

Impact of Homestays Scheme on Rural Households in Kodagu District: An Analysis

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Abstract

In India, agriculture plays a vital role in alleviating poverty and in ensuring the sustainable development of the country. For the past few years, the role of agriculture in generating income and employment is not satisfactory. In fact, recently tourism is emerging as a major service industry in order to provide alternative source of income and employment for both rural and urban people. Therefore, the study has undertaken to analyze the homestays scheme in tourism and its impact on rural households in Kodagu district of Karnataka. Present study is based on primary and secondary data. The field survey was conducted during 2016-2017 for collecting the primary data related to 120 Approved Homestays Operators (AHO) and Unapproved Homestays Operators (UHO). Results of the study indicated that the young age respondents were found to be more interested in homestays operation than the old age respondents in the district. Homestays scheme encourages the skill of entrepreneurship and also contributes to the women participation. The homestays scheme is an important instrument for taking advantage of the unutilized family labour as well as generating employment opportunities to unskilled and semi-skilled labours. However, it was observed from the study that the rules and regulation of homestays scheme are very stringent which prevent the rural households' participation in homestays scheme.

Keywords: Motel, influx, Athithi, Approved, bed and breakfast

Introduction

In India, agricultural plays a vital role in alleviating poverty and in ensuring the sustainable development of the country. Though the country has made large strides in increasing production and achieving food security, the sector remains low in productivity, higher dependence, fragmentation of holdings, stagnation of farm income, more volatile agricultural product prices and hence these factors further push the agriculture in deep crisis. Moreover in recent years, the agriculture and allied sector has been facing numerous challenges. As a natural consequence of economic growth and structural changes in the economy, the share of agriculture and allied sectors in the total GDP declined from around 19 per cent in 2004-05 to 14 per cent in 2013-14, calculated at 2004-05 constant prices. If the shares of forestry and fishing are removed, agriculture (including livestock) accounted for about 12 per cent of the national GDP (State of Indian Agriculture 2015-16). In the total number of workers, the percentage of agricultural workers in the country has come down from 58.2 percent to 54.6 per cent during 2001 to 2011 (Census, 2011). A shift of workforce from primary sector to secondary and tertiary sectors is an index of economic development of the country. However it is a fact that the higher proportion of workforce is still engaged in agriculture. The slow pace of structural transformation in agriculture can be attributed to the lack of non-farm employment opportunities in rural areas in order to absorb a larger proportion of the workforce from the agriculture. The manufacturing sector is not an exception from it. Against this backdrop, the promotion of rural tourism and its related activities is one of the best alternatives for bringing down dependence on agriculture and enhancing the rural households' income.

Tourism is an important development strategy not only for generating employment opportunities but also a source of income in the country. Past two and half decade, with the introduction of structural reforms in Indian economy has hugely contributed to increase the percentage of lower and upper middle class households in the country. On the other hand the growth of infrastructures across the country has brought down the cost of transportation and communication. Subsequently, increase in awareness regarding the importance of culture, language, life style of others, history besides spending time outside their normal residence during week end

etc are further added fuel for the growth of travel and tourism industry. In this way, the substantial growth of middle income households and increase of their disposable income led to rapid growth of the travel and tourism industry. In addition, increased awareness of tourism significance among middle income groups has increased the demand for variety of tourism supporting activities such as hotels and lodges, motels, guest houses, travel agencies, guides, bed and breakfast, homestays so on and so forth in the country.

Concept of Homestay

Homestay is a new concept in tourism and hospitality industry. The homestay is a tourism product which was introduced to give a chance to the tourist to stay with selected local family and experience their daily lifestyle and learn their cultures. It is a facility that provides a chance to stay with a selected host family. Homestay operators are those who manage, handle and run the homestays as a source of income. Some of the studies related to the concept of homestays are reviewed.

According to Lanier and Banam (1993) homestay is a house of an individual having several vacant rooms which are not used for the personal purpose are rented to those who wish to stay in those vacant rooms. Therefore, those vacant rooms have become a source of income to the owner of the house (Henderson et al. 2004). Similarly, Wipada (2007) was defined the homestay as one type of lodging that tourists share with the homeowner with the intention to learn culture and lifestyle from the homeowner who is willing to transmit and share their culture. Lynch et. al.,(2009) gave a broader definition of homestay by referring to it as commercial homes whereby visitors or guests pay to stay in private homes where interaction take place with a host or family. It is a very unique characteristic as this concept promotes interaction between host families and tourists and acting as a development tool to raise awareness on the cultural exchange and respect for the host's culture (Jamilah and Hamzah, 2007). Thus the homestay is very different compared to other modes of accommodation such as a hotel, motel or bed and breakfast which is normally located in the city or suburban areas whereas the location of the homestay is normally situated in rural areas where the whole community is still practicing the traditional way of life and embracing strong culture and traditional practices (Salamiah et.al, 2011).The homestay operators take the lead role in conserving their culture, heritage and environments hence contribute greatly to the sustainability of the homestay programme. It is a significant means of boosting the socio-economic well-being of rural people (Kimaiga, 2015). Therefore, individuals or families who own a house of good quality, located within the state, and can make available, a maximum of 5 (five) rooms with toilet facilities exclusively for tourist accommodation, and who agree to provide basic minimum infrastructure standards and assured quality in service (Draft Karnataka Tourism Policy 2014-2019).

