

Exploring Challenges and Opportunities of Homestay Tourism in Nepal

Sujan Lamichhane^{1*}, Amiya Bhaumik², Sateesh Kumar Ojha³, Ramkrishna Chapagain⁴, Bharat Ram Dhungana⁵

1. PhD Scholar, Lincoln University College, Malaysia
 2. Professor, Lincoln University College, Malaysia
 3. Visiting Professor, Lincoln University College, Malaysia
 4. Assistant Professor, School of Business, Pokhara University, Pokhara, Nepal
 5. Associate Professor, School of Business, Pokhara University, Pokhara, Nepal
- *lsujan@lincoln.edu.my

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Abstract

Community based homestay tourism is a form of tourism that has a target audience seeking genuine experiences and is closely related to environment, local customs and culture. The concept of homestay in Nepal started with the establishment of first ever community-based homestay in 1998. Further, homestay directives in 2010 A.D was formulated with a view of developing rural community and upgrade the livelihood of people along with conserving culture and environment under the Tourism Act 2008 A.D The present study used content analysis as a methodology to review community development in Nepal through Homestay programmed as well as review the challenges faced by those involved in Homestay business. Numerous facets of development, problems, opportunities and challenges for homestay operators and participants of community and government agencies were highlighted in the study. The local government may empower homestay owners to promote homestay tourism and its sustainability by addressing the issues faced by both communities and homestay owners in Nepal.

Keywords: Community Development, Homestay Tourism, Local government, Tourism Policy

1. Introduction

Community based tourism in recent years has been considered as a major tool to promote the development of economically and socially down rural areas in many nations. Many countries have been promoting community based tourism based on the natural resources and local cultures due to which the concept of community based tourism depends fundamentally on the unique products available in the particular area (Ismail et al., 2016).

Tourism industry contributed about 6.7 % to Nepal's GDP with impact of US \$ 2.2 billion in 2019, and one million direct and indirect jobs (World Bank, 2022). Homestay in Nepal is classified as a part of tourism industry by Industrial enterprises Act 2016 requiring to fulfill all formalities as other tourism enterprises (Yearly & General,

2016). First homestay of Nepal was Sirubari established in 1998 with only 37 Gurung community households. Homestay operating procedure (2010) was formulated to bring in consistency along all these units across Nepal (Dhakal et al., 2020). Nepal's history of homestay is relatively shorter but the tradition of treating travelers with utmost respect and hospitality is a culture embodied for centuries and its emergence as a significant contributor to economic development, improvement in standard of living have rose an interest among rural communities in participating alongside urban area (Bank, 2015 cited as in Kafle, 2023). There are over 500 rural areas of Nepal offering homestay experiences and community based homestays have been popular as a form of rural tourism (Kafle, 2023).

The number of homestays in Nepal has an increase of 14.48 % to 324 (Yang & Chiao, n.d.) and altogether 389 recorded homestays including both private and community with 1088 beds in 663 room (Government of Nepal, 2020). Homestay has been evolving in Nepal specific to its geographic locations, ethnicity/caste and available local resources making each distinct in terms of features. Homestay are popular with guests given to its providence of authentic organics foods, niche tourism experience, price and homely environment (Dhakal et al., 2020). As stated by Dahal et al.(2020) Homestay Directives under Government of Nepal Ministry of Culture, Tourism and Civil 64 (MoCTCA) in 2010 B.S was formed to develop rural community and upgrade the livelihood of people along with conserving culture and environment under the Tourism Act 2008 B.S. Worldwide consciousness towards the preservation of culture, traditions and environmental protection has been increased and homestay operation is flourishing worldwide (Ibrahim & Razzaq, 2010 cited as in Dahal et al., 2020). Similarly, Nepal has also felt the boost in economy of the communities that are involved within particular homestays locations thereby developing the rural communities.

Tourism is the multi linear factor bringing changes to socio-cultural and economic aspects that comes from entrepreneurial development, capital collection and advancement in infrastructure (UNTWO, 2017 cited as in Dahal et al., 2020). According to World Bank research employment is the vital path to move out of poverty and tourism industry employs about 292 million people worldwide which refers that one in every ten jobs is related to tourism travel and this trend continues to grow. Advocacy has been done by many researcher regarding to undertake serious research on this segment of accommodation providers as certain categories under this segment are relatively underexplored (Gunasekaran & Anandkumar, 2012). According to Dahal et al. (2020) now a days a large number of tourists stay in community based homestays in Nepal which are near protected areas which might have impacts on the environment so these impacts need more attention as these protected areas are more environmentally sensitive. Among the number of issues and barriers lack of clarity among homestay management committees on the core concept of homestay tourism, inadequate human resources, poor access (road, trail, signage) are main issues (Dhakal et al., 2020).

