 2020 due to covid 19 pandemic now it is on the way of reclaiming its pace to become the leading industry.

In the context of Nepal 2,30085 tourist visited Nepal in the year 2020 which is almost 80.7 percent less than the total tourist visiting Nepal in the year 2019. In terms of gross foreign exchange earnings from tourism of the year 2020 was reduced to 32.8 million US\$ from 523.6 million US\$. Tourism sector provided 7.8 percent of total jobs in Nepal in 2019 (World Travel and Tourism Council, 2022).

Tourism, the largest and fastest growing industry in the world is now further divided into small components depending upon the choice of people. Among various forms of tourism, home stay tourism is considered as alternative tourism that has been instrumental in bringing sustainable development in many communities across the world such as in Malaysia, Costa Rica, Thailand and Nepal (Kwaramba, Lovett, Louw, & Chipumuro, 2012).

# 2.3 Types of Tourism:

One of the most spectacular growths the world's economy attained in the 20<sup>th</sup> century was travel and tourism industry. During this period there was developed different types of tourism. Tourism has been classified by several ways. The most common types of tourism are listed below:

1. Mass tourism: this is the most recent phenomenon of the modern tourism. The concept of mass tourism emerged along with the introduction of paid holidays. Instead of selective or elite tourist it focuses on the greater number of tourists. Change in transport technology by air as well as by the land and sea reduced the cost which helped more people to afford to travel. The mass participation again decreased the travelling cost. Now, travel agencies have been able to sell package tours because of vicious circle of falling real costs. The growth of hotel chain, car rental system also helped the mass tourism. The most remarkable concept is the globalization of tourism

industry. More and more countries and their travel agencies are inter-linked and are increasing the tourist movements.

- 2. Village and urban tourism: in the village tourism all the activities are concerned with villages. A village is selected as a model village. A few guest rooms and kitchen are developed without disturbing the village environment. Villages continue their daily normal works and guests enjoy participating in the village activities. Urban tourism is concerned with the city areas. Big hotels and restaurants are developed to cater the needs of luxury tourists. Mostly business people participate in this type of tourism. Tourism in Hong Kong Singapore, etc. are the examples of urban tourism.
- **3.** Domestic and international tourism: domestic tourism focuses on the tourism within the country. It does not require visa formalities and does not involve border formalities. It generates local currency no foreign income. On the other hand international tourism is concerned with foreign national and it generates foreign currency, which is the need of developing countries. It involves visa rules, border formalities and is more complicated then domestic tourism.
- 4. Receptive (in-bound) and passive (out-bound): Receptive tourism is concerned with the reception of the tourist. It focuses on providing services. Nepal tourism has receptive character with foreign nations, as we receive tourist from them. Out-bound tourism is to sell the tours outside the country. As foreign nations sell the tours to Nepal and Nepal is selling tours to Tibet, which is known as out-bound tour.
- 5. Ethnic Tourism: This type of tourism is concerned with selling and organizing tours to visit indigenous community. It means to visit the native people, their homes, villages and to understand their customs and traditions. Here Tourist observe their dances and ceremonies.

- 6. **Cultural Tourism**: It is related to the tours to the culturally rich cities. The tours are organized to provide knowledge of the culture of the religion. Culture is the set of beliefs, values, attitudes, habits and forms of behaviours shared by a society, which are practiced from generation to generation. This type of tourism is mostly concentrated in the city areas, participated by elderly people in most comfortable manner.
- **7. Adventure Tourism:** This type of tourism is organised in the remote areas. Here the guest take part in different activities like trekking, rafting, mountain climbing, bungee jump, etc. This type of tourism is more popular among the young people.
- 8. Convention and Conference Tourism: The big business houses, multinational companies or governments organize meetings, convention and conferences, assemblies which attract many participants. Many governments, hotels, resorts have invested money to promote regular meetings. Such establishments also organize exhibitions. So convention tourist are the travelers travelling for the purpose of convention, conference, meetings, etc.
- **9. Historical Tourism:** In this tourism people generally visit museum and old historical places. To organize tourism activities to visit archeological places for the purpose of knowing the glories of the past is an example of historical tourism.
- **10. Eco-tourism:** This type of tourism is the need of the modern world. This type of tourism is organized to study environment and to observe land-man relationship. Here tourism activities are organized in a way that it leaves minimum or no impacts to the local community, their culture and on the nature.
- **11. Sustainable tourism**: In some countries and regions the unplanned and uncontrolled development has resulted impacts on the environment and on society. This is also true in tourism sector. To preserve and protect the local environment and community and

to involve them for the tourism development World Commission on Environment and Development (WCED) recommended the concept of sustainable tourism. The protection of raw material and the process of development must move as a chain action. In the name of tourism development, destruction of raw materials which is man-made and natural attractions does not enhance tourism; rather it kills tourism.

- 12. Recreational Tourism: Although every type of tourism aims at pleasure, recreational tourism is concerned with recreational centers which provide recreational activities. They are mostly centralized in big cities such as casinos of Las Vegas, Essel World of Mumbai, night clubs in Bangkok, etc.
- 13. Health Tourism: This type of tourism was in big demand during the late 19<sup>th</sup> century. People were visiting different resorts, sea camps, signatories or spas. It is well accepted that while travelling to new places fresh air is the best remedy.
- 14. **Controlled, Semi-controlled and Uncontrolled Tourism:** In the controlled system of tourism government has full and unlimited control over the tourism industry. It controls the number of tourist arrivals, the movement and even visiting sites. Here government has full control over the price also. In the semi-controlled system the government is constantly alert. It keeps eyes open on the movement of the tourist, operation of the travel agencies. In the uncontrolled system of tourism the government is concerned with collecting tax and entrepreneurs are enjoying the full freedom (Ghimire, 2004).
- 15. **Homestay Tourism:** As the word homestay reveals that in this type of tourism there is not separate structure built for tourist the guests remain in host house. In rural houses one or some rooms are separated for accommodation of guest/tourist and they dine with the family members in their kitchen. Though homestay came into light later than other tourism product. Eastern culture was accepting it in different form since

ancient times. In Eastern culture guests are regarded as gods so in Nepal there is a saying very popular "*Atithi Devo Bhava*". The host used to serve their guests or travelers for night stay without any charge by respecting them as gods until few decades ago. After introducing the mountains of Nepal in 1950s to the outer world, international tourists started to visit Nepal which is the origin of international tourism in Nepal.

