

## Economic Impacts of Small Tourism Enterprises: A Case Study of Kaulepani Community Homestay

Romnath Gyawali<sup>1</sup>, Anish Dahal<sup>2</sup> and Himat Pandit<sup>3</sup>

### Abstract



*Kaulepani is one of the most beautiful tourism destinations, popularly known as the homestay*

*village. It has created its identity as a cultural homestay tourism on the way to Annapurna circuit. The community homestay tourism has contributed a remarkable footstep in the local tourism arena. This study has tried to put some efforts on the homestay sector that could play pivotal roles for the further researchers, scholars and students of tourism discipline. It has tried to identify the changes brought in economy in the community by homestay tourism promotion. It focuses on the impacts of homestay by analyzing the factors viz. employment opportunities, changes in income, development of infrastructures, fund generation for communal activities and micro-entrepreneurship. These factors are considered as the variables for the study. Further, it tries to establish a comparative relationship between establishment of homestay as a cause and women empowerment as the effect.*

**Keywords:** *Kaulepani, homestay, micro-entrepreneurship, women empowerment*

### Introduction

Nepal has been gaining and developing as a tourism hub and destination in the South Asian continent, especially in mountaineering and trekking and homestay are strongly following the footsteps. In the recent context, homestay is most

<sup>1</sup> Mr. Romnath Gyawali is the CEO and Campus Chief of Nepal Mountain Academy, Ministry of Culture, Tourism and Civil Aviation.

<sup>2</sup> Mr. Anish Dahal is currently pursuing his career in Bachelor of Mountaineering Studies at Nepal Mountain Academy.

<sup>3</sup> Mr. Himat Pandit is currently pursuing his career in Bachelor of Mountaineering Studies at Nepal Mountain Academy.

preferable place to stay for the domestic tourists in tourism area and try to enjoy the local culture. The tourists and visitors want to enjoy with local communities not only for organic food facilities and services, but they try to understand different cultural aspects also. Homestay means the venues as private homes in which unused rooms are rented for the purpose of supplementing income and meeting people (Lanier & Berman, 1993). It is mostly practiced in rural community for the promotion and development of local community: economically, socio-culturally, and environmentally.

Local people provide accommodation facilities at their own residence by utilizing their unoccupied rooms. They use available natural and cultural resources to satisfy the needs of tourists. The Merriam Webster Dictionary (2013) defines homestay as a stay at a residence by a traveler and especially by a visiting foreign student who is hosted by a local family. Homestay gives the platforms and opportunities for the interaction among the hosts and guests to exchange the cultural practices. Hosts provide services like accommodations, food facilities as well as comfortable and natural environment by the availabilities in the particular rural community. Guests and visitors enjoy traditional hospitality in natural settings at affordable cost. Therefore, homestay offers visiting tourists a unique local experience.

Regarding the homestay, Ministry of Culture, Tourism and Civil Aviation (MoCTCA, 2010) states that homestay is an accommodation where host provides food, accommodation and other related services and facilities to their guests and operates it individually or in community groups. In homestay, tourism services are provided to guests by individual family as well as community of particular area. Thus, the homestay directive has accepted it as managed by individual or community (Timalsina, 2010). Acharya and Halpenny (2017) discussed the other popular term used for homestay in various literatures are 'home-based enterprise' 'commercial home enterprise' and 'commercial home'.