Tourism is more important to less developed and low income economies (World Bank Group, 2017) and as reasoned by Reynolds & Emenheiser (1996) cited as in Gunasekaran and Anandkumar (2012) alternative accommodation providers such as Bed and Breakfast will achieve a important part hospitality industry. Further supported by Noveli (2005) and Scarinci and Richins (2008) cited as in Gunasekaran and Anandkumar (2012) states that the main reasons for growing popularity of niche segments such as the alternative accommodation includes increased competition and market fragmentation, more discerning and difference seeking customer and communication technology. As described by Gu and Wong (2006) homestays helps the impacts of tourism and increases the community involvement to create a sustainable way of managing tourists. The homestay program is considered as a community-based tourism by several nations but in spite of the growth of homestay program this industry faces plentiful of new challenges (Ismail et al., 2016).

Based on the understanding of the visitor needs and features there is very little research on alternative accommodation and particularly in homestays leading to gap in knowledge on factors influencing the rural homestay preferences(Dey et al., 2020). Many researchers also suggest that homestays will become an essential part of developing nations' tourism development plans (Leung et al., 2021), some imply homestays to become a critical component in the tourism development plan of developing countries (Leung et al., 2021). To add further Chen et al. (2022) states that since rural homestays are a significant component of rural tourism, it is important to understand how visitors' behavior and intentions to support these establishments are constructed in order to achieve sustainable development.

Homestay tourism in Nepal has the potential to contribute significantly to overall rural development, hence the country has to consider the long-term and sustainable growth of this industry. Maintaining communication and cooperation with all home stay-related organizations should be done by hosting various seminars, workshops, training sessions, and public relations campaigns aimed at promoting the growth of home stay travel (Kunwar, 2006 AD: 74 cited as in Adhikari, 2020). More significantly, given its stunning natural surroundings and rich cultural legacy, Nepal has enormous tourist potential (Gautam, 2011 as cited in Lama et al. 2020). Furthermore, the Nepalese population believes that tourism has a significant economic and social impact (Dhakal et al. 2017). Tourism industry plays a crucial role for the economic growth of Nepal (Dhungana, 2023).

Tourism has been contributing to Nepal's economy and there is abundance of opportunities for future investments in this sector to reap additional benefits mainly to local livelihoods. Therefore, efforts to promote homestay in Nepal would encourage people in the rural area especially the younger generation to stay rather than leave their small community in a quest for a job in bigger cities too. Government strategies should be directed toward improving sustainability awareness, strengthening local communities and political leaders' participation, and adopting new technologies and renewable energy sources for sustained growth (Dhungana, 2024).

Homestays are best options for country like Nepal that lags behind in infrastructural development facilities but have a huge potential for tourism (Acharya & Halpenny, 2013). A homestay makes a community resilient towards the economic weaknesses providing them with the employment opportunities as it engages many people in this business of accommodation (Sedai, 2011 cited as in Dahal et al., 2020). Homestay programs are usually practiced in remote and rural areas to promote nature conservation such as forests, parks, heritage sites and views. The increased number of the homestays indicates that this type of tourism is slowly attaining its presence in eco-tourism industry and provides benefits for the villagers (Affizzah et al., 2017).

2. Review of Literature

Community is known to have a mutual support, specific geographic, social unit which is identified by the members of the community and is formed from communal decision-making (Mann, 2000 cited as in Janaji & Ibrahim, 2020). Accommodation is an important factor of the tourism product to the tourists and its type, extent and nature tends to determine the volume and value of tourism that is possible at any destination. Tourist accommodation in general term means the traditional hotels of many categories, alternative accommodation are establishments as guest houses, service apartments and commercial homes that provides visitors lodging with payment for short time and feels different (Gunasekaran & Anandkumar, 2012).

Community based tourism (CBT) particularly in context of developing and under developing countries is taken as an approach that involves local communities with a goal which ensures that benefits are distributed more equitably among community members minimizing negative impacts on the environment and local culture. Accordingly, homestays give visitors special opportunities to engage with the host and novel experiences (Karki et al., 2019 as referenced in Zhao et al., 2023). Furthermore, the charm of community based tourism lies in the range and quality of the available attractions and supporting facilities as accommodation (Mckercher, 2001 cited as in Ismail et al., 2016). In Nepal minimum 5 houses under a community management agreement is a condition to be fulfilled to operate as a homestay for providing hospitality and facilities and are called as community homestays (Sapkota, 2020 cited as in Kafle, 2023).