In homestay the visitor enjoys the local cultural hospitality and a warm welcome from a host family in particular area. It helps the tourist to explore the local cultural values, traditions on the one hand, languages and landscape settings on the other hand.

Later tourism is thought of as a tool for poverty reduction and from 1997 village tourism was introduced for the first time in 1997. Sirubari of Syangja and Ghalegaon of Lamjung district were the first two villages to implement the concept of community homestay (Thapa 2010) According to homestay operation and management procedure 2076, homestay means a homestay service operated individually or collectively in one's own home or community for the purpose of providing accommodation, food and other services to tourists.

there are two types of homestays

- i. **Community-based homestay:** The homestay which is run by a minimum of 5 people is known as a community homestay. In this homestay guests stay in the homes of local families and can gain a much better experience of their host culture and day to day life. Guests can join the host families in the fields, learning to cook local dishes, or volunteering to teach in a school.
- ii. Private homestay: The homestay run by an individual is known as a private homestay. It is a popular form of hospitality and lodging where visitors share a residence with a local of the city to which they are traveling.

The major objectives of homestay listed in homestay operation and management procedure are:

- i. To increase self-reliance of rural sector by exploration and utilization of rural tourism potentiality.
- To improve living standard of rural people by participating in tourism profession.
- iii. To create self-employment in local and rural level by homestay.
- To make tourists experience the local environment, dishes, ceremonies, art, culture, and way of life in an accessible, convenient, simple and comfortable environment.
- v. To maintain intimate unity within diversity while maintaining social harmony.
- vi. To protect and safeguard historical, religious, cultural, and natural heritage of rural area.

Adhikari (2063) found that homestay helped to protect tradition and culture of Sirubari by promoting Panchei Baaja, Sorathi, Ghantu and other dances and songs they have been practicing from antient time. People engaged in agricultural activities were found transformed into tourism activities. Homestay left deep impact on the living style of the people in Sirubari.

According to (Bastola, 2014) tourism at Tharu community helped for infrastructural development like road, school building, clubs, health post service, libraries etc. Introduction of tourism changed life styles, festivals and language too.

**2.4 Tourism and its effect on the economy**: Manila Conference recognized tourism as a significant factor in world development as it represents a large percentage of the share in national economies and international trade. It recognized tourism's consistent role in national

economic activity, in national transactions and in securing balance of payments equilibrium, which makes it one of the main activities affecting the world economy. (Shiela Bora, 2005)

The receipts from international tourism provide a valuable source of earning for both developed as well as developing nations. The major economic benefit in promoting tourism is seen in the earning of foreign exchange, which adds to the national income and as an invisible export, often offsets a loss on the visible trading account. Income from tourism has tended to increase at a faster rate than merchandise export in a number of countries and there is now an assured financial flow from the richer countries to the not so rich, developing countries thereby raising the latter's export earnings and the rate of economic growth. Tourism not only offers a more reliable form of income to developing countries which are primarily dependent on a few basic cash crops, but also enables countries with a negative balance of merchandise trade to pay for imports like food, technology, capital or consumer goods. (Shiela Bora, 2005)

Shiela Bora, 2005 indicates some of the negative impacts of tourism also.

- Employment in tourism may destroy the basis of other activities. Younger member of the family, lured by easier wages and more glamorous lifestyles of the tourist areas, may turn away from the traditional economy and the traditional society.
- Tourism results in migration of labour in case of shortage of local labour which bound to leave impact on local economy.
- Polarization of tourism activities in certain places increases the price of land which creates difficulties for people from outside of tourism activity.

Bhatia 1983 had listed benefits of tourism under economic benefits, The multiplier effect, Development of infrastructure, regional development, Employment generation. (Bhatia, 1983). Tourism provides employment, brings infrastructural improvements and may help regional development. Each of these economic aspects can be dealt with separately, but they are all closely related and are considered together.

The multiplier effect: The flow of money generated by tourist spendings multiplies as it passes through various sections of the economy. In addition to an important source of income, tourism provides a number of other economic benefits, which vary in importance from one country to another and also depending upon the nature and scale of tourism. The benefits from infrastructure investments, justified primarily for tourism- airports, roads, water supply and other public utilities- may be widely shared by the other sectors of the economy. Tourist facilities such as hotels, restaurants, museums, clubs, sports complexes, public transport, national parks are used also by domestic tourists and visitors, businessmen and residents, yet a significant portion of the costs may be borne by international tourists. Tourists also contribute to tax revenue both directly through sales taxes and indirectly through property, profits and income taxes.

**Development of infrastructure**: Development and improvement of infrastructure is another important benefit. The benefits from infrastructure investment, justified primarily for tourism- airports, roads, water supply and other public utilities- may be widely shared by the other sectors of the economy. In addition to development of new infrastructure, the improvements in the existing infrastructure which are undertaken in order to attract tourists is also of crucial importance. These improvements may conger benefits upon the resident population by providing them with amenities which hitherto, they had not enjoyed. Furthermore, the provision of infrastructure may provide the basis or serve as an encouragement for greater economic diversification. **Regional Development:** Another important domestic effect relates to the regional aspects of tourist expenditure. Such expenditure is of special significance in marginal areas, which are relatively isolated, economically underdeveloped, and have unemployment problems. The United Nations Conference on International Travel and Tourism held in Rome in 1963 noted that tourism was important not as a source of foreign exchange, but also as a factor in the location of industry and in the development of less developed regions. It further stated that in some cases the development of tourism may be the only means of promoting the economic advancement of less-developed areas lacking in other resources.