In homestay tourism, guests get ample opportunities to interact with the host, their culture and even participate in their cultural activities. Homestays are regarded as the alternative accommodation facilities. These facilities are provided by the people in rural villages, communities to the visiting guest. Thus, homestay attracts people from crowded urban areas. It offers them the chance to experience new and untapped places which has enabled the government to popularize new tourist destinations, and provide an alternative source of income to rural folks (Gangotia, 2013). It provides financial reward to the local indigenous community for conservation of the environment and their culture (Laurie & Radcliffe, 2005). It integrates all activities of tourism such as trekking, cultural tourism, agro-tourism, health tourism, and eco-tourism (Devkota, 2010). It may also provide new markets for local people to sell their products, such as agricultural products,

livestock and others (Budhathoki, 2013). Thus, homestay tourism has become very popular in developing countries like Nepal as it is regarded as the activity for employment opportunity, poverty alleviation and sustainable community development. Subedi (2016) remarks that in the year 1997, *Sirubari* village of Syanja district introduced homestay for the first time in Nepal. It was initiated by the retired soldiers who felt need of an innovation as well as environmental cleanliness. Soon after the initiation, *Sirubari* village homestay became very popular destination and turned at tremendous success. Thus, it influenced the establishment of other community based homestays and even private homestays

resulting into the *Ghalegaun*, *Kaulepani*, sort of homestay destinations.



Picture 1: Kaulepani

*Kaulepani* is located at 28°12'32.1" N latitude to 83°55'1.6" E longitude in Lamjung district of the Gandaki province of Mid-Western Nepal. Lamjung is a hilly district situated at the geographical center of Nepal. The head-quarter of Lamjung district is *Besisahar* Municipality. *Kaulepani* is situated 7 km further uphill from *Besisahar* at an altitude of 1600m thus falling on a sub temperate warm climatic condition.

The average rainfall of *Kaulepani* is noted to be 100-200 cm per year. The summer temperature lies within 20-26°C while the winter temperature falls to approx. ~10°C.

The topological structure is relatively diverse with flat land on the bank of *Marshyangdi* while stepper on the upper part of the Mahabharat range. *Kaulepani* has a rich natural integrity with a diverse wildlife and vegetation. There are historical sites like the 15th century Lamjung Durbar built by Kulmandan Shah, the first king of Lamjung, *Kaulepani* Devi temple and the Lamjung *Kalika* temple. This area has



Picture 2: Lamjung Darbar

become a popular tourist destination due to its own natural scenic beauty, the indigenous cultural taste and pretty fascinating medieval Nepal's memories. It is remarkable for ecotourism as well. Sightseeing, trekking, photography tour-taking photograph, pilgrimage tour, village tour are major touristic activities of *Kaulepani*. Besides these activities, *Kaulepani* is famous for the community based homestay. The *Kaulepani* homestay was established in 2011 AD. It was awarded as the best homestay achievement award of the year 2016 by VTOF and NTB (The Himalayan Times). *Kaulepani* village exhibits a diverse ethnicity with Gurungs in the dominance. Along with that, it integrates Brahmins, Chhetris, Newars and Dalits who all work together creating a well harmonized mountain community. It also has been a remarkable socio-cultural well-being of the homestay area.

According to Nepal Tourism Statistics (2017), there are only 217 registered homestays across the country. Out of which, one hundred seventy four are community and forty three are private homestays. Five hundred fifty four numbers of rooms are available in these homestays having nine hundred forty eight numbers of beds in total for one night. Considering the Vision 2020, the number of beds available for accommodation seems insufficient.

### **Objectives**

In the context of Nepal, many research studies have been carried out on community based homestays. These research studies have been focusing on the impacts of homestay on economy, socio-cultural and environmental aspects of the community. However, the existing research study about the destination was not found and documented. The aim of this research is to study the effects brought into micro economy by small tourism enterprise in the form of homestay and the relationship of women empowerment in it.

### **Study materials and research methods**

The study is limited within *Kaulepani* community running homestay program. Regarding the methods for data collection, the study is based on descriptive as well as exploratory research design for the analysis of economic contribution of homestay as well as the relationship of women empowerment in the study area. The total numbers of homestays in the study area were 14. Data was collected from 14 homestay houses in *Kaulepani*. One member from each homestay was chosen using purposive sampling method for the survey. Fourteen in-depth interviews were conducted using structured questionnaires. One focus group discussion was conducted during the welcome program. Also, on-site observation was the primary tool for data collection. The quantitative data were analyzed and presented using the statistical tools viz. bar diagram and trend line.