Visitors in home based accommodations usually have a high degree of interaction and this co-creation allows the customer to do certain things, engage in activities for self-development, explore external surroundings and connect to the people (Eraqi, 2011 cited as in Meng & Cui, 2020). As stated by Poudyal and Thapa (2019) it is an arrangement that lets tourist to rent a room or a portion of home from a local family or individual. Compared to other lodging options like hotels, motels or bed and breakfasts, which are often found in urban or suburban regions, the homestay idea is quite different as well as these are distinctive because they are typically found in rural regions where the population continues to live according to custom and has a strong culture that they are prepared to adopt. As stated by Churyen et al. (2015) tourists can a level of easiness at homestays as there is an environment where newcomers can feel like family members.

Contribution of tourism industry to the global Gross Domestic Product (GPD) and employment indicates how the tourism industry works as a significant factor for economic development and more importantly in developing

countries. As per Manyara, Jones and Boterill (2006) cited as in Chapagai (2023) there is intense contribution of tourism in developing countries that are having a rapid growth in international tourist leading to luring contribution of those arrivals to GDP, socio-economic development and poverty reduction contribution. According to Bhuiyan, Siwar, Ismail, and Islam (2011), homestays provide job opportunities for local communities and improve the quality of their life. Homestays in Nepal are mostly a family run business which helps to utilize the free time as well generating extra income that can be a motivator to household in taking homestays as a profession and the extent of contribution of homestay in economic sector. As tourism has a multiplier effect on communities, homestay should be promoted to further boost the industry and give a greater contribution to the country's economy. Study by Karki et al. (2019) shows that women empowerment and community pride of many local homestay owners were increased as well as social-cohesion, co-operation and relationship among local communities was improved in terms of providence of better education to children, earning money by women and youth as well as learning new skills. According to Anand et.al. (2012) cited as in Janaji and Ibrahim (2020) as homestays are mostly operated by host families income generated directly goes to them and external factors will not be benefitted from monopoly as well as most of them being privately owned operators appear to gain benefits directly. Further, homestay can be accessible to households across the economic classes as huge investments are not involved.

To enable the homestay industry to gain economic benefits from tourism and sustain the source of income, it is vital to pay greater and special attention to factors influencing tourist choice of homestays and tourists' satisfaction. Therefore, homestay workers should be concerned with the numerous factors that might influence travelers' decisions in order to comprehend travelers' behaviors. In accordance with Petrick's (2002) cited as in Noppanat Sekorarith, (2016) a consumer's viewpoint on visiting attractions and hotels is affected by multiple factors, including behavioral pricing, monetary price, emotional reaction, quality, and reputation. Five dimensions of perceived value in community-based homestays have been determined by Jamal et al. (2011): "functional value (establishment), functional value (price), experiential value (host-guest interaction), experiential value (activity, culture and knowledge), and emotional value." As per Dey et al. (2020) various factors effects travel behaviour of tourists and their choice of accommodation, destination attributes are significant too. To add it has been emphasized that attractiveness of the destination also might influence revisit intention and destination loyalty. Further, perception of tourists regarding the destination attractiveness may serve a role in decision making process for selecting the accommodation. So, perceptually attractive destinations that have natural, cultural attractions and where tourists can feel authenticity of staying impacts in selection. Further travel motivation also affects the choice of accommodation, or the purpose of travel also matters in choice which may be family togetherness seeker, passive tourist, want-it-all seeker and learning and excitement seeker (Park and Yoon, 2009). Further, attributes as infrastructure, service quality, resource characteristics and local contact to analyze a rural homestay promotes homestay as accommodation (Yaru et al., 2018).

Table 1

Guest Reason to Choose Homestay

Study made by	Key reasons Listed
Gunasekharan, Anandkumar (2012)	<ol style="list-style-type: none"> 1. Homely atmosphere 2. Value for Money 3. Local Touch 4. Guest-Host Relationship
Venkatesh, Mukesh (2015)	<ol style="list-style-type: none"> 1. Distinct Accommodations 2. Personalized Services 3. Local Knowledge of the Host 4. Home cooked food 5. Unique activities