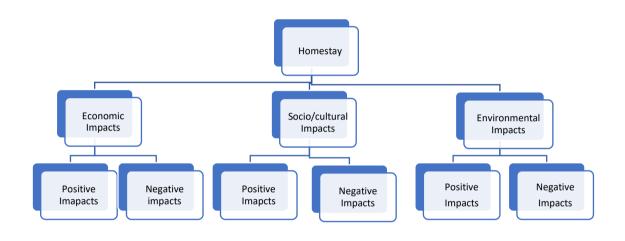
**Effects on Employment:** The problem s of unemployment and underemployment are more acute in the developing countries. Why, then do the developing countries not concentrate their major efforts on a tertiary economic activity such as tourism, which calls for manpower on a large scale? The problems which the industrialized countries face in recruiting manpower for the tourist industry confirm that, in any productive process consisting of services, human labour remains the basic need. None of the technological progress achieved has succeeded in rendering the human factor less indispensable in this sector, and this is true to an absolutely indisputable extent if we draw a comparison with other productive sectors.

**Tourism and economic value of cultural resources:** The first appearance of tourism in the world had a cultural motivation, and tourism has always stood as a unique vehicle for the cultural propagation that is necessary to a deeper understanding of peoples. Tourism with its basic element of movement, stands for the possibility of communication between differing civilizations and it has served into this sense since its first emergence. Tourism has always been an essential medium for broadening the limits of human knowledge. Human thirst to know and see the foreign culture is becoming one of the major cause to increase the flow of tourism. This nature of tourism helps to bring the cultural heritages into the economic circuit,

thus justifying the investments made at the cost of the national community for its preservation. (Bhatia, 1983)

A case study conducted by Acharya, 2021 in Amaltari Madhyawarti homestay and Ghalegaun revealed that homestay income had contributed 45 percent of the total yearly income of households. (Acharya, 2021)

# 2.5 Conceptual framework



#### Unit 3

# Methodology

#### 3.1 Research Design

The study is descriptive and exploratory in which economic impacts of homestay were observed.

# **3.2** Population and sample (sampling design and sample size)

Population of this study was all the households operating homestay in all five community homestays. There are 30 HHs registered as homestay. since the number of HHs was very low all of them were studied that is census was carried out.

# 3.3 Nature of data (Qualitative or Quantitative) and Source of data

Data collected in this research is mostly qualitative as the HHs have just started the homestay and unable to give the response in figures. Primary data collected from the field is the main source of data and secondary data from local government along with other relevant studies are also used as per the need.

# **3.4 Data collection techniques**

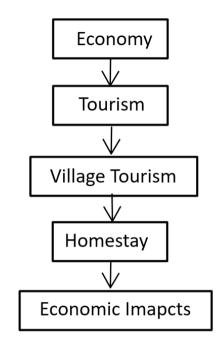
Data is collected by using different tools of data collection:

Interview schedule is used to collect data from individual HHs. Key informants' interview has been carried out among homestay management committee members. Observation method is used to inquire the infrastructure of HHs as well as local area.

# 3.5 Data processing and analysis tools and techniques

The collected data is systematically organized after editing and processing. As the data obtained is only in qualitative form description method is used to analyse the data.

# 3.6 Research Framework and Definition of variables



Tourism: the practice of traveling for pleasure

Village tourism: tourism activities focused to attract tourist to the villages

**Community Homestay:** Group of at least five household committed to serve accommodation, foods, recreational activities, etc. by the use of local resources for the tourists.

Economic impacts: Impacts of tourism activities on economic aspect of local people.

**Socio/cultural impacts**: Impacts of tourism activities on social norms and values and cultural practices of local people.

# 3.7 Significance:

In Nepal homestay is getting importance from government as it could be an effective weapon to counter with rural poverty. A significant amount of money seems invested in this sector from government as well as from private sector. It is very important to find out the efficiency of this investment in resource lacking countries like Nepal. This study aims to study whether the homestays surrounding Pokhara are fulfilling the motive of their establishment or not. Whether the people operating homestays improving their economic status? Provincial and local governments have used significant resources for homestay development. In five community homestays of ward no. 16 of Pokhara, Division Forest Office of Gandaki Province has invested more than five million rupees. Homestay operating households also have some expectations to fulfill their needs. The finding of this research will be useful to observe the efficiency of the highly appreciated and newly flourished tourism product. This research may become helpful to government and non-government institution working in this field to revisit their policies and programmes.

**3.8 Limitations**: Homestay leaves economic, sociocultural as well as environmental impacts both positive as well as negative. This research inquires only economic impacts in five community homestays of ward no. 16 of Pokhara metropolitan which are recently established so outcomes of this research may not be generalized in other homestays of different context.

S.N.	Activity	Estimated Cost
1.	Proposal writing	5000
2.	Field visit	15000
3.	Data analysis	5000
4.	Report writing	5000
	Total	30000

#### **3.9 Estimated Budget:**

# 3.10 Time Frame (Gantt Chart)

S.N.	Task	June	July	Aug.	Sept.	Oct.
1.	Proposal preparation and					
	submission					
2.	Sample selection					
3.	Data collection tools					
	development					
4.	Data collection (Field work)					
5.	Data processing and					
	management					
6.	Data analysis					
4.	Report finalizing					

#### Unit 4

#### Findings

#### 4.1 Garlang Community Homestay

Garlang is a small agglomerated settlement in 30 minutes driving distance from renown tourist destination Mahendra cave. It had 53 households previously but now there are 41 households. Among them 32 are of Gurung community and 18 are of Dalit community. All the 5 households registered as homestay are of Gurung community. But only four of them are in operation now.

#### Occupation

All the four households have farming as the primary source of income. Production from their own land is sufficient to feed the family. Major crops are paddy, corn and millet. They were compelled to leave some of the land barren since deer, monkey and Ban Kukhura (kalij pheasant) from forest do not let them harvest. Mostly the vegetables they produce is sufficient for themselves. Homestay no. 2 is running a small shop but opines that villagers small needs in emergencies only are served, so the income from shop is very low.

#### House build up

All the houses are made up with stone and mud joint. The owner of homestay no. 1 is staying in his brother's house and using it as homestay since his brother left the house. He refurbished the house roof by using tin/zinc sheets and replace the traditional flooring of mud by saw wood in first floor. Other three houses have stone in their roofing. Homestay no. 2 has made separate building block with tin roof for the guests with attached bathrooms.