## Homestay and economy

MoTCA (2008) as cited in Acharya and Halpenny (2017) discusses that Nepal Government has been prioritizing a pro-poor approach of tourism development by considering small tourism business such as homestays to be effective tools to contributing to poverty alleviation in rural destinations. “Community involvement in homestay operation provides a job opportunity and improves the local quality of life” (Bhuiyan et al., 2011). Through homestay, rural community has gained economic benefit. As a result, homestay programs have started to offer better services to the visiting guest and gain maximum economic profit utilizing their local products and services. According to Lbrahim and Razzaq (2011), homestay has become an additional source of income for the community since they often take on other forms of employment. For example, “After the implementation of homestay in Malaysia the handicraft industry of the village has grown up and the local community has started to use the local hand-made materials such as rattan basket, similarly women and youth are generating money by offering local cultures and traditions to their guest” Ebrahim and Razzaq (2011). In the context of Nepal, the rural communities are generating income by demonstrating traditional culture and selling souvenirs. Basically, these literatures reveal that community based homestay has helped in economic growth of the community providing employment opportunities, generating funds for communal activities and raising per capita income of the local people. This research seeks to determine whether similar outcomes of community based tourism were achieved in *Kaulepani* of Lamjung, Nepal. To analyze economic impacts of homestay in *Kaulepani*, data was collected from 14 homestay houses. The results are discussed next.

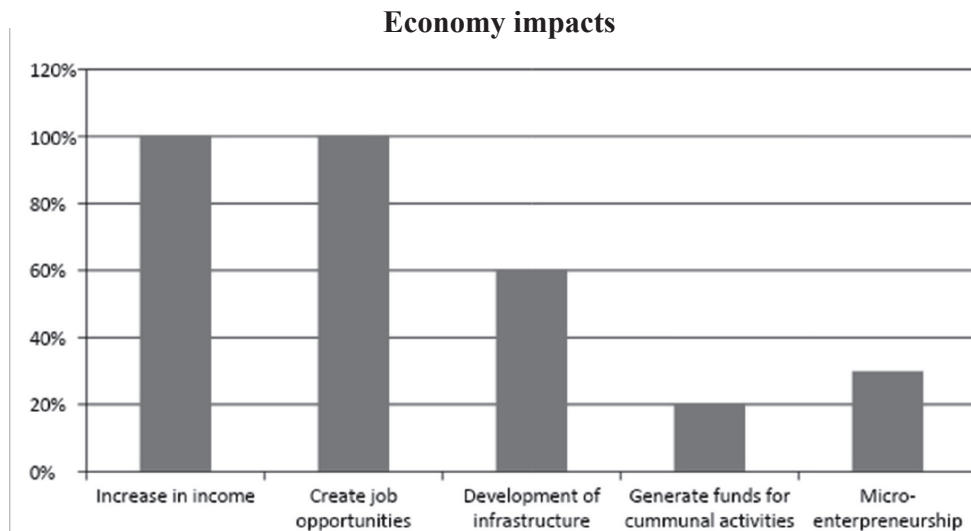
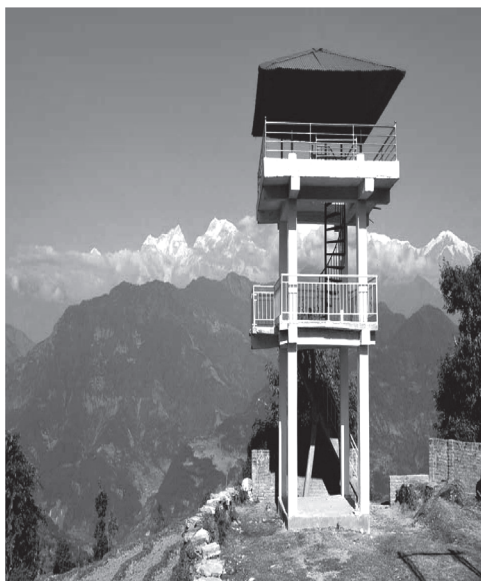


