

Homestay Drives Community's Socio-Economic Development and Sustainability; A Case Study of Skardu, Gilgit-Baltistan

Mohammad Alam*¹, Muhammad Danish², Ahmad Faraz³

¹* Assistant Professor, Department of Tourism & Hospitality, Hazara University, Mansehra, KPK, Pakistan.

²Tourism Instructor, Govt Boys High School, New Ranga, Skardu, KPK, Pakistan.

³Lecturer, Department of Tourism & Hotel Management, University of Swabi, KPK, Pakistan.

Corresponding Author: alampices@gmail.com

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Northern Pakistan is one of the most visiting places by both domestic and foreign visitors. This visitation phenomenon encourages residents to commercialize their residences portion a partial sharing into homestays. The northern area tourists have the privilege to experience homestay operations due to a shortage of lodging demand-supply gaps. A homestay is an idea of accommodation operation in which a visitor pays a charge to stay with a host family and engage with the native population. GB in general and Skardu in particular, benefited from the homestay due to national and international tourist flow. Homestay in Pakistan is not standardized or even not regularized. However, there are still many newcomers in the homestay business while owners do not understand business requirements, and the majority of them are not get training. Social media and online booking is popular channels for selling products. This study includes an assessment of community perceptions of how much the Homestay program influences the community in Skardu city, and even a discussion about the issues that Homestay operators and the community face. A cross-sectional research design with both quantitative and qualitative statistics (QUAN-QUAL Techniques) was used to examine the data. The data on a semi-structured questionnaire was collected from 30 homestay operators in the city. This research highlighted numerous characteristics of homestay growth, issues, and prospects.

1. Introduction

The tourism trade has continued to expand and became one of the important and rapidly economic sectors (UNWTO, 2018). In many nations, tourism has become a significant determinant of socioeconomic progress. The net contribution to the economy from the tourism industry of Pakistan was predicted to be 7.4% (US\$ 22,286 m) in 2017, with a 5.4% annual growth rate to US\$ 39,851.6 m in 2028, with a 7.4 % contribution to the country's GDP (WTTC,2018). The statistical data illustrate that 1.7 mn tourists travelled to Gilgit Baltistan in the year 2017, Tourism Department reported that the influx of foreign travelers is more than a 0.15million per year, with 0.7million local visitors visiting GB in 2021(Jehan et al., 2022). Unfortunately, poverty remains a serious issue in many areas, which is exacerbated by the misdistribution of tourism profits (Akama & Kieti, 2007; Sambajee et al., 2022). A homestay is an idea of accommodation operation in which a visitor pays a charge to stay with a host family and engage with the native population (Timalsina, 2012, Karki et al., 2019).

The Khyber Pakhtunkhwa government established a home hospitality program to relieve the pressure on hotels and assist the local population, the project, will be initially implemented in KP's three districts of Swat, Chitral, and Mansehra to produce 500 rooms to cater to the demands of tourists.

In northern Pakistan e.g. Skardu, the homestay program, has had a great deal of success over the last few decades. The homestay establishment as SMTEs required lowered resources therefore it has great potential for local people to enhance their livelihood as well as preserve identity. Homestay became more popular especially in Northern Areas (Skardu) of Pakistan after the (GOP) government of Pakistan formally announced the homestay tourism program. Locals in the Northern Areas will be given low-interest loans to build extra rooms in their homes to accommodate tourists. It would undoubtedly be useful for people on a limited budget or those interested in immersing themselves in the local culture (Business Recorder, 2019).

Tourism seems to have a lot of promise to help the local community in rappings of culture, social life, and economic development Northern Pakistan, particularly "Skardu," is regarded as an impoverished region due to the unequal distribution of incoming tourism revenue throughout the region. It's unclear whether this strategy will assist homestay hosts, related businesses and how it will affect the socio-culture environment. This research tried to address the gap by analyzing the concept of homestays and its impact to the socioeconomic well-being of rural communities, with a focus on Skardu, Pakistan.