If large group visits the homestay all of them serve them in group. Guests/visitors of this homestay mostly come from personal contact. President of community homestay is out of the village

#### Motives of homestay establishment

All of the households responded that their major motive of homestay establishment is to earn some extra money. Serving the guests in their spare time will generate some money was their expectation. Their expectation of government support and encouragement from local leader regarding homestay has also motivated them to establish homestay. One of the respondents said tourism board asked them to start homestay.

#### **Investment in homestay**

Gandaki province government has spent 1.5 million in infrastructure support. Stone slabbed foot trail connecting houses, community building and toilet bathroom donation for the homestay households are the areas of expenditure.

Homestay no. 1 has spent 60,000 rupees in room maintenance and he said he got Rs. 30,000 as donation. It seems Rs. 90 thousand was invested in homestay no. 1. Homestay no. 2 has spent 1.2 million to build up separate building with attached bathroom. Homestay no. 3 and 4 houses are joined together. Their expenditure was only on room maintenance. They complained that they are unable to get assistance to build up toilet.

#### **Income from homestay**

Homestay was found established with greater enthusiasm at the last of 2075 BS. As they were on the starting phase covid 19 pandemics spread and the nationwide lockdown hit their hope. Out of the four homestays only homestay no. 1 has given some hopeful response regarding income. The income from homestay is helpful only for small everyday expenditures. According to them their daily chores are not disturbed and whatever they earn is additional income on their traditional agriculture. None of them have the exact account of their income from homestay. There is package system for the visitors staying in homestay. Each person has to pay Rs.

1000 for the package. The package includes

- welcome khaja (tea with jhilinga, makai)
- morning breakfast

both of the khana (lunch and dinner (one of them would be local chicken khana)
 Out of package

- Non veg khana- Rs. 250
- veg khana Rs. 150
- Jhain khatte (local wine fried with local ghee)- Rs. 150 per bottle.
- Sukuti Rs. 250 per plate

#### Homestay induced economic activities

The community was found self-dependent for the agricultural products. Since the flow of visitors is low, noticeable additional economic activities induced by homestay were not observed. Most of them were found rearing chickens (Giriraj) to serve the guest. Local chicken/Giriraj, local wine, vegetables from their own garden are used in food preparation. While asking about whether they are selling local products to the visitors or not only some of the visitors order local wine and local ghee was the response. It was found that sometimes they gave their vegetables to the visitor without taking money. There is nothing new product produced to sell. Homestay no. 2 is running a small shop and it was started before homestay establishment. Some time when visitors staying in other houses demand for cigarette and beer the shop gets the customers.

# Expenditure

Since the flow of visitors is very low there is not noticeable regular expenditure due to homestay. Sometimes when the guests ask for cigarette, beer and whisky they provide them from nearby shop. It seems that they don't spend extra amount for homestay.

#### **Benefits of homestay**

Construction of community building and stone slab foot trail connecting houses are the achievements in infrastructure. Vegetable farming and chicken rearing are comparatively increased after homestay establishment. Demand of local wine has also found increased.

#### **Negative impacts**

Sometime visitors who want to stay late night with drinking and singing disturbs the owners daily schedule of homestay owner. Their activities were also found disturbing nearby houses.

#### 4.2 Rinje Nasha community homestay

Rinje Nasha (Ranjeet village) lies at nearly 40 minutes driving distance from Mahendra cave. As a homestay it is quite different from other homestays. Long ago 26 families consisting Gurungs and Tamangs were used to stay in this village. Nowadays most of them left the village and settled in Pokhara or bensi. Most of the ancestral land and houses are not sold. Today just eight households are there. Though the villagers do not reside in the village all of them are attached by same culture and are united by different economic and social institutions. They gather yearly to prey Naudhare Siddha Baraha of the village. Now the number of house hold has been increased to 52. All of them even play Deusi/Bhailo to raise fund for their community. Naudhare Siddha Baraha Club also has been registered to revive the village. It seems that all the villagers are united to make their village as it was 50 years ago. Shamsher Gurung who is running a well-established manpower company in Kathmandu came back to the village after 40 years. According to him the abandoned village where he born can again be made habitable. He heard many things about the homestay programme initiated by government. He called all of his villagers and proposed to run homestay. Though the villagers show no interest in running homestay by themselves but they gave full support to run homestay. They are ready to present themselves wherever needed. Then the five abandoned houses around his house are reconstructed (two of them are of his own uncle). Mr. Shamsher Bahadur Gurung invested to rebuild the five houses and started homestay with the house owner's consensus and full support. As he describes he is using their houses and land for fifteen years. He wants to make such changes which will again pull his villagers back to the village.

#### Occupation

Homestay is started as a business it is in starting phase. All the five houses were made stay able by single person. He is an investor and his major business is in Kathmandu. Eight households remaining in village are the farmers. Mr. Shamsher Bahadur is starting green house vegetable farming, he has planted kiwi, orange, lemon plants. His son along with 18 youths has founded an organization and already planted 2000 coffee plants and also planting to add 2000 more plants. These days as the home stay and farm work are still going on the villagers are getting work. Mr. Gurung has three full time workers too.

#### House build up

All the houses were made up with stone and mud joint. Since they have been abandoned long ago, they need to rebuild. The stone roof workers are difficult to get so it has been replaced by tin roof. The home stay can accommodate 30 people at once. Three rooms has attached bathroom.

If large group visits the homestay all of them serve them in group. Guests/visitors of this homestay mostly come from personal contact

# Motives of homestay establishment

The major motive behind this homestay seems long-term achievements. Mr. Gurung wants to do something on his own village so that he can attract other villagers back to the village. He noticed some opportunities in homestay due to its location. The government's policy to encourage homestay.

#### **Investment in homestay**

Gandaki province government has spent 3 million (in total) for infrastructure support. stone slabbed foot trail, railing on foot trail, and foot trail to Naudhare Siddha Barah temple.

Personally Mr. Gurung has spent 80 to 90 lakhs to rebuild the houses along with community hall and farm. He has build attractive dining place to stay outside the house for the guests where they can enjoy their meal with the natural scenery. He is about to start a café for that structures are also build up.