Significance of the study

Tourism and the allied activities, through the wide network of lodges, hotels, resorts, homestays, groceries, gift shops, public and private transportation agencies, accounting and other supporting activities is a much larger enterprise in the country. Since 1994, the homestays concept has begun due to drastic fall in price of coffee and hence some of the planters in Kodagu district started to share their unused houses with the tourists which supplement the household income. Homestay is essentially a house where the owner stays (District Human Development Report Kodagu Draft Report).It has now become key driver of economic growth in the district. Kodagu attracts urban nature lovers with a unique combination of eco-tourism and homestays. With its impressive rural and agriculture based economy, supplemented with tourism, the economy of Kodagu is comparatively well performing in the state. In recent years tourism has also begun to play a role in the economy. Eco-tourism, such as walking and trekking tours, takes advantage of lush scenery, numerous waterfalls and together with the concept of home-stays is particularly very popular among the nation-wide urban nature lovers.

Homestays in Karnataka

Karnataka with its great Heritage and Cultural background has vast potential for the sustainable development of tourism industry and hence the government has declared “Tourism as an Industry” since 1988 (Economic Survey of Karnataka 2010-11). The state has been witnessing influx of domestic and international tourists which increased steadily from 2.52 crores in 2005 to 3.32 crores in 2009. Increased tourists influx in to state increases the demand for variety of accommodations at tourism destinations. Increased demand for accommodations coupled with need for elevated authentic experience has led to the concept of homestay gaining importance. The Department of Tourism, Government of Karnataka had introduced anew scheme for Homestays called ‘Athithi’ to supplement the demand of accommodations at various tourist destinations in the state. These homestays provide standard facilities with minimal investment and encourage the locals to earn an extra income. Since then tourism department has been making a sustained effort to promote the concept of homestays under the brand name “Athithi” in various tourist destinations in districts such as Kodagu, Chikkmangalur, Uttar Karnataka, Hassan, Mysore, Udupi etc (Draft Karnataka Tourism Policy 2014-2019). Of these districts, Kodagu has been selected because it is known for hospitality and more importantly it has comparative advantage in tourism. Therefore this study has been undertaken in order to examine the impact of homestays scheme on rural households of the district with the following specific objectives.

Objectives of the study

The study is based on specific objectives. There are as follows;

- To examine the age-wise distribution of sample respondents of homestays
- To know the impact of homestays scheme on rural households in the district.
- To suggest the some measures.

Methodology of the study

The present study is based on both primary and secondary data. Secondary data have been collected from research articles published in national and international journals, research thesis, Department of tourism both the Central and States Government of India for analyzing the role in promotion of homestays and policy regulations. Primary data collected from the survey conducted during 2016-2017 by using pre-tested schedules. The homestays are categorized as approved and unapproved homestays. Approved homestays are those that submitted the application for obtaining the certificate from the Department of Tourism and unapproved homestays are operating without any government permission. Homestays operator is one who is running the homestays with or without the help of family members by sharing the house with the guests. The total 120 sample respondents have been randomly selected from the three taluks of the district viz. Madikeri, Virajpet and Somwarpet. Out of 120total sample respondents, 20 approved homestays respondents and also similar number of unapproved homestays sample respondents were selected from each taluk for this study. In this process, total 60 approved homestays respondents and remaining 60 unapproved homestays respondents were selected for this analysis (20 Approved homestaysX3taluks=60 and 20 unapproved homestaysX3taluks=60).

Results and Discussion

In this section, results of the study have been presented in the following sub headings;

- **Age-wise distribution of Homestays Operators**

Data pertaining to age collected from the respondent’s family with special emphasis on the heads of the family. The head of the family here is not necessarily be the senior member of the family but the person who plays a vital role in the decision making process. The age of the respondents ranges from 22 to 48 years and

thus respondents have been categorized under three groups viz young homestay operators (<30 years), middle aged homestay operators (30-40years) and old age homestay operators (>40years). Frequency distribution of the homestays operators across the different age groups is given in table1. Distribution of the homestays operators across the different age groups is given separately for Approved Homestays Operators (AHO) and Unapproved Homestays Operators (UHO). Overall category represents the pooled data of AHO and UHO. Majority of the sample respondents were found to belong to the young age (60), followed by middle age (38) and old age (22). Young age homestays operators account for the 50.0 percent of the total respondents whereas 31.7 percent in case of middle age respondents. It was also observed from the table that the higher percentage of old age respondents were found to be belonged to the unapproved homestays category compared to the approved category homestays operators (8.4%). It is evident that the homestays scheme ensures the participation of rural youth in tourism and also develops the entrepreneurship quality among rural youth. Therefore, it could be inferred that the young age respondents' belonged to approved and unapproved homestays operators have shown the more enterprising quality than the middle and old age homestays operators.