Fig. 1: Dynamic economic impacts of homestay in micro-level



All the respondents agreed that tourism had increased income and created job opportunities to them. The 14 houses directly involved in the homestay were making nearly Rs. 30,000 monthly from the homestay services. Also the ones not connected directly were earning by supplying necessary logistics to the homestay houses. The homestay houses serve with local food products (as per availability) to the guests and when the primary homestay houses run out of materials, the non-homestay houses support them with the available materials such as local rice, chicken, dairy products, vegetables and generate income through it. Thus, a mutual benefit sharing phenomenon between the homestay and non-homestay houses could be seen at *Kaulepani*.



Picture 3: View Tower of Kaulepani

*Kaulepani* homestay has setup their own policy of income distribution. Out of the total amount, 50% of the total income is provided to the homestay host family, 30% is retained to *Shir Khola Aama Samuha* (local mothers' committee) and 20% is retained to homestay committee. Establishment of homestay has not only improved the locals' family income but aided a lot in communal development tasks and infrastructures. Recently, with the financial help of Lamjung Chamber of Commerce and Nepal Tourism Board (NTB), the *Aama Samuha* constructed a 30m high view tower at a cost of 1 million rupees. The retained income of the Homestay i.e. 0.6 million rupees was used to buy a telescope for the view tower. Similarly, the committee hall, rooms for guests with modern beddings, lamp, towel, study table were the results of better income of the homestay. The income from homestay was also found to be utilized for communal activities like welcoming the visitors, loans for the homestay members and for other purposes. Hence, the establishment of homestay has empowered the locals economically.



Picture 4: Traditional welcome

One of the major benefits of homestay in *Kaulepani* was found to be the development of micro-entrepreneurship in the locals (esp. women). The establishment of homestay has led the women of *Kaulepani* to learn culinary activities on their own. *Kaulepani* homestay welcomes guests with a beautiful flower blended token, a colorful badge of Gurung culture and locally fermented beer as a gesture of warmth and appreciation all prepared by themselves with locally available



Picture 5: Homestay utensils

resources. At present, the women of *Kaulepani* provide trainings to the other hospitality learners and enthusiasts. In case of *Kaulepani*, the women have been found to be in charge of both households and homestay business. The local mothers' committee namely has been playing a vital role in the establishment and operation of homestay. The mothers' committee allocates the houses for guests' accommodations and income distribution.

### **Homestay and women empowerment**

“The impacts of tourism and their potential to enhance the lifestyle of community have rarely been analyzed from a gender perspective” Scheyvens (2000). Wilkinson and Pratiwi (1995) have represented some useful discussions about the impacts of tourism on village women and Swain (1993) stressed about women's involvement in ethnic tourism, mountain based tourism and the benefits they are receiving. In the context of Nepal, Acharya and Halpenny (2013) found patriarchy being culturally supported; the role of women in a community's improvement is rarely explored as an option for development. Poverty, in particularly in female-headed households, is a more pronounced problem in the rural and mountainous regions of Nepal because of these areas' inaccessibility, fragility, marginality and relatively sparse population. “Homestay programme has become the noticeable source of income for indigenous women in Lwang” (Thapaliya et al., 2012). In Nepal, homestay program is mostly managed by women of local community. Across many homestays from rural community, women undertake all the responsibilities of providing food, accommodation facility, performing cultural programs which includes cultural dance, songs. Women are the one who create souvenir stores. Women run the tea shop in their community or nearby. “The homestays appear to be a tourism product that will be helpful in addressing socio-economic, political, ethnic and gender disparities”

