



Exploring The Potential Of Homestays Tourism In Addressing Rural Unemployment In Uttarakhand

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Abstract - A homestay is a unique form of accommodation where tourists stay with local families, offering an authentic experience of the region's culture, traditions, and hospitality. It provides a personalised, immersive, and community-driven alternative to traditional hotels. Uttarakhand, a picturesque Himalayan state in India, is renowned for its diverse landscapes, including snow-capped peaks, dense forests, sacred rivers, lush valleys, and scenic hill stations. These attributes make it an attractive destination for various forms of tourism, such as ecotourism, agritourism, adventure tourism, homestay tourism, and social tourism. This study looks into how homestay tourism can help address rural unemployment in Uttarakhand's hilly regions. The research is based on both primary and secondary data and is conducted in the villages of Matha and Gadholi, located near Kasar Devi in Almora, which are popular homestay destinations. Through this study, we explore how homestays contribute to local employment, promote sustainable tourism, and support the rural economy in these regions.

Keywords: Homestays, Rural Unemployment, Tourism, Potential, Addressing.

I. INTRODUCTION

India has the potential to capture a sizeable portion of the global travel industry. With a wide range of natural resources and tourist attractions, India is a country for all seasons and for all purposes. India has a rich historical legacy that has produced amazing architectural features, temple cities, and towns with amazing monuments. In addition, India boasts a long and beautiful coastline, history, cultural diversity, and a variety of natural features, including hilly regions, seashores, deserts, mangrove forests and other historical and archaeological sites that have enormous potential for global tourism (Saqib, 2018). The Ministry of Tourism is working to establish India as a notable rural tourism destination, developing and promoting local products through tourism to help local populations while also creating revenue and employment in rural areas. Homestays have grown in popularity in the post-COVID-19 era, promoting the rise of rural tourism as travellers prioritise social isolation, cleanliness, sanitation, and privacy. Homestays, a popular concept in India, particularly in rural areas, provide a unique alternative to standard hotels. Many domestic and foreign travellers pick these cosy accommodations to have an authentic vacation experience that highlights the local culture, lifestyle, and heritage (Anukrati Sharma, 2024).

Homestay tourism is a form of travel where travellers or pilgrims can find reasonably priced and cosy lodging in popular tourist locations. It improves rural residents' income and economy and is run by either individuals or communities. It also makes it possible for local communities to protect their environment and cultural heritage, as it incorporates a variety of tourism activities like trekking, cultural tourism, agrotourism and ecotourism, etc. It also plays a significant role in lowering poverty and improving rural livelihoods (Vishwambhar Prasad Sati, 2024).

In Uttarakhand homestays have grown in popularity as a kind of eco-friendly local drive and travel. In an effort to give tourists a distinctive and genuine cultural experience while also making money for the local community, many local communities in the area have begun to host homestays in their residences. Homestays have also been encouraged by the state government as a way to increase tourism in the area. In Uttarakhand, homestays are becoming more and more well-liked by travellers who want to experience the local hospitality, food and culture at an authentic and reasonable price. They provide a substitute for conventional hotels and resorts. Several parts of Uttarakhand,

including Nainital, Almora, Mussoorie, Rishikesh, Auli, Munsyari, etc., provide homestays (Vijay Prakash Prajapati, 2023).

Since tourism accounts for almost 15.45% of the state GDP, homestay tourism growth in Uttarakhand has enormous potential. In order to address the issues of insufficient lodging options and offer self-employment opportunities (Adhikari, 2023). The Uttarakhand government has launched the **Deendayal Upadhyay Awas Vikas Yojana** to promote tourism in both popular and remote tourist destinations (Uttarakhand, n.d.). The scheme aims to improve accommodation facilities at the local level, generate employment for native residents, and provide an additional source of income for house owners. Under this initiative, the government offers **capital subsidies** and **interest subsidies** for individuals in hilly and plain areas. For hilly areas, the government provides a capital subsidy of **33%** or **₹10 lakh**, whichever is lower, and offers an **interest subsidy** of **50%** for the first five years on loan repayments, or **₹1.5 lakh per year**, whichever is lower. For plain areas, the capital subsidy is **25%** or **₹7.5 lakh**, whichever is lower, and the interest subsidy for the first five years is **50%** of the interest amount, or **₹1 lakh per year**, whichever is lower. This scheme is designed to stimulate local economic growth, boost tourism infrastructure, and enhance the livelihoods of homeowners in both rural and urban parts of Uttarakhand (Pauri Garhwal, n.d.).

1.0 Objective of the study

- To analysis the contribution of homestay tourism to rural employment generation.
- To identify challenges and opportunities of homestay.

1.1 Methodology

This study adopts a **descriptive research design** with a **quantitative approach**. The aim is to explore and analyse the potential role of homestays in addressing rural unemployment in Uttarakhand, specifically in the villages of Matha and Gadholi, near Kasar Devi Almora. The research investigates the nature of homestay businesses and their impact on local employment.