Tussyadiah, Zach (2015)	<ol style="list-style-type: none"> 1. Quiet neighborhood 2. Hosts Hospitality 3. Feeling of being welcomed in someone's home 4. Easy access to nearby shops and restaurants
Chaturvedi (2015)	<ol style="list-style-type: none"> 1. Pocket Friendly accommodation 2. Home cooked Local food 3. Unique Activities 4. Safety & Privacy 5. Help to Host 6. Home is always a better place
Yogendra, Vasupal (2015)	<ol style="list-style-type: none"> 1. Meeting New People 2. Experiencing offbeat place 3. Trying Authentic Native Cuisine 4. Homely Feeling 5. Local experiences 6. Learn new language 7. Getting personal attention 8. Value for money 9. Building confidence to try new things
Elizabeth Agyeiwaah (2014)	<ol style="list-style-type: none"> 1. Cultural immersion
Elizabeth Agyeiwaah (2013)	<ol style="list-style-type: none"> 1. Push Factors: Socio-Cultural interactions 2. Pull Factors: <ol style="list-style-type: none"> a. Less Pollution b. Promoting community service c. Development on destination
HUS HL and Lin YM (2011)	<ol style="list-style-type: none"> 1. Activities arrangement 2. Service quality 3. Scene attraction 4. Social demands and facilities (making new friends) 5. Price 6. Sanitation and comfort 7. Special attraction 8. Leisure and relaxation 9. Transportation
Wang (2007)	<ol style="list-style-type: none"> 1. Experience of Authentic lifestyle and Host culture
Mcintosh & Siggs (2005)	<ol style="list-style-type: none"> 1. Unique character 2. Personalized services 3. Homely environment 4. Quality of accommodation 5. Value added experiences such as experience provided by historic buildings.

Source: Based on literature review.

Previous researchers have identified factors affecting the choice of homestays and among the other factors homely environment or homely feeling was identified as a key reason for the guests to choose as homely atmosphere,

home cooked food, distinct accommodations are what truly make a setting seems like a home. One of the reasons people prefer homestay is the "feeling of being welcomed in someone's home." Similarly, homely feeling, sanitation & comfort, rest, quality of service based upon cleanliness, comfort, cuisine, environment, host hospitality, etc. which contribute to a homey feeling is one of the factors that influences travelers' decision to stay there (Thapa & Malini, 2017).

Homestay is a service that serves as both a strategy for rural community development and a rural tourism program. Together with enhanced government-funded infrastructure, the active involvement of the villagers to foster mutual understanding and cooperation in the execution of village activities presents an excellent chance for the growth of the Homestay program as a substitute travel offering that attracts both domestic and foreign travelers. When guests arrive and stay in the rooms provided under the Homestay program, the primary lodging provider receives benefits and additionally, there are advantages on employment and commercial prospects for the neighborhood too. Ibrahim & Abdul Rasid (2011) cited as in Kamisan Pusiran & Xiao (2013) emphasized that the communities are the primary draw for visitors who want to see and experience the various communities' tangible goods and ways of life. As stated by Abdul Rasid et al. (2011) cited as in Kamisan Pusiran and Xiao (2013) community based tourism is able to create direct employment opportunities as well as increase income levels and reducing the poverty level in rural communities. Homestay's development has demonstrated its ability to effectively act as a catalyst for the sociocultural and economic advancement of rural communities (Lynch, 2005). Consequently, the program's success depends heavily on the quality and quantity of the experiences offered by the community and the homestay operator.

Table 2

Typology of Participation

Level	Types	Characteristics
Genuine Participation (active)	Empowerment	Local people may directly contact explorer tourists and develop tourism by themselves. Local people have control over all development without any external force or influence.
Symbolic Participation (towards active)	Partnership Interaction	There are some degrees of local influence in the tourism development process. People have a greater involvement in this level. The rights of people are recognized and accepted in practice at the local level(Pretty's, 1995). Consultation of people in several ways through meetings.
Non - Participation (passive)	Consultation Informing Manipulation	Seminars etc. Developers may accept some contribution from the locals (Arnstein, 1969). People are told about tourism development programs that have already been decided by the community. The developers run the projects without getting any feedback from the local community. Tourism development is generally developed by powerful individuals, governments or outsiders without any discussion with the local communities (Arnstein, 1969)

Source: Adapted from Leksakundilok (2006) cited as in (Kamisan Pusiran & Xiao, 2013)

Table 2 shows the participation type and explains the degree of community involvement by which it can be concluded that when residents take an active role in the tourist product i.e Homestay, it greatly helps the community. Locals are given more authority to manage the entire community when they are solely in charge of

the development and tourist offering on their properties. It is essential to obtain cooperation and commitment from all members of the community and failure to meet this challenge may limit the future viability of community-based tourism. Collaboration between the federal and state governments, as well as effective marketing ensures the long-term viability of the homestay services. Further, the study by Nepal (2000) cited as in Kamisan Pusiran and Xiao (2013) shows that there is win-win situation which means all the stakeholders are mutually benefitted through tourism activities as well as impose that community involvement is crucial to ensure sustainability and success of homestay program.