Acharya and Halpenny (2013). Their study was primarily focused on the role of women and their management as well as leadership skills. Also how they were able to be economically strong by successfully running community based homestay program. According to the research study conducted by the Nepal Rastra Bank (2015) in Dallagaon homestay, there were 22 households included in the homestay, providing employment to 72 members, and women as major stakeholders. Thus, it has emerged as a sample of female-led and female-managed homestay in Nepal. This is the perfect example for women empowerment that can be achieved through community based homestay. These studies reveal that women empowerment is achieved through homestay. In fact rural tourism has been seen as the domain of Nepalese women. This study seeks to determine whether similar outcomes of community based tourism were achieved at *Kaulepani*.

A comparative relationship between the establishment of homestay and changes brought in the lifestyle traits of women is sought to be established. On studying the participation of women in these fields, a general trend is calculated on the base on time frame. Here's the trend line showing the above mentioned relationship as establishment of homestay as the cause and aspects of women empowerment as effect.

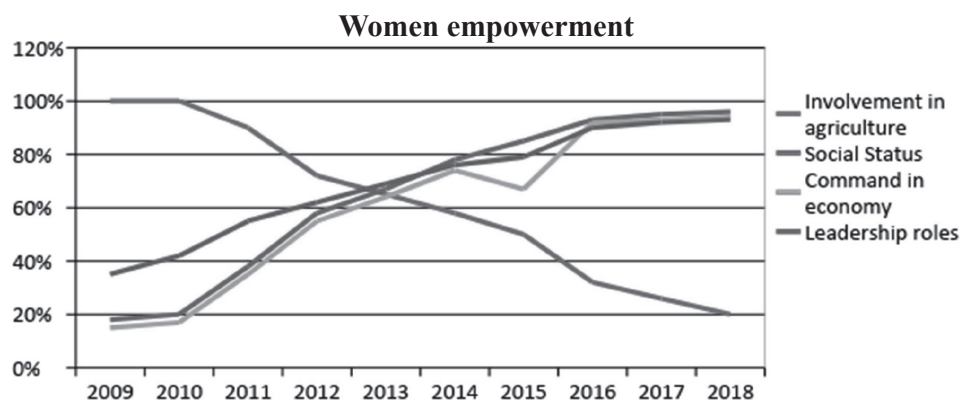


Fig. 2: Trend line showing the changes in lifestyle traits of women as the effects of homestay

Four issues were taken as effects so as to establish the above mentioned relationship.

### 1. Involvement in agriculture

Being a hilly, rural area villages like most of the villages of Nepal, the natives of *Kaulepani* were entirely based on agriculture and livestock farming as their major occupation. Most of the *Kaulepani* men have left for foreign employment whose remittance has supported the family economy. There seemed to have no options for women other than



agriculture considering the geographically complex terrain and distance from the HQ. The main cereal crops include millet, paddy, buckwheat and maize which used to fulfill the needs of family and fodder for livestock. Despite being the major occupation, it yielded very poor returns. This trend continued till 2010. In 2011, the establishment of homestay showed the women a new way of living. In the beginning, agriculture was still considered the major occupation but as the guests' inflow kept increasing, the women could afford the packed rice and other daily household materials from *Besisahar* which led to decline in involvement in agriculture. While conducting an interview with one of the homestay host families, a woman stated, *"I don't get much time for the fields now. The income from homestay is enough to buy packed rice and other stuffs. We mostly cultivate millet now as we don't have much people to work in the fields"*. This gradually caused decreasing trend in agricultural involvement. At the present time, the women mainly cultivate paddy and millet. The Gurung community is predominantly involved in producing fermented beer for which millet is required as the raw material. This general reduction of involvement in agriculture is the effect of establishment of homestay and one of the aspects of women empowerment.