#### **Income from homestay**

Homestay was found established with greater enthusiasm at the beginning of 2076 BS. At the starting phase Friday and Saturday were the busy days. Covid 19 pandemics spread and the nationwide lockdown hit the business. After the first lock down the volume of guest was good. But after 2<sup>nd</sup> lock down the number of guests is not as expected. Specially on Friday and Saturday guest in group of 15 to 20 are visiting the homestay.

There is package system for the visitors staying in homestay. Each person has to pay Rs. 1200 for the package. The package includes

- welcome khaja (tea with jhilinga, makai)
- both of the khana (lunch and dinner (one of them would be local chicken khana)
- morning breakfast
  - Out of package
- Non veg khana- Rs. 250
- veg khana Rs. 150
- Jhain khatte (local wine fried with local ghee)- Rs. 150 per bottle.
- Sukuti Rs. 250 per plate

If 20 guests visits the homestay their regular (minimum) expenditure is 24 thousand. Since they demand other additional services like drinks, sukuti, salads etc. their bill easily crosses 30 thousand. According to Mr. Gurung in some months his total earning reaches 1.5 lakhs which is his operating cost. He says that he is in beginning phase so just the operating cost is good for him.

# Homestay induced economic activities

After the establishment of homestay vegetable production, orange and kiwi plantation are done. Even coffee plantation in large scale by forming an institution among 18 youths has been done. A café is about to be placed on starting place of the village.

# Expenditure

In Rinjenasha the business is not only homestay. Along with-it vegetable farming, horticulture, coffee farming and chicken rearing are also attached. There are three regular workers and farm workers on wage basis are also employed. In winter season till now he is unable to produce sufficient vegetables so he has to spent for vegetables also.

#### **Benefits of homestay**

It's a business started with the expectation of economic benefit. In some months the operating cost has been obtained. At the phase of its well-establishment, it will generate a good income. Government investment in infrastructures such as motorable road has made this place no more remote. If it could be succeeded other villagers will also come back to the village and they will get their own community on their birth place and ancestral land. Consciousness towards the household cleanliness is found increased.

**Negative impacts**: Most of the visitors are of 20 to 30 years youths. Sometime visitors who want to stay late night with drinking, singing and making noises disturbs the owner's daily schedule. No other negative impacts were experienced. Rather, Mr. Gurung shows the fear that if he did not get the visitors his investment will be in ruin.

#### **4.3 Armalakot Community Homestay**

Nearly one hour's drive (or 2:30 hrs. walk) from Mahendra cave towards the south east hill takes us to an attractive mountain top from which you can see the panoramic view of most part of Pokhara along with layers of hills surrounding it east to west, you can see lucrative view of Kalikhola, Thulibensi, Dhikidanda, Garlang, Rinjenasha, Kalilake along with Machhapuchhere from west to north. You can feel the Kali-lake just in front of you staying amid agglomerated Gurung houses. After reaching there you can feel that its location itself is sufficient for it to be a good tourist destination. This village has started community homestay from last of 2075. Ten households were registered but nine of them are in operation. Visitors are welcomed by cultural programme on their demand. Here the most of the visitors are day visitors than the night stayers.

# Occupation

There were 108 households previously bout now there are only 68 households. Their major occupation is agriculture and animal husbandry. Paddy, millet, corn are the major crops. They produce the vegetable they need themselves. Most of them are Gurungs, few number of Brahmin and Dalit are also there. Only Gurung houses are involved in homestay. Among the ten households registered as homestay one of them permanently shifted to Pokhara. Only one household is there whose occupation is only homestay operation. Ganga Gurung (Ganga didi) came back from Jogimani to her abandoned village house when villagers called her to run homestay. She is the only person whose income source is only homestay.

#### House build up

Previously all of the houses were stone roofed and two-story traditional houses. At present some of them are tin roofed since there is difficulty to get stone roof workers and easy availability of tin/zinc.

If large group visits the homestay all of them serve the guests in group in the community building which is made up of concrete and stone with concrete slab roof covered with stone slabs. Guests/visitors of this homestay also come from personal contact.

# Motives of homestay establishment

The major motive of establishment of homestay is to gain some economic gain for the personal household and socially they could get more government support in infrastructures like road, foot track, community building etc. Along with this the cleanliness of village is also expressed as a motivation.

### **Investment in homestay**

Gandaki province government has spent more than 3 million (in total) for infrastructure support. Stone slabbed foot trail joining house to house and Armala Kot Temple.

All of the household starting homestay has spent a lot of amounts to meet the homestay requirement. Ganga Gurung has spent ten lakhs to build her abandoned home. Some of them said they have invested more than two lakhs. Here the household owner invested the sum so that they are building the infrastructure of their own and are expecting to earn from it too. They get donation of nearly 5000 for cement and sanatory materials. One of the owner has invested nearly one lakh to build a hut on side of his house with the best view of Pokhara city and adjacent hills but got no guests and now it is in ruin.

#### **Income from homestay**

Homestay has been found established with greater enthusiasm at the last of 2075 BS (Inauguration of this community homestay was done on Falgun 27<sup>th</sup> of 2075). There is package system for the visitors staying in homestay. Each person has to pay Rs. 1100 for the package. Outside the package local wine and sukuti (dry meat) and local chicken are the major services demanded by the visitors. The package includes

- welcome khaja (tea with jhilinga, makai)
- both of the khana (lunch and dinner (one of them would be local chicken khana)
- morning breakfast
  - Out of package
- Non veg khana- Rs. 300
- veg khana Rs. 150
- Jhain khatte (local wine fried with local ghee)- Rs. 150 per bottle.
- Sukuti Rs. 250 per plate

#### Homestay induced economic activities

The road connected to Mahendra cave, Armalakot, Attighar Mauja, Bhalam has provided very good connectivity to this village. Day dweller tourists are starting to come to this place which is slowly helping the homestay. They order the one time meal in one of the homestay enjoy the nature with scene and back to their home. The price of food offered also seems cheaper according to the price.

As above mentioned only one household has only homestay as occupation other houses are running it as an extra source of income to support themselves. It is found that they have increased the number of chickens, and adding the quantity of vegetables they are farming. Most of the visitors came here with previous contact with the homestay owner. Among them also comparatively elite houses with good contact with outside people are getting more visitors/guests. One of the homestay owner complained that only the committee members keep the guests in their houses. He added that he get no guest throughout the year. No other noticeable economic activities have grown. Traditionally produced ghee and honey are getting market.