Table.1: Age composition of Sample Respondents Households

Sl. No.	Particulars	Age-wise distribution of Sample Respondents				Overall
		Yong Respondents (<30 Years)	Age (30 to 40Years)	Middle Respondents (>40 Years)	Old Respondent (>40 Years)	
1	Approved Homestays Operators	35 (58.3)	20 (33.3)	05 (8.4)	60 (100.0)	
2	Unapproved Homestays Operators	25 (41.7)	18 (30.0)	17 (28.3)	60 (100.0)	
Total		60(50.0)	38(31.7)	22(18.3)	120(100.0)	

Source: Field survey 2016-17

Figures in parenthesis are percentage to total.

• **Impact of Homestay Scheme on Rural Households**

Agriculture is the mainstay of sample respondents of the homestays and hence they operate the homestays as an additional income generating activity along with the agriculture. Homestays operation encourages the rural households to participate in tourism industry. Literature reviewed and the experience gained during the field survey, suggested that homestays operators have adopted several modern methods in operation of homestays. There are online booking, online receipts, mobile banking, growth of entrepreneur skill, women participation, revival of household industry, generating employment and supplement household income. They also suggest the awareness of cleanliness, healthcare, education etc. They expressed several opinions about impact of homestays operation on rural households. Further, the homestays operators expressed more than one opinion about the impact of homestays on their households and hence the total number of sample respondents may not equal to the number of items mentioned in the table. The data pertaining to the opinions about homestays impact on sample respondents have been collected and results are summarized in the table 2.

Informal economy has now been transforming into formal economy as a result of structural reforms recently initiated by the government of India. The tourism sector is not an exception from it. Homestays is an important segment of the tourism industry which is largely embracing the digital transactions. Therefore, data related to homestays operators in rural area methods adopted has been collected and presented separately for approved and unapproved homestays operators in the table. Online booking is a significant development in rural area for receiving the guest into homestays which was found to be high among approved homestays (83.3%) compared to unapproved homestays (25%). It was because approved homestays operators contact the guests through the mail and also they have displayed the homestays information on a website. However, it was

very less in case of unapproved homestays. Hence, it could be inferred that the rural households have been moving towards the formal sector by way of applying for certification. An online receipt is another form of formalization of homestays transactions and helps to follow the transparency in homestays business. A higher percentage of approved homestays operators (66.7%) have received the payments from the guests through online banking/mobile whereas it was only 16.7 percent with respect to the unapproved homestays operators. It was interesting to note that the promotion of homestays in rural areas encourages the rural people to participate in modern banking transactions. Demonetization, digital technology, growth of information and communication technology hugely contributed to growth of mobile banking not only in urban areas even in rural areas. Approved and unapproved homestays operators use of mobile banking for receipt and payment has increased however it is very high among approved homestays (48) than the unapproved homestays operators (09). Therefore, it was inferred that the respondents of approved homestays have shown more interest in mobile banking than the respondents of unapproved homestays operators.

Table: 2. Sample Respondents Opinion about Homestays Impact on Rural Households

Sl. No.	Particulars	Category-wise Distribution of Homestays	
		Approved Homestays Operators (60)	Unapproved Homestays Operators(60)
1	Growth of Online Booking	50 (83.3)	15 (25.0)
2	Promotion of Online Receipts	40 (66.7)	10 (16.7)
3	Development of Mobil Banking	48 (80.0)	09 (15.0)
4	Supplement the Household income	55 (91.7)	45 (75.0)
5	Utilization of Family Labour	56 (93.3)	52 (86.7)
6	Growth of Entrepreneurship	52 (86.7)	20 (33.3)
7	Women Participation	33 (55.0)	12 (20.0)
8	Revival of Household Industry	26 (43.3)	14 (23.3)
9	Other	07 (11.7)	13 (21.7)

Source: Field Survey 2016-2017

Note: Figures in parenthesis are percentage to total

Income from agriculture is very meager and most widely fluctuating which pushes the rural households in destitute conditions. Against this the homestays scheme has been promoted in rural areas in order to supplement the rural households' income. Data pertaining to supplement to the household incomes was collected and the results summarized in the table. It was a fact that more than 90 percent of the households that belonged to approved and unapproved homestays expressed a similar opinion that the participation in homestays scheme increases the household income. Hence, it could be inferred that the participation in homestays scheme increases the household income and prevent from the destitution condition. Unemployment, underemployment and disguised unemployment are quite common in rural economy due to fragmented holdings. The homestays scheme helps to utilize the underutilized family labour in productive activities. Both approved (93.3%) and unapproved homestays operators (86.7%) expressed that the homestays operation considerably increased the employment opportunities after the engagement in the homestays operation. In fact homestays operation encourages the utilization of underutilized family labour in income generating activity like homestays operation.