When it comes to the sustainability of homestay tourism, there are five key factors that are the most important. In a sense, they are the most reliable indicators to use while making a sustainable decision. i) Economy; ii) Environment; iii) Social-Culture; iv) Governance; and v) Safety are these five domains (Dhakal et al., 2020).

Table 3

Performance Indicators of Sustainability assessment

Areas	Performance Indicators	Score (1-5)
Economy	Indicator 1: Annual average occupancy	
	Indicator 2: Income from accommodation, food and others	
	Indicator 3: Employment generation – directly or indirectly	
	Indicator 4: Consumption of local agriculture and other products (vegetables, meat and dairy)	
	Indicator 5: Skills human resources and mobilization	
Socio-culture	Indicator 1: Promotion of socio-cultural program (culture, traditional practice, sings and language etc)	
	Indicator 2: Socio-cultural museum	
	Indicator 3: Harmony among homestay units and non – homestay people and among various social groups/castes.	
	Indicator 4: Benefit sharing mechanism, effectiveness and local contribution for social works/services	
	Indicator 5: Coordination, collaborations and communication with key stakeholders	
Governance	Indicator 1: Compliance with statutory/legal procedures (registration, renew, auditing, tax clearance, public hearing, transparency and accountability etc.)	
	Indicator 2: Gender equity and social inclusion in management committee/sub committees and decision making	
	Indicator 3: Documentations including auditing, reporting and learning sharing	
	Indicator 4: Benefit sharing mechanism, effectiveness and local contribution for social works/services	

	Indicator 5: Coordination, collaborations and communication with key stakeholders	
Safety and Security	Indicator 1: Road and trail to assess the homestay	
	Indicator 2: Safety measures against natural calamities and wild animals	
	Indicator 3: health care facilities availability for visitors during emergency	
	Indicator 4: Home based safety	
	Indicator 5: Emergency services and coordination	

Source: Adapted from Dhakal et al., 2020.

As summarized in Table 3, homestay tourism in Nepal depends heavily on natural capital, one of the most important aspects of sustainability evaluation is its effects on the environment. For example, the environment section shows the possible effects (waste problem, energy use) of tourism. Another is the community's financial commitment to environmental initiatives as planting trees, preserving forests, limiting grazing etc.

Homestay programme development is attractive and beneficial to the local community however, some challenges incorporating the homestay owners and local community are highlighted (Nor Ashikin & Kalsom, 2010; Zaki et.al, 2011; Yusnita et. al, 2012 cited as in Kamisan Pusiran & Xiao, 2013). Despite the benefits provided by community-based tourism it will not sustain and would be a failure if the challenges are extensive. So, understanding of the challenges faced by the homestay programme is mandatory to the planners and policy makers (Mohamed, 2010).

Homestay in Nepal is gradually being a dominant hospitality market and the major reason for the growth is its addition to genuine socio-cultural components to a tourist's experience. Homestay tourism, even if considered to contribute a lot, is still taken as a passive business for the uneducated, unemployed and dependent members of a family. Study of Chapagai (2023) shows that despite of the benefits provided by homestay tourism to the host community many stakeholders face diverse problems while practically implementing it i.e language barrier, illiteracy of hosts, less awareness regarding culture and language of different countries, threat of no income in off season and maintaining sanitation. Homestay tourism is based on five pillars – facility, attraction, service, safety, and cultural preservation and what Nepal as a tourist destination is offering is attraction only. So, crucial efforts are needed from various stakeholders to work hand in hand not only to promote homestay tourism but also to promote sustainable development to combat climate change and its impacts.

As stated in Government of Nepal (2015) constitution of Nepal divides administration into three levels: union, state and local. The Constitution's schedule 5 specifies that the union is responsible for collecting tourism fees, Schedule 6 designates tourism service fee collection to the provincial government and Schedule 8 allows the local level to also collect tourism fees. Mentioned constitution lacks clarity on rights and facilities that is provided to tourists by government as well as obligations towards tourist (Chitrakar, 2021) and supporting this (Kafle, 2023) states that there is an absence of specific guidelines poses a challenge in formulating clear policies for tourism, rural tourism and homestays in Nepal.