## Expenditure

Since they are using local products to the guests there is no noticeable regular expenditure. The expenditure on cleanliness is obviously increased.

### **Benefits of homestay**

Monetary income, Changes in cleanliness condition, changes in fooding habit, learn to prepare different food, changes in language. Marketing of local products like wine, vegetables, chickens, ghee, honey are the benefits received by means of homestay.

#### **Negative impacts**

Till now no noticeable negative impact were perceived. Sometimes it is difficult to handle drunkard guest. They are found made the beddings dirty. Sometimes after drinking the guest were found quarrelling to themselves. One year ago one of the guest complained of loosing important goods from the bag kept in the homestay so the committee is fearing to send guests to that house.

#### 4.4 Dhikidanda Community Homestay and Haripau Community Homestay

Dhikidanda and Haripau are adjacent settlements residing at 45 minutes' drive from Bagar, Pokhara. There are two homestays registered in the name of Dhikidanda Community Homestay (at Dhikidanda established on 2075) and Haripau Community Homestay (at Mulachharni established on 2076). As the wave of homestay establishment was spreading throughout the country these homestays were also established. These two homestays are different in nature in terms of the community operating it. Other three homestays of ward no. 16 are run by Gurung community, here people from Brahmin and Chhetri community are running the homestay. Dhikidanda is a top view point from which most part of the Pokhara valley can be seen on south and an attractive view of Lahachowk, Ghachowk, Lwang along with Machhapuchhre can be seen from west to north. This place is once used as paragliding spot also. Haripau is the lower belt just adjacent to the hill. While observing the settlement a question may be raised why to register two community homestays at the same village. There are 105 households in total with majority of Brahmins. There are 25 Chhetri and 17 Dalits households. Both of the homestay has five houses registered as homestay. According to them they can accommodate up to 50 guests at once. The houses with homestay has no boards kept on the houses. These two homestays seem less organized than the other three homestays of ward no. 16 as they are getting nearly no guests.

## Occupation

There are ten households registered in homestay in these two community homestays whose major source of income is agriculture and animal husbandry. Two of the houses have their members in foreign employment too. Paddy, millet, corn are the major crops. They produce the seasonal vegetables for themselves.

## House build up

Most of the houses has tin/zinc roof with stone and mud joint. Only one house has stone roof. Some of the recently build houses are concrete slab roof.

#### Motives of homestay establishment

The major motive of establishment of homestay is to gain some economic gain for the personal household. Establishing the homestay can be supportive to attract government budget seems another motivation. Along with this the popularity of village is also expressed as a motivation.

#### **Investment in homestay**

Gandaki province government has spent more than two million (in total) for infrastructure support. Stone slabbed foot track, railing on the track and community building are the government invested areas.

Households starting homestay have invested up to two lakhs. They have invested the sum on different time interval on their ease. The rooms separated for homestay are now used by the house owners themselves.

#### **Income from homestay**

Homestay has been established with great expectations but the nationwide lockdown due to Covid 19 had almost destroyed the enthusiasm of the community. The homestay got nearly no guests at all. There is one resort previously named Yak Ranch and recently Dhikidada Resort is in operation on the top of the hill and other restaurants and khajaghar are there to serve the visitors from private investors. The resort is attracting guests. The secretary of Dhikidanda Community Homestay opines that establishment of resort and restaurants from private sector is challenging the existence of homestay. Still, they say that if we get the guests we will serve them. In these two homestays there is no significant income is generated due to the handful of visitors throughout the year. These homestays have no package system to serve the guests. Since the homestay is running by Brahmin and Chhetri family they do not offer wine (local raksi) and sukuti. Sometimes foreigners from Christian community also come to stay as guests from personal contacts but till now they had stayed in houses other than homestay.

They charge Rs. 200 for vegetarian khana and 300 for chicken khana. The price of the khaja is according to what has been served.

## Homestay induced economic activities

No additional economic activities have been found induced by homestay as the homestay itself seems out of operation.

## Expenditure

There is no noticeable expenditure due to the homestay programme.

## **Benefits of homestay**

After the establishment of homestay government has allocated budget it in the name of historical place conservation and tourism promotion in foot trail and well (*kuwa*) conservation. Since there are no significant visitors homestay owner nearly get no benefits.

## **Negative impacts**

If the flow of visitors increases then only the impacts could be observed since there are nearly no visitors no impacts observed. Here people are saying that homestay in Brahmin and Chhetri community is difficult to sustain as the homestay visitors prefer drinking, singing and dancing.

#### 5. Summary, conclusion and recommendations

#### **5.1 Summary and Conclusion:**

Pokhara is renown as the major tourist destination of Nepal in terms of the natural beauty it has. As the homestay is getting popularity in tourism product, villages around Pokhara are also trying to catch the wave. In the concept of homestay cultural component of the community seems as major point of attraction so the communities who are able to conserve their culture and traditional practices seems successful to draw attention of tourists in their homestay. But the nature of tourist is not same everywhere, being very close to core city area the homestays in ward no. 16 are developing into the destinations of busy people at the weekend. Additionally youngsters from Pokhara valley were found using these homestays as night stay center. The major attraction in these villages seems drinking and dancing in Friday evening and returning on Saturday. In some of the villages of Nepal it has been proven as an alternative economic activity. The government also seems to be supportive to homestay. Nowadays the wave of homestay establishment has been running. The homestays under this study are recently established and also has faced the difficult period of two years due to the covid 19 breakout. So, they seem struggling to get business.

In all of the four communities the major occupation is agriculture and animal husbandry. Major crops are paddy, corn and millet. Nearly all of the households earn their living from agriculture. Due to the out-migration people remaining in village have enough land to cultivate. It is found that some of them are not using all of their land. Homestay seems unable to be a major/significant source of income.

Most of old houses were stone roofed. Nowadays when they need maintenance due to lack of stone worker tin/zinc sheets has replaced the stone roof. In some instances, there are

abandoned houses used by the relatives as homestay. In Ranjeet (Rinjenasha) all the abandoned houses are used as homestay after reconstruction.