## 2. Social empowerment

Talking about the social status, the trend shows that establishment of homestay caused an increase the status of women. In 2016, *Kaulepani* won the best Homestay Achievement Award by NTB and VITOF which really pumped up recognition in national level. Even before homestay, the women of *Kaulepani* had maintained a social standard without much of male supporters and were living in a disciplined social system. The treasurer says that, *"the women of Kaulepani today held culinary trainings for other hospitality enthusiasts and are taken as the icon of women empowerment"*.

## 3. Economic empowerment

The *Aama Samuha* has determined the rate of homestay package and additional services costs along with the income distribution to the involved host families. The homestay charges NRP. 950 for dinner and breakfast package and NRP 1350/- with lunch included. For visitors this rate does not seem expensive compared to the hotels at *Besisahar* which costs more than Rs. 1500 and above. The homestay would provide intangible benefits like cultural exploration, music, dance and panoramic views of the nearby snowcapped mountains which fills the visitor with an authentic feeling of exploration and obviously enhances the local income.

This income from the homestay not only has improved the quality of life of the locals but allowed them to invest in children's education and financial assurance. Due to the earthquake of 2015, the tourist inflow has slowed down according to an old native which caused decrease in revenue but it didn't take long to recover. In this way, the women have become financially independent with homestay activities.

#### 4. Leadership roles

As the males were out for employment, the women and children were left at *Kaulepani*. Since then, the women took their part in everything. The mothers' group has played a crucial role in operation of the homestay which is the outcome of a good leadership. The women are very benevolent yet perfectly disciplined and time oriented. The guests are provided tasty local foods and get allocated with rooms by the evening and one must go to bed by 9 pm. Establishment of homestay has not primarily initiated leadership quality in women but rather acted as the catalyst of change thus training themselves to become capable of handling necessary tasks and logistics and empowering them.



Picture 6: Students and local residents at farewell program.

Analyzing the above trend and through direct observation, it won't be incorrect to say that *Kaulepani* homestay functions under a strong and dedicated women leadership. The women's dedication to work and mutual coordination was found to be immensely powerful. Hence, this resulted in the proper functioning of the homestay which eventually led them to economic sustainability and winner of the Best Homestay Achievement Award of 2016.

#### Conclusion

Analyzing the variables, it has been found that establishment of community homestay has caused a drastic improvement in micro-economy and women empowerment in *Kaulepani*. In the case of *Kaulepani*, within the time period of

7 years, lot of dynamic changes like infrastructure development, micro-entrepreneurship and increase in social status of the women were observed. Homestay has not only caused an increase in economy but allowed the locals to grow and develop themselves in terms of skills and abilities. Another major change was observed in the empowerment of women. The women of *Kaulepani* have proven themselves to be economically, socially and psychologically empowered.

While talking about the changes brought into the micro-level by the homestay, it should not be forgotten that, tourism has also caused a darker aspect in many parts of the world. The ethnic village of Mexico was found to be destroyed by tourism eventually due to acculturation (Nunez, 1963). This case may happen in *Kaulepani* if the principles of sustainable development are not applied. It was found that *Kaulepani* homestay at the present time has not much adverse effects in the environment but as the volume of tourist increases, the level of environmental exploitation is sure to increase. The locals of *Kaulepani* use timber wood and fodder for livestock from the local forest. As the involvement of homestay houses increase, there may arise problems of plastic disposal, waste management and even cultural acculturation which are the critical topics to focus upon.

For the purpose of preserving the ethnic values and cultural intactness, the natives of *Kaulepani* have not allowed their homestay members and villagers to sell their lands to the dominant business people from outside. Thus it could be said, the natives of *Kaulepani* are equally considered about sustainability of the homestay and the village as well.

At the present time, the tourism industry is a trillion dollar business out of which nearly 40% tourists prefer to visit cultural destinations. Nepal being not just the home of Himalayas but an integration of diverse culture, ethnicity and heritages have a huge possibility of growing at the global tourism market. In this regard, *Kaulepani* could be seen as a small destination with a huge possibility.

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