Under taking risk, innovative attitude, communication, diversify the source of income etc indicates the entrepreneurship quality. Majority of the approved homestays respondents (52) believed that the homestays operation promoted the leadership quality, undertake the risk, running the business in a more profitable manner and hence homestays operation contribute to the growth of entrepreneurship whereas only 22 unapproved homestay operators expressed the similar opinion. Therefore it could be inferred that those

operate the approved homestays are more enthusiastic to acquire the entrepreneur skill than the unapproved homestays operators. In fact the homestays operation is more suitable for women than the men. Work participation rate of women in the country is not satisfactory. More importantly the role of women is negligible in rural areas. Homestay scheme is one of the important instruments for encouraging women participation and thus promote the women empowerment. The higher percentage of women participation was found in approved homestays (55%) compared to their counterparts (20%). It is interesting to note that the approved homestays encourage the women participation and helps to achieve the objective of women empowerment. Development of rural areas depends on not only agriculture but also on handicraft industries, household industries, rural industries etc. Tourism generates demand for a variety of products in the tourism destination. It was observed that the demand for honey, homemade products has been increasing over the years as a result of household industries including bee keeping revival in the district. The 43.3 percent of respondents belonged to approved homestays stated the homestays scheme has led to growth of rural industries whereas 23.3 percent of unapproved homestays operators expressed the similar opinion. Hence it was inferred that the homestays operation significantly contributes the revival of rural industries.

Awareness of cleanliness, healthcare and avail of education are considered as the other impact of homestays scheme on rural households in the district. Influx of tourists and their feedback encouraged the homestays operators to adopt the cleanliness practice such as safe and clean drinking water, hot water, pest free rooms etc which are more evident in case of unapproved homestays operators than the approved homestays operators. After participation in the homestays scheme a good number of respondents are able to send their children for pursuing the higher education not only in their villages but also out of the taluk and even out of the district in some cases. It was observed that healthcare practices also improved after the participation in homestays scheme.

- **Measure for strengthening the homestays scheme**

Homestays scheme supplement the rural households income. Especially it is an instrument for promoting the unutilized and underutilized family labour in the operation of homestays. In recent years, the majority of farm families have come forward in order to participate in homestays scheme in district of Kodagu. It is not only solving the rural unemployment but also employed the labour more efficiently and productively in income generating activities. Finally, it helps to reduce the dependence on agriculture. Therefore, it should encourage and motivate the rural households in homestays participation. Promote utilize

Operation of homestays requires special skills such as communication with guests, cleanliness, way of receiving the guests, use of modern technology in booking and receipt of payment etc. Therefore, the government should organize the short term training courses exclusively for rural homestays operators and interested people with financial incentives. The special attention has to give for the representation of women, disabled, schedule caste and schedule tribes and those who are economically weak.

The criteria set for the establishment and classification of homestays is very complex and hence it is very difficult for rural people to understanding them. Therefore, the government must simplify the regulations with respect to rooms' measurement, facilities available at home; windows, screens, nature of toilets etc which prevent the rural households' participation. The application and classification fee is also very expensive and is collected for only three years. Hence it is necessary to simplifying the regulations, rising the validity period of certification from 3 years to 5 years. This step reduces the financial burden of rural households.

Conclusion

In India, agriculture is the backbone of the economy in general and rural economy in particular. It is an important source of employment and income of the country however the role agriculture in generating employment and income has been declining for the past few years. In view of this, the promotion of rural

tourism has become an important strategy for generating employment opportunities for unskilled, semi skilled labour and women in the rural areas. Tourism also helps to shift the excess labour from the agriculture sector to non-farm activities. It is evident from the study that homestays scheme is a significant instrument for supplement the rural households' income and more importantly it is transforming the non-farm rural economy into formal rural economy. Further, the homestays scheme ensures the utilization of unutilized and underutilized family labour in more productive and income generating activities. However, there have been stringent regulations in homestays establishment which are preventing the rural households' participation in the scheme. Therefore, it is necessary to simplify the regulations and reduce the certification fee for promotion of homestays scheme in rural areas

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