The major motive of establishment of homestay is to earn money. In homestay people can make money without hampering their regular occupation hence they are found attracted towards the homestay. According to the homestay owners homestay can become supportive to get government budgets in different topics such as foot trail, community building, tourist place conservation etc. so they had established homestays. The stone slabbed trail connecting the houses are really very attractive to see and are helping to maintain the cleanliness of the settlement. Some of the respondent opine that serving peoples from different places and societies may enhance their way of conversation, give them the knowledge of cultures and practices outside from their villages along with that while working for the homestay management committee they are developing their leadership skills too.

After the establishment of homestay in these four areas government has spent more than ninety-five lakhs so that it could support the homestay in different headings like foot trail, community building, temple, well conservation etc. Investment from some of the households is also found noticeable. In Garlang one of the homestay owners build separate building for homestay with the investment of nearly 12 lakhs. In Rinjenasha huge amount (80 to 90 lakhs) has been invested in reconstruction of houses. In Armalakot also two of the houses have used a large sum in construction and reconstruction of the houses. In some of the cases houses without proper infrastructure were also found operating homestay.

Only one house of Garlang has given positive response when asked about income from homestay. He even could not gave the exact account of his income but argues that earning from homestay is supportive only for small household expenditures. In the same community another respond said that the investment in building has gone waste since the number of guests is very low. In Rinjenasha, except in the days of Covid 19 pandemic homestay is able to give operating cost in most of the months. Mr. Gurung has positive expectations for coming days too. Only one household (with single member) in Armalakot community homestay is found running homestay as occupation. She is satisfied with her income. Other three households give positive response that homestay is helping them to some extent but could not gave the exact account of their earning. One of the households give extremely negative response about the homestay management committee and accused them that they kept the guest only in their house. In Armalakot people are selling ghee, honey and local wine to the visitors. In the case of Dhikidanda and Haripau homestay though they got few guests in past it seems out of operation due to the lack of guests.

In the case of homestay induced economic activities local/giriraj chicken rearing, vegetable farming, local wine production, dry meat making are increased a little before the homestay establishment. There are no significant and new economic activities induced by the homestay. In Garlang homestay no. 2 got some customer to sell beer and cigarettes in some instances. In the case of Rinjenasha two cottage in the view point are made and a café is about to be established. Greenhouse for vegetable production, coffee cultivation, kiwi and orange cultivation are also there. It may become a good place to day dwellers in few days.

In terms of expenditure the households seem nearly no extra expenditure for the guests. Mostly local agricultural products are used. In winter season they need to buy tomatoes from market. In case of their need they exchange the good they produced to each other.

Major benefit seems in government expenditure in infrastructures. The settlement has easy connectivity, drinking water provision, organized toilet and bathrooms. Though all of the houses are not able to generate significant income from homestay some of them are found satisfied with whatever they earn. They opine that without disturbing their regular working

time they are earning something. The condition of cleanliness inside and outside the house has been improved. The way of communication is also improved. Even the houses without homestay are getting market of their local products. The village along with its culture has been popular among the outer people.

In case of negative impacts none of the respondents has given noticeable remark. Sometimes it is found that the drunk guests are difficult to handle. Some of the guest want to stay longer night are found disturbing to them. Some careless guests are found made the beddings dirty. In Armalakot one instance of complaint from the guest about the loss of good from bag is also found.

The homestay programme in five settlements of ward no. 16 are in struggling phase. The major findings of this study can be summarized as:

- Agriculture and animal husbandry is major occupation.
- Rate of out migration (abandonment of house) is very high in Garlang, Ranjeet and Armalakot.
- Most of the houses are of traditional design with stone roof and some of them are tin/zinc roofed.
- Income generation is the major motive behind the homestay establishment.
- All the homestays have community hall.
- Government investment in infrastructure is found induced by homestay.
- Personal investment ranges from ten thousand to twelve lakhs.
- Local wine, local chicken, ghee and honey are getting market.
- Mostly local products are served to the visitors in food.
- Households operating homestay are not equally benefited. (Flow of visitors is different, some are getting regular visitors and some are getting no visitors)

- One house in Garlang, three houses in Armalakot are doing satisfactory business.
- Rinjenasha homestay is also running with positive expectation.
- Dhikidada and Haripau homestay seem out of operation but still can serve the visitors.
- Homestay with Brahmin and Chhetri community are not the choice of visitors.
- Most of the visitors come with previous contact.
- No noticeable negative impact is observed.
- Economically strong houses had already left the village and the remaining are operating the homestay.

## **5.2 Recommendations**

Homestay in countries like Nepal may become an effective instrument of income generation among the poor population who want to seek their livelihood in their own village. If handled carefully it may become useful to maintain the migration problems we are facing i.e. villages are emptying and cities are overcrowded. Some of the recommendations based on this study are:

- Marketing of homestay could be effective to revive these homestays.
- Maintenance of basic requirement of the room in few of the houses.
- Effective measures to control of out-migration of locals are to be implemented.
- Protection of stone roof through production of technicians should be done immediately.
- Equal distribution of visitors seems to be managed to make equal benefit sharing.
- Trainings on hospitality should be given on regular basis.
- Regular visits and observation of concern authority is required to motivate the demotivated homestay operators.

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# Annex-A Questionnaire Schedule

## (Household survey- 2079)

Economic Impact of Homestay

## 1. General Information of Household Head

- 1.1 Name:
- 1.2 Age:
- 1.3 Education:
- 1.4 Religion:
- 1.5 Marital status:
- 1.6 No. of family members:
- 1.7 Contact no.:

## 2. Economic Status of Household

- 2.1 Major source of Income (before homestay programme)
  - a. Farming () b. Foreign Employment () c. Govt. job () d. Private sector job () e. Trading (

) f. Daily wage ( ) h. Livestock farming ( )

- 2.2 Major source of Income (after homestay programme)
  - b. Farming () b. Foreign Employment () c. Govt. job () d. Private sector job () e. Trading () f. Daily wage () h. Livestock farming () i. Homestay ()
- 2.3 Contribution of different sources in income:

.....