Furthermore, there are shortage of skilled labor and lower than average earning potential for workers and government should have a role in it by directing targeted investments to skills development and providing training and capacity building opportunities to increase productivity in labors further benefitting households in the local economy. Further, the availability and quality of public toilets are also poor and lack proper infrastructure. International travelers have also experienced the poor condition of public toilets and sanitation practices during their visit to Nepal. Homestay tourism in Nepal is not appealing to foreign tourist given to the lack of infrastructure in rural areas and challenges as poor road, transportation, electricity, communication facilities, clean drinking water, comfortable housing, healthy local food entertainment and security deter tourists(Kafle, 2023). Homestays need to provide authentic experience to tourists in terms of food too, but they rely on outside resources rather than

relying on locally sourced items such as rice, pulses, vegetables, and other goods. While traveling in Nepal, a majority of travelers preferred mineral water for drinking, boiled water and water treated with chlorine/iodine and had poor or inadequate perception of sanitation experience.

3. Methodology

Secondary data was used for this study and was collected from articles, academic journals, newspapers and other relevant documents. As stated by Veal (1997) cited as in Kamisan Pusiran and Xiao (2013) secondary is the data which exists already and were collected for some other purpose but can be used a second time in the current project where the researcher is the secondary user. Relevant data were collected electronically as well as with some personal effort and were further reviewed in accordance with the aim of study. As defined by Finn et al.(2000) cited as in Mehmetoglu and Engen (2011) content analysis is a research technique that is applied to non-statistical material that allows the researcher to analyze such material in a systematic manner. So, content analysis from the previous research findings related to homestay as well as the available statistics of homestays, aviation as it is the mostly used form of transport for tourism in Nepal were interpreted and presented in analysis section. the purpose of the study is to explore the challenges that are faced by the homestay owners of Nepal as well as the contribution of homestay programs in community development in Nepal.

4. Result and Discussion

The total number of the homestay including both community and private totaled to 283 in 2017 that increased to 324 in 2018 and 389 in 2019 which indicates that the homestay program has benefited the operators and local community so more persons are joining the program. Table 3 shows the increase of homestay operators in Nepal.

Table 3

Homestay Programs and Operators

District	Type	2017			2018			2019		
		Affiliated House	Room	Bed	Affiliated House	Room	Bed	Affiliated House	Room	Bed
Kathmandu	Community	63	99	214	63	99	176	84	110	188
	Private	49	150	206	49	146	238	49	150	206
	Total	112	249	420	112	245	414	133	260	394
Bhaktapur	Community				13	14	28	13	14	28
	Private				4	11	20	4	11	20
	Total				17	25	48	17	25	48
Kavre	Community	49	83	107	61	95	119	61	95	119
	Private	5	16	30	5	9	14	5	9	14
	Total	54	99	137	66	104	133	66	104	133
Lalitpur	Community	12	24	47	15	28	51	15	28	51
	Private	6	15	30	6	15	30	6	15	30
	Total	18	39	77	21	43	81	21	43	81

Mugu	Community	5	5	10	5	5	10	5	5	10
	Private	0	0	0	0	0	0	0	0	0
	Total	5	5	10	5	5	10	5	5	10
Nuwakot	Community	25	33	66	25	33	66	40	48	96
	Private	0	0	0	0	0	0	0	0	0
	Total	25	33	66	25	33	66	40	48	96
Ramechhap	Community	29	54	96	29	54	96	29	54	96
	Private	2	11	20	1	3	6	1	3	6
	Total	31	65	116	30	57	103	30	57	102
Chitwan	Community	7	14	28	0	0	0	29	36	72
	Private	2	4	6	9	18	34	9	18	34
	Total	9	18	34	9	18	34	38	54	106
Kaski	Community				36	0	0	0	0	0
	Private				2	8	16	2	8	16
	Total				2	8	16	2	8	16
Makwanpur	Community	7	16	30	7	16	30	7	16	30
	Private	0	0	0	1	3	6	1	3	6
	Total	7	16	30	8	19	36	8	19	36
Dhading	Community	5	9	18	9	15	18	9	15	18
	Private	1	4	6	1	4	6	1	4	6
	Total	6	13	24	10	19	24	10	19	24
Udaypur	Community							13	13	18
	Private							0	0	0
	Total							13	13	18
Saptari	Community							7	7	12
	Private							0	0	0
	Total							7	7	12

Rasuwa	Community									
	Private				1	4	8	1	4	8
	Total				1	4	8	1	4	8
Pyuthan	Community	16	17	34	18	17	34	18	17	34
	Private	0	0	0	0	0	0	0	0	0
	Total	16	17	34	18	17	34	18	17	34
Total	Community	218	354	650	245	376	628	310	438	742
	Private	65	200	298	79	221	378	79	225	346
Total		283	554	948	324	597	1006	389	663	1088

Source: Adapted from Government of Nepal, 2020.