The purpose of this study was to see how homestay visitor can help the socioeconomic well-being of residents. This study primarily focuses on homestay operators (host families) in Skardu, which is located in Gilgit Baltistan, Pakistan. The city serves as a major entry point to eight thousanders in the Karakoram Mountains. The town is situated on the Indus River, which runs between the Karakoram Range and the Himalayan Mountains. The population of the city is 214,848 people. Skardu was chosen as the study's focus since it has the greatest concentration of homestays

in Pakistan. In addition, the city's homestay industry is quickly expanding. Skardu, as the largest region in the Northern Area, entices visitors with a variety of stunning sights.

This study's contributions might undoubtedly have relevance to homestay organizers and hospitality trainees. This research study would give valuable insight to homestay owners and organizers into the essentials that influence tourists' choice, as well as to promote homestays business. On the basis of these findings they can adjust their product offerings to match the needs of tourists. It will create a base for hospitality trainers to undertake a training needs assessment for homestay business owners and to conceptualize a skills development course to equip homestay operators with the knowledge and expertise needed for operation and management. The objectives of this paper aimed to look into the socioeconomic impact of homestay tourist lodging on individual households as well as the community as a whole, and to find out how it might be better developed and promoted to benefit host families.

1.1 Objectives

- i. To determine the characteristics which motivate homestay operators to participate in the homestay program.
- ii. To evaluate the socioeconomic advantages of homestay lodging for host families.
- iii. To determine the knowledge and capabilities of homestay operators.

2. Literature Review

Tourism is a Meta-Industry that includes numerous supporting partners and services (Barua & Gogoi, 2018). The sharing economy has spawned creative peer-to-peer business models such as Airbnb, which connects residents renting lodging with travellers online. P2P stays come in a variety of formats, including home stays, guesthouses, farm stays, stately residences, and boutique hotels (Shi et al., 2019). Homestays provide tourists with a unique and diverse local experience while also allowing them to engage with their host family. Community base tourism forces the government to expand economic activities to remote areas and develops other possible sources of income for local people and make resources for nature conservation (Karki et al, 2019). Homestay is a small-scale enterprise that promotes the sustainability of home income, promptly improves living conditions, and acts as a catalyst for community development (Kimaiga & Kihima, 2018). According to researches, various countries have multiple interpretations of what a homestay implies. For example, it is known as a farm stay in Australia, an academic homestay in Japan and South Korea, a leisurely stay in South Africa, a cultural and heritage homestay in Canada, an agriculture and educational homestay in the United States, and an urban homestay in Singapore (Gyamtscho, 2022). Timlasina define "A Home-Stay, by its combined words (home stay) is staying in some one's home as a paying guest for short time period. But such guests are provided accommodation and services by individual family and community too (Acharya, S. 2018). Therefore, the Home- Stay Regulation has accepted it as run (managed) by an individual or community." Barua et al. (2018); Ly et al. (2022) define homestay is a sort of lodging where visitors or guests pay to stay in private homes, wherein contact occurs with a host and/or family normally residing on the premises, and with whom public space is, to some extent, shared.

Homestay lodging is an alternative tourism concept fall within CBE (community-based ecotourism) hospitality approach (Gyamtsho, 2022) where the tourist lives with the hosting family like they're a family member as paid guest. Its goal is to provide travelers with information about the host's way of life, such as agriculture, traditional arts, sculpture sports, and gastronomy. Homestays is not only simple room rental since the hosts are expected to share their beliefs, experiences, and everyday living with the visitors. In order for the visitor to tell others about their experience, the owner must give them a wonderful stay. In addition to provide all the facilities, it is vital to make wise investments in the homestay.