- 2.4 Land owned (Area in Ropani-Anna): धान खेतः पाखो वारीः
- 2.5 Major crops: .....
- 2.6 Member in foreign employment

No.:...

Relation:....

Returned / working:.....

- Country: .....
- 2.7 Information on House:

Number of houses with location:.....

Building materials: Wall:

Roof:

## Courtyard/front yard:

## 3. Motives of homestay establishment:

Economic benefit	Share culture and tradition	Community benefit	Not to stay idle	 	 

#### 4. Investment in homestay:

Detailed expenditure in establishing homestay.

Infrastructure:

Room	Toilet	Water/tap	Electricity	 	 

Total Expenditure:

Private investment:..... (If loan taken......,remaining loan.....) Government donation:.....

#### 5. Income from homestay:

5.1	Status of homestay:	Rooms	Beds	Capacity	
5.2	Services provided with price list:				
	Lodging per person: Rs			I	l
	Veg. food+ Lodging : Rs				
	Non-veg. food+ Lodging : Rs				
	Khaja: (Item and rate)	E	Breakfast:	(Item and rate)	
	Drinks:				
	Selling local products:				

.....

.....

# 5.3 Yearly Income form homestay (in average):

Particulars	Amount
Lodging	
Food	
Khaja	
Breakfast	
Handicraft	
Local product	
Local wine	
Chicken	
Total	

# 6. Homestay induced Economic Activities:

Activity	Production		
	<b>Before Homestay</b>	After Homestay	Additional Income
Agriculture			
Vegetable			
Grains			
Shops			
Locally produced goods			
(handicrafts)			
Poultry			
Lifestock			
Others			

# 7. Expenditure: (yearly)

S.No.	Consumption Item	Before Homestay	After Homestay
1.	Food		
2.	Education		
3.	Fuel/Gas		
4.	Clothing		
5.	Rent		
6.	Saving		
7.	Maintenance		
8.	Others		

## 8. Is homestay adding your income?

.....

# 9. What are the benefits of homestay tourism?

For family	For village	For country
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## 10. What are the negative impacts of homestay tourism?

For family	For village	For country	

# 11. What are the major demands of guest in your homestay?

.....

# Annex-B Key informant's Interview Checklist:

Economic Impact of Homestay

1. Personal Details:

• •		
Na	me	
110	me.	

Age:..... Sex: ...... Contact No.:....

Designation:

Institution:

- 2. In whose initiation the community homestay is started?
- 3. Motives behind establishment of homestay:
- 4. Who is benefited?

(Rich or poor) (community or individual)

- 5. What are the opportunities of running homestay? (individual household level and community level)
- 6. What about the challenges? (faced by individual household and community)
- 7. What are the roles and responsibilities of Homestay Management Committee?
- 8. What is the procedure of distribution of guests to the households?
- 9. How equal benefit sharing among households is ensured?
- 10. Have you received any trainings to run community homestay?
- 11. What about the trainings given to households?
- 12. What are your efforts to promote local tourism products and attractions?
- 13. What types of guests are visiting your homestay? (who, why)
- 14. What is the condition of foreign visitors?
- 15. Have you faced guest whose demands were not fulfilled?
- 16. Is homestay program really economically benefiting the households?
- 17. Is any revenue generated for local government?
- 18. Is homestay funding any public services and infrastructure?
- 19. Perceived negative impacts? (Drop in traditional and agricultural employment)
- 20. Homestay induced Infrastructure development (Government/Community investment):

### Road:

Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	

# Drinking water:

Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	
Trekking route	:						
Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	

#### Parks:

Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	

## Temple:

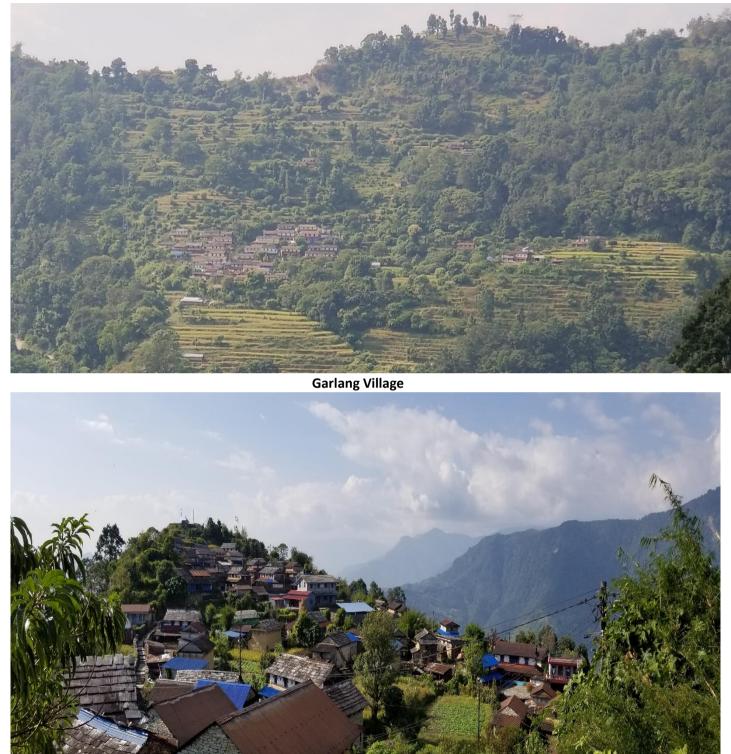
Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	

## Other:

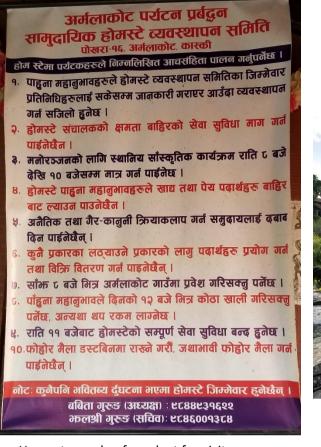
## .....

Project	Total	Local	Federal	Central	Community	Other	
Name	Investment	Government's	Government's	Government's		sources	

Annex- C Some clicks from field



Armalakot Village



Homestay code of conduct for visitors



A homestay house in Armalakot



Well conservation in Dhikidanda



An unused hut at Pokhara view point of Armalakot