1.2 Study Area

The study was conducted in two villages near Kasar Devi, Almora, Uttarakhand – Matha and Gadholi. These villages were selected based on their significant engagement in the homestay business, with a large portion of the local population involved in providing homestay services to tourists. These two villages are considered ideal representatives for the study due to their active role in the local tourism industry.

1.3 Sampling Technique

A purposive sampling technique was used to select the homestays for the survey. This non-random sampling method ensures that the study focuses on those villages where homestay businesses are well-established and the population is involved in such activities. From each village, 25 homestays were selected, resulting in a total of 50 homestays across both villages.

1.4 Method of Data Collection

Structured interviews are used to collect primary data, whereas secondary data is acquired by reviewing literature, government reports, newspapers, articles, journals, and so on.

1.5 Analysis and interpretation of data

1.5.1 age wise distribution of respondents owning a homestay

S. No	Particulars	No of respondent	Percentage
1	18-25 years	2	4%
2	25-40 years	33	66%
3	40 above	15	30%
	Total	50	100

“According to the data, a sizable proportion of the population engaged in the homestay sector is between the ages of 25 and 40, with almost 60% of respondents falling into this category”.

1.5.2 gender wise distribution of respondents working a homestay or working in a homestay

S. No	Particulars	No of respondent	Percentage
1	Male	36	72%
2	Female	14	28%
3	Others	0	0%
	Total	50	100

“After analysing the above table, it is clear that male participation in the homestay industry is substantially higher than that of females, with the female population accounting for a lesser proportion”.

1.5.3 monthly income earned from homestays

S. No	Particulars	No of respondent	Percentage
1	Below 10000	30	60%
2	10,000-20,000	11	22%
3	20,000-30,000	6	12%
4	Above 30,000	3	6%
	Total	50	100

"According to the data in the table above, the vast majority of homestays make less than Rs10,000 per month. This implies that maintaining a homestay company alone is insufficient to sustain their livelihood, and hosts frequently need to participate in extra activities while managing their homestays.”

1.5.4 most important skills for jobs in homestays or running a homestay

S. No	Particulars	No of respondent	Percentage
1	Cooking	15	28%
2	Customer service	3	6%
3	Language skills	30	60%
4	Handicraft and cultural skill	2	4%
	Total	50	100

"Language proficiency has been regarded as a crucial qualification for operating a successful homestay. The majority of respondents agreed that language abilities are essential for efficient communication with guests, allowing hosts to better understand customers' demands and provide specialised services. As a result, travellers receive better service and have a more enjoyable experience.”

1.5.5 Do homestays provide better revenue prospects for the local community

S. No	Particulars	No of respondent	Percentage
1	Yes	50	100%
2	No	0	0%
3	Not sure	0	0%
	Total	50	100

"According to the data in the table above, all respondents feel that homestays play a substantial part in establishing better earnings prospects for the local population.”

1.5.6 Do homestays create business opportunities for other local service providers

S. No	Particulars	No of respondent	Percentage
1	Yes	50	100%
2	No	0	0%
	Total	50	100

"According to the data in the table above, homestays create business prospects for other local service providers, such as farmers selling organic goods. They also provide opportunities for local drivers and tour guides, which benefits the local economy as a whole.”

1.5.7 which business benefit the most from homestays

S. No	Particulars	No of respondent	Percentage
1	Local food supplier and farmers	8	16%
2	Transportation providers	32	64%
3	Cultural performer	2	4%
4	Tour guides and adventure activity providers	8	16%
	Total	50	100

"The local transport industry gains the most from homestays, with around 64% of respondents reporting that tourists staying in homestays often engage local transport providers to visit surrounding sites."

1.5.8 do you think homestays contribute significantly to local employment

S. No	Particulars	No of respondent	Percentage
1	Strongly agree	10	20%
2	Agree	40	80%
3	Neutral	0	0%
4	Disagree	0	0%
5	Strongly disagree	0	0%
	Total	50	100

"According to the data in the table above, 80% of the 50 respondents agree that homestays have a considerable impact on local employment, with 20% strongly agreeing."

1.5.9 What are the biggest challenges in utilizing homestays for employment creation

S. No	Particulars	No of respondent	Percentage
1	Lack of skilled labour	6	12%
2	Limited marketing and tourist access	0	0%
3	Competition from large hotels and resorts	5	10%
4	Seasonal nature of tourism	39	78%
	Total	50	100

"The biggest problem for homestay operators is the seasonal flood of tourists, which occurs primarily between April and June. During the off-season, when tourist numbers plummet, guesthouse operators are forced to seek alternate work to support themselves."

1.5.10 What strategies can improve employment generation through homestays

S. No	Particulars	No of respondent	Percentage
1	Government support and funding	28	56%
2	Training programs for locals	10	20%
3	Better marketing and promotion	0	0%
4	Infrastructure development	12	24%
	Total	50	100

"According to the data in the table above, increasing government assistance and financing might considerably aid in the creation of employment opportunities through homestays. Furthermore, infrastructure upgrades, such as improved road conditions, may draw additional visitors to the area. Currently, a lack of adequate transit infrastructure deters many tourists from visiting."