The highest number of homestays are recorded to be in Kathmandu district as compared to another district. The number of community-based homestays are seen to be higher in every district as compared to the private ones which shows that community-based homestay program to be success. However, as stated by Lama (2013) cited in Nepal Rastra Bank (2015) there are more than thousand homestays in operative state all over the country but only few are registered. It is also believed that there are more informally operated homestays than formal registered ones but it can be assumed that Nepalese community based homestay systems can serve around 1 million guest-nights each year but the information regarding capacities of registered community based homestays system in Nepal has not been published yet (Nepal Rastra Bank, 2015). As stated by Yearly and General (2016) it is difficult to get access of data as well as information of visitors services by registered and unregistered homestays in Nepal. However, Nepal statistics office have made an effort of including details of homestays that are registered in their website that is regularly updated on local level and according to municipality where they are registered so, the cumulative data are not available or published yet but the increment in the homestays is seen referring to the attraction as a contributor to additional income and local community.

Table 4

Arrival of Tourist and Revenue Generated

		2021	2022	% change
Tourist Arrival By	Air	150625	592631	293.4
	Land	337	22238	6498.8
	Total	150962	614869	307.3
Average Length of Stay		15.5	13.1	-15.5
Revenue from Tourism	Total Earning (US \$000)	112,509	326282	190.0
	Average expenses per Visitor per day (US \$)	48	40.5	-15.6

Source: MoCTCA, 2023.

Table 4 shows that Nepal tourism is based on aviation industry as most of the tourist arrive by air and increment has been seen in recent years in arrivals. Similarly, the use of land transport has also increased significantly emphasizing the need of improvement in transportation to draw in more tourist. Despite the increase in number of tourist the average length of their stay has decreased in 2022 similarly, the average expenses per visitor during their stay has also decreased from 48 \$ per day to 40.5 \$ per day even though the revenue from tourism has shown to be increasing which indicates that the only some stakeholders are benefitted but small business owners as local shops, restaurants etc income has not increased. Further, table 5 showing tourist purpose of visit to Nepal shows that most of them visit for trekking and mountaineering activities which indirectly also benefits the home-based accommodation as these activities as mostly located in rural areas where homestays are the only option for

accommodation. Study by Dhakal et al. (2020) states homestay ranks third contributor (15.3%) among the prevailing source of income and surprisingly the share of homestay exceeds remittance in Nepal which shows the importance of homestays in income generation of the local communities.

Table 5

Purpose of Visit

Year	Pleasure	Trekking and Mountaineering
2019	778173	197786
2020	139202	28530
2021	100843	15549
2022	397820	616692

Source: MoCTCA, 2023.

Table 6

Strength, Opportunities and Challenges, Field Survey 2020

Strengths	Opportunities
<ul style="list-style-type: none"> • Homestay operation Procedures, 2010 • Cleanliness improved in homestay community • Contributed in women empowerment • Slow down the outmigration • Generated community contribution 	<ul style="list-style-type: none"> • Promotion of local Culture (Gurung, Tharu, Magar, Bote, Rai etc) • Self-employment • Improved economic condition of the homestay units • Preservation of art and culture on the verge of extinction • CTEVT provides skill certificate after examination • Increased small cottage industries • Contribution in farming and livestock herding by creating a local market in own community • Contribution in physical infrastructure development projects (access, drinking water, communication, electricity etc) • Opportunity for capacity building (training, workshop, exposure visit etc)
Challenges	
<ul style="list-style-type: none"> • No clarity of office for legal registration/renewal tourism office, Ministry of Industry, Tourism, Forest and Environment, Cottage Industry and Local governments) • Resentment of private homestay for not being eligible for grant supports (Gandaki provinve) • Weak/inadequate linkage with farming and livestock • No clarity on which agency to keep and compile the national level data base on homestay tourism • Require of new Homestay Operational Guideline (in line with federal governance) and province level guidelines • Lack of regular and effective monitoring mechanism (inadequate human resources) 	

<ul style="list-style-type: none"> • Inadequate skilled human resources (homestay level, Ministry level, divisional forest office level etc) • Communication barrier with the international tourists/guests • Lack/absence of effective security mechanism (include rescue operation in emergency) • Noise pollution • Lack of understanding on the nature/essence of homestay (people understand same as hotel/guest house) 	
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Source: MoCTCA and Tara Goan Development Board, 2023.