Countries have developed an initiative to promote homestay and tourism for alleviating poverty and communal improvement of living standards. Many countries Nepal, Bhutan, Malaysia, and Indonesia have developed homestay and related standards to develop and sustain the local community. The findings of Suyatna et al. (2024) indicate that grassroots initiatives in community-based development have effectively reduced persistent impoverishment and societal concerns by integrating indigenous institutions and creating resource-driven businesses. Malaysia's Ministry of Tourism, Arts, and Culture (MOTAC) created the homestay programme as an attraction for tourists to promote rural community development through cultural tourism, homestay is Malaysia's strong tourism product (Ismail, 2020). Government's increased emphasis on the development of homestays since it is considered a potentially good product to showcase the country and culture as well as involve the community in the tourism sector through rural tourism (Nooripoor et al., 2021).

3. Methodology

This study used a cross-sectional research design with both quantitative and qualitative methods (QUAN-QUAL methodology). The goal of this approach information obtained from homestay operators at a single time point to compile a comprehensive set of quantitative and qualitative data relating to the same factors, which are then evaluated to uncover patterns of association. The Census approach was used to include all thirty homestay operators in the city. This tiny sample size was feasible, given it included the whole homestay population. Semi-structured questionnaires with open-ended and closed items graded on a five-point Likert scale were used. This study is based on the conceptual model developed by Kimaiga et al. (2018) to highlight the links between the primary variables used in this study while considering Skinner's theory of motivation i.e., illustrates exactly how humans learn behavior and how to act. The independent variable is the motivation for host families to participate in the homestay program. This will assure the program's long-term socioeconomic success, resulting in increased socio-economic well-being (dependent variable). The questionnaire collected was properly coded and analyzed through SPSS, PASW statistics 18 releases 18.0.0, and based on this data analysis the result perception was drawn. Based on the arithmetic mean and percentages the data was manipulated for comparison.

4. Data Analysis

To assess the benefits of homestay tourist accommodation to host families or local communities, the variables were put on a Likert scale and homestay operators were asked to rate on a scale of 1 to 5 the extent to which they agreed or disagreed with the statements.

4.1 Demographics

Table No 1: Demographic

Statement	Frequency	Percent
Gender		
Male	30	100
Age		
20-30	17	56.7
31-40	12	40
51-60	1	3.3
Total	30	100
Marital status		
Single	16	53.3
Married	14	46.7
Total	30	100
Education		
Inter	5	16.7
graduation and above	25	83.3
Total	30	100
Duration of business		
less than two years	17	56.6
3 years	10	33.3
4 years or above	3	10
Total	30	100
Room rent		
1000-2000	7	23.3
2000-3000	19	63.3
4000 or above	4	13.3
Total	30	100
Approximate annual income from homestay program		
0.1- 0.25 mn	12	39.9
0.3-0.35 mn	11	36.7
0.4-0.5 mn	5	16.7
0.6- 0.7 mn	2	6.6
Total	30	100

The values in Table 1 show that mainly men run the homestay program in the Skardu. The earning hand of homestay operators are single 53.3% and well educated (83.3% graduate). Approximately 56.7% of the respondent was between the age of 20-and 30 years. According to table 1: 56.6% of the homestay businesses are two years old, while the majority (63.3%) of homestays accommodation charge 2000-3000 per night. Nearly 40% of operators earn 0.1-0.2 million per annum.

4.2 Facilities & Services

All the guestrooms were designed with a bedroom, and a bathroom with both English and Indian WC, 26.7% serve traditional meal options, while 73.3% serve the menu including the multi-cuisine option. Breakfast, lunch and dinner are served as per the packages or order in advance. Food is served in traditional style.

4.3 Motivational Factors (MF)

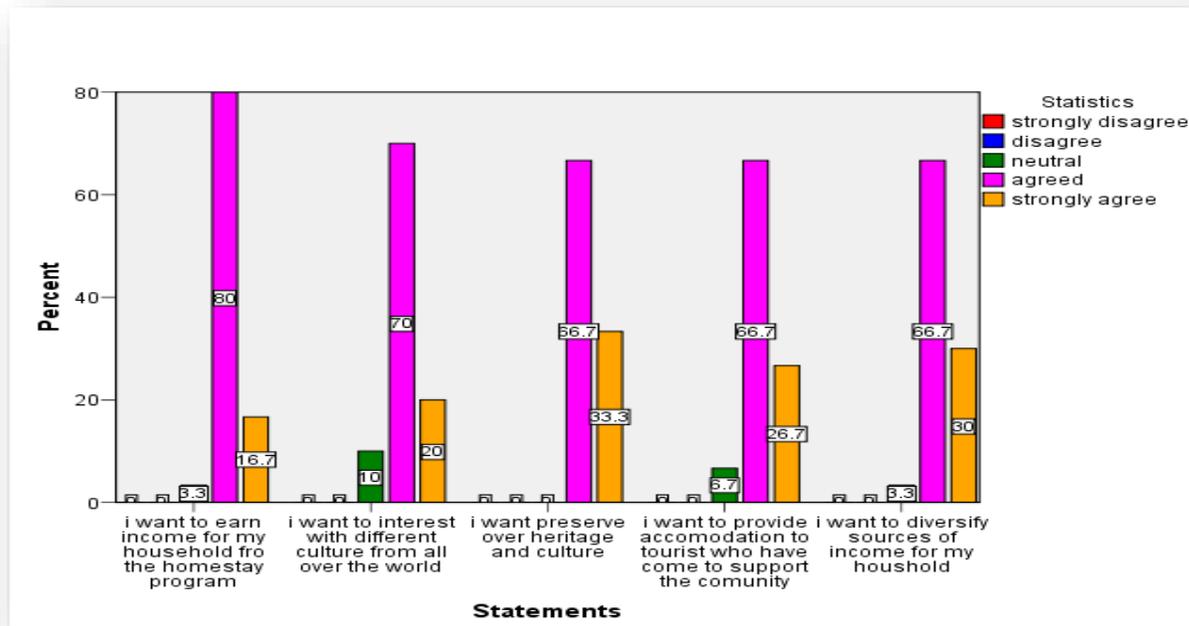
Table No 1: Motivational Factors (MF) for Household Participation a Homestay

Valid	Frequency	Percent (%)
I want to earn income for my household from the homestay program		
Neutral	1	3.3
Agreed	24	80
strongly agree	5	16.7
Total	30	100
I want to be interested in a different culture from all over the world		
Neutral	3	10
Agree	21	70
strongly agree	6	20
Total	30	100
I want to preserve over heritage and culture		
Agree	20	66.7
Strongly agree	10	33.3
Total	30	100
I want to provide accommodation to tourists who have come to support the community		
Neutral	2	6.7
Agree	20	66.7
strongly agree	8	26.7
Total	30	100
I want to diversify sources of income for my household		
Neutral	1	3.3
Agree	20	66.7
strongly agree	9	30
Total	30	100

Five statements we use to find MT of participants in the homestay program in Skardu, the descriptive analysis is given; In table:2 & Figure 1 There are five statements used to find the motivational factors of homestay operators stated that 80% of the total respondent were agreed they *earn from the homestay program* while 16.7% of respondents were strongly agreed. As a result,

these findings indicate that the main motivation for individual engagement in the homestay program was a desire to make money.

Figure No 1: The Motivational Factors for Your Household Participation an Homestay Program



A reasonable reason for this could arise owing to the high poverty rate and alternate sources of income. The values in table:2 shows that 70% of the respondent agreed and 20% strongly agreed that they have an interest in other cultures while 10% of the total respondent were neutral. This rating of respondent show majority is interested in other culture. The values from the table:1 and Fig 2show that 66.7% of the total respondents agreed to *preserve the heritage and culture* through homestay while 33.5%of the respondent are strongly agreed. As evidenced by Table 2 and Fig1, 66.7% of the total respondents agreed with providing homestays to tourists, who have come to sustenance the local communal,26.7% strongly agreed while 6.7% of the respondent neutral rating. According to the value from figure 2, there are 66.7% of the total respondents are approved with diversifying the source of income, and 30% of the respondents strongly agreed while 3.3% were neutral.

4.4 Perception of Socio-Economic benefits (PrSE)

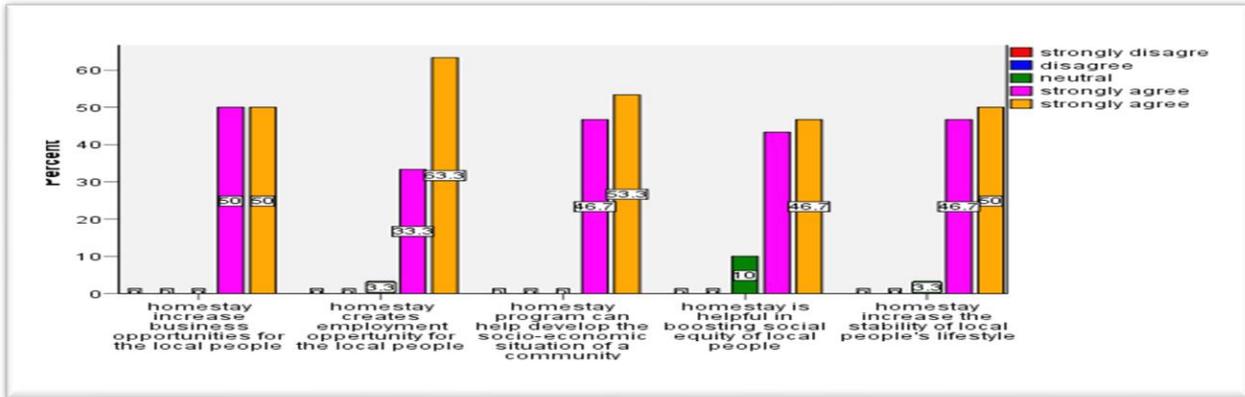
To analyze the (PrSE) , five variables were placed on five points Likert scale, and homestay owners were inquired to rate the statements on a scale of 1 to 5. The outcome shows that homestay accommodation establishment is a major source to enhance the socio-economic development of a local community. The descriptive analysis is as follows; According to the values from table 3 and figure 2, 50% of the total respondents strongly agreed, while 50% of the total respondent agreed with the statement that homestays Increase business opportunities for the local Community. According to table 2 and figure 3, there are 63.3% of the total respondents were strongly agreed and 33.3%were agreed while only 3.3% of the total respondents neutral. The result shows homestay created

employment opportunities for the local community. The value from table 2 that 53.3% of the total respondents were strongly agreed while 46.7% were agreed about homestay program helps to improve the socio-economic situation of the host community and 46.7% of the total respondents were strongly agreed, while 43.3% were agreed and 10% were neutral that Homestay helps to social equity of a local community and make interact with each other. Table 3 and figure 2 presents that 50% of the total respondents strongly agreed with this statement, while 46.7% agreed and 3.3% were rated neutral that homestay programs play the role to build character and enhancing the personality of local people.

Table No 2: Perception of The Socio-Economic (PrSE) Benefits to Host Families and Community.

Valid	Frequency	Percent
Homestay increase business opportunities for the local people		
Agree	15	50
strongly agree	15	50
Total	30	100
homestay creates employment opportunities for the local people		
Neutral	1	3.3
Agree	10	33.3
strongly agree	19	63.3
Total	30	100
homestay program can help develop the socio-economic situation of a community		
Agree	14	46.7
strongly agree	16	53.3
Total	30	100
homestay helps boost social equity of local people		
Neutral	3	10
Agree	13	43.3
strongly agree	14	46.7
Total	30	100
homestay increase the stability of local people's lifestyle		
Neutral	1	3.3
Agree	14	46.7
strongly agree	15	50
Total	30	100

Figure No 2: Perception on the following Socio-Economic Benefits of Homestay to Host Families and Community



4.4 Knowledge and Skills (KS)

Figure No 3: Knowledge and Skills in Participation in The Homestay Program

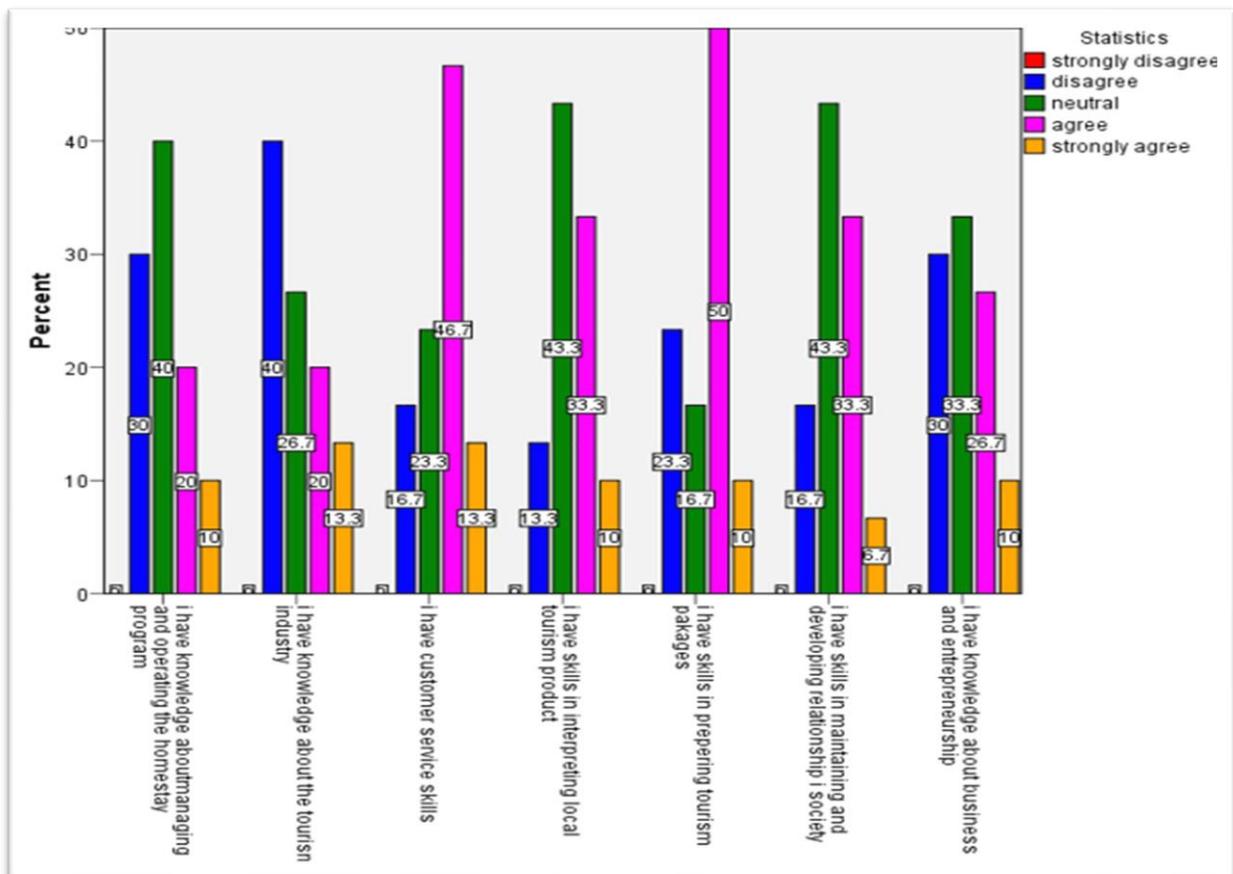


Table No 3: Knowledge Skills (KS) In Maintaining and Developing Relationships in Society

Valid	Frequency	Percent
I have knowledge about managing and operating the homestay program		
Disagree	9	30
Neutral	12	40
Agree	6	20
strongly agree	3	10
Total	30	100
I have knowledge about the tourism industry		
Disagree	12	40
Neutral	8	26.7
Agree	6	20
strongly agree	4	13.3
Total	30	100
I have customer service skills		
Disagree	5	16.7
Neutral	7	23.3
Agree	14	46.7
strongly agree	4	13.3
Total	30	100
I have skills in interpreting local tourism products		
Disagree	4	13.3
Neutral	13	43.3
Agree	10	33.3
strongly agree	3	10
Total	30	100
I have skills in preparing tourism packages		
Disagree	7	23.3
Neutral	5	16.7
Agree	15	50
strongly agree	3	10
Total	30	100
I have skills in maintaining and developing relationship I society		
Disagree	5	16.7
Neutral	13	43.3
Agree	10	33.3
strongly agree	2	6.7
Total	30	100
I have knowledge about business and entrepreneurship		
Disagree	9	30
Neutral	10	33.3
Agree	8	26.7
strongly agree	3	10

Total	30	100
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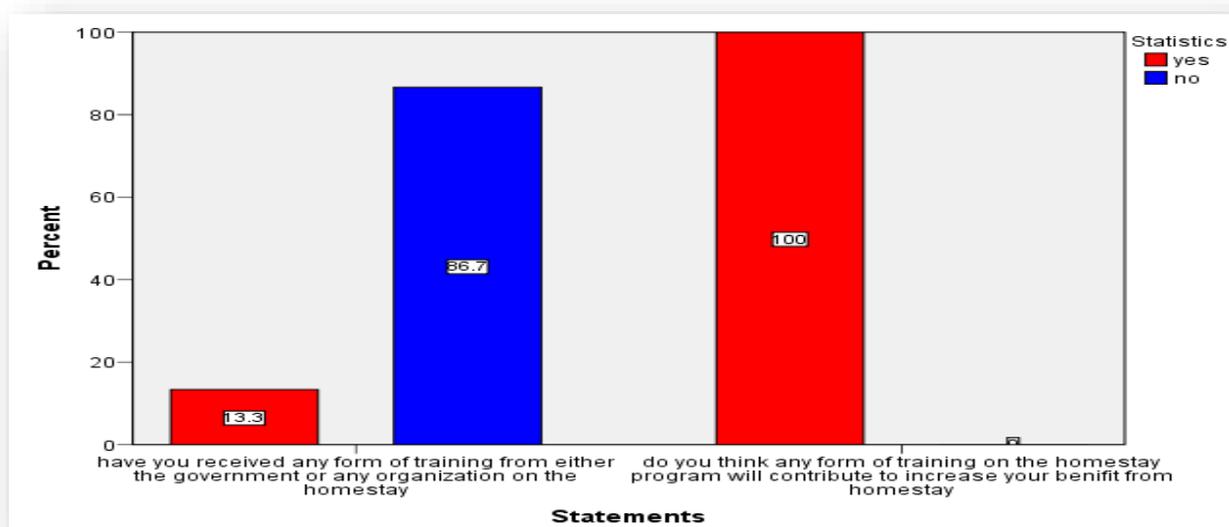
To find out the skills and knowledge of homestay operators use seven statements were asked to rate homestay operators. Evidence from table 4 and figure 3 about 40% of the total respondents was neutral, while 30% disagreed, 20% agree, only 10% strongly agreed with the statement that there is a lack of knowledge about managing the homestay program by operators. According to table 4 and figure 5, 40% of the total respondent's responses were disagree, 26.7% were neutral, 20% of the total respondents agreed while only 13.3% were strongly agreed with a lack of knowledge about the tourism industry's further needs the training and awareness programs. The values from table 4 and figure5 about 46.7% of respondents agreed, 13.3% strongly agreed with the statement that they have customer skills while 23.3% were neutral, 16.7% of the total respondents disagreed