1.5.11 how satisfied are you with your employment in the homestays

S. No	Particulars	No of respondent	Percentage
1	Satisfied	35	70%
2	Very satisfied	10	20%
3	Dissatisfied	0	0%
4	Neutral	5	10%
	Total	50	100

"According to the data in the table above, the majority of respondents are dissatisfied with their jobs in the homestay industry due to their seasonal nature. As a result, homestay proprietors provide only temporary jobs rather than permanent career chances."

1.5.12 how your involvement in the homestay business improved your standard of living

S. No	Particulars	No of respondent	Percentage
1	Yes significantly	10	20%
2	Yes, to some extent	40	80%
3	No, it has not changed	0	0%
4	No, it has worsened	0	0%
5	Not sure	0	0%
	Total	50	100

"According to the data in the table above, earnings from the homestay business have helped many owners raise their standard of living. However, most homestay operators see it as a supplementary or backup business rather than a primary source of revenue."

II. FINDINGS OF THE STUDY

The study on the role of homestay tourism in addressing rural unemployment in Uttarakhand, specifically in the villages of Matha and Gadholi near Kasar Devi in Almora, reveals several important findings:

Contribution to Local Employment : The study shows that homestays significantly contribute to local employment generation. A majority of respondents (80%) agree that homestays play a crucial role in providing employment opportunities to the local community. This includes direct employment in running homestays and indirect employment through related services such as local transportation, food supply, and tour guiding.

Income Generation : While homestay businesses provide additional income, the majority of homestay owners earn less than ₹10,000 per month (60%). Although this provides some supplementary income, it is insufficient to sustain a full livelihood. Consequently, many hosts need to engage in other work or seek alternative employment during the off-season.

Skills Required : The study highlights the importance of language skills, with 60% of respondents identifying it as the most crucial skill for effectively running a homestay. Other important skills include cooking (28%) and customer service (6%). These skills are essential for providing an authentic and satisfactory experience to tourists.

Challenges Faced : The most significant challenge faced by homestay owners is the seasonal nature of tourism (78%), with peak seasons offering abundant tourist arrivals, while off-seasons leave homestay owners struggling for income. Other challenges include competition from large hotels and resorts (10%) and a lack of skilled labour (12%).

Economic Benefits for Other Local Businesses : Homestays contribute to the growth of other local businesses. Transportation services (64%) are the primary beneficiaries, as tourists often hire local drivers for sightseeing and travel. Additionally, local food suppliers and farmers also benefit (16%) by providing organic produce to homestay owners.

Satisfaction with Employment : Most respondents (70%) report being satisfied with their employment in homestays, although the seasonal nature of the business makes it difficult to rely on it as a primary source of income. Only 10% were neutral, and no respondents expressed dissatisfaction.

Improvement in Standard of Living : The majority of respondents (80%) indicated that running a homestay has improved their standard of living to some extent. However, most respondents consider homestay income as a secondary source of revenue rather than their primary livelihood.

Strategies for Improvement : To enhance the potential of homestays in generating sustainable employment, respondents suggested increased government support and funding (56%), training programmes for locals (20%), and infrastructure development (24%) as key strategies. These measures would help address existing challenges and boost the overall success of homestay businesses.

Overall Impact on Rural Employment : Overall, homestays have had a positive impact on rural employment, contributing to the socio-economic development of local communities. However, the reliance on tourism's seasonal nature limits the long-term sustainability of these businesses. Addressing challenges such as seasonality, infrastructure gaps, and skill shortages is crucial for maximising the benefits of homestay tourism in Uttarakhand.

III. CONCLUSION

The study on homestay tourism in the rural areas of Uttarakhand, particularly in Matha and Gadholi near Kasar Devi, Almora, reveals that homestays play a significant role in providing local employment and improving the socio-economic conditions of rural communities. A majority of the respondents agree that homestay businesses contribute to better income opportunities for local residents, creating a ripple effect on related services like transportation, food supply, and tourism activities. The involvement of the local population in the homestay sector offers a unique opportunity for sustainable tourism development, as it supports the preservation of cultural heritage while also driving the local economy.

However, the seasonal nature of tourism is a major challenge, limiting the potential for sustained employment and income generation. The reliance on peak tourist seasons leads to periods of low income, forcing many homestay owners to seek alternative sources of livelihood during off-seasons. Despite this, most respondents acknowledge that homestays contribute positively to their standard of living, albeit as a secondary source of income rather than a primary one.

Strategic improvements must be prioritised in order to enhance the possibility for long-term employment in homestays. To stimulate rural tourism, the government provides finance, local skill development projects, and enhanced infrastructure. Such measures would not only address current concerns but would also completely achieve

the promise of homestay tourism in Uttarakhand, which is to reduce rural unemployment and improve the living conditions of local populations.

In conclusion, while homestays have immense potential for rural development and job creation, targeted interventions are essential to ensure their long-term success and viability. With the right support, homestays can become a cornerstone of rural economic growth, offering both employment opportunities and cultural preservation.

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