Table 6 presents the strength, opportunities and challenges faced by the homestays in Nepal and for sustainability these challenges must be overcome as well as the strength should be fully utilized, and opportunities need to be explored. Growth of women participation, implementation of the act related to homestay to foster uniformity is definitely a strength. There are different ethnic groups in Nepal so inclusion of these unexplored ethnic groups, food, culture can be a new input in homestay industry, contribution of homestay services in other areas as farming, livestock making to create a local market is an opportunity to uplift the economic conditions. As stated by Magar (2021) Nepal's rich tradition, religion and culture in addition to natural resources draws tourists all around the world so, homestay tourism must address innovative transfers of technology, economic development and socio-cultural environment with homestay accommodation facilities. Further, rural tourism growth and community development are being supported through homestay tourism which enriches visitor's experience with real socio-cultural diversity (Acharya & Halpenny, 2013). This rich tradition and natural resources are surely strength for Nepal and can be maintained and further mobilize it carefully Nepal tourism sector can surely flourish. Establishment of homestay operation procedure, GoN (2010) has also served as a strength as it serves as a base for uniform operation of homestay's all over Nepal further, policies in Nepal including Ban Niti 2018 aiming at enhancing tourism by managing conservation areas, wetlands and forest as well as Industrial policy highlighting the promotion of tourism related small and cottage industries and micro-enterprises also is strength to Nepal homestay operations. In addition, the Buffer Zone (Industrial Establishment and Operation) Standard 2005 acknowledges tourism as an industry that can operate within the buffer zone areas covering businesses as tea houses, souvenir shops, view tower, hotel lodges, boating, jungle drives among others.

There are numerous challenges faced by homestays in Nepal major being the lack of effective monitoring in order to maintain uniformity of services, lack of skilled human resources, lack of infrastructures. Communication between host and guest is important in order to get good experience however, lack of communication or lack in failing to speak internationally accepted language especially English is a drawback. As stated by Woli (2022) homestays helped to improve communication skills and also helping in reducing migration problems leading to employment and reduced social problems. Moreover, challenges as guest friendly behavior of host, dirty community, poor and dusty road network was highlighted (Nepal Rastra Bank, 2015). In addition, some concerns like waste management in bufferzone areas and excessive flow of tourist that might affect authenticity and bring modernization (Pasa, 2020) Similarly, inability of the households providing homestay services were unable to manage any indoor and outdoor services asked by visitors without taking external service, not enough time to manage guests stay during cultivation and harvesting season by some households as also noticed (Nepal Rastra Bank, 2015).

5. Conclusion and Suggestions

Homestay programs support rural community livelihood by providing an opportunity to develop local entrepreneurship and employment opportunities at the local level (Woli, 2022). However, given the positive sides of homestay's difficulty is seen among the owners regarding its sustainability. Rural communities people in Nepal have not fully adopted homestays and those who have done are struggling to sustain it (Yang & Chiao, n.d.). The weakness pinpointed by Siwar, C. et. al (2011) as low standard of accommodation, unacceptable bathroom and toilet facilities, lack of hospitality experience, identity problem, brand image issues, lack of training, meeting international standards, lack of marketing and promotion, community and leadership can also have been seen in

Nepalese homestay business. Throughout the analysis, cooperation from the community has been seen to make the homestay destination strong as well as a major factor in making it successful. As stated by Kamisan Pusiran and Xiao (2013) participants in the community should be empowered as well as be allowed to make decision that involves their community as suggested in Pretty's Typology model so there is an active and genuine participation from the community. Hence, with the full involvement and empowerment by the community, different solutions for the internal challenges among the homestay operation might be much clearer and be able to solve accordingly. Moreover, the attitude of communities needs to be positive in terms of sense of belongingness, sense of community, sense of tourist needs etc. so everyone can work together and make homestay program a success to ensure sustainable tourism development. Even though homestay has been recognized as one of the mechanisms to eradicate poverty, especially in rural areas, the result has not been on the satisfactory side so, a detailed study and cooperation from all the stakeholder is a must. As described by Pasa (2020) local governments like wards office and municipal office, homestay committee and buffer zone users committee should collectively and seriously take a leading role for addressing problems by direct beneficiaries which are upgrading road connectivity and marketing facilities. Homestay's sustainability depends upon the dedication, teamwork and effort of all its stakeholders including homestay operators, local community, visitors and committed in charge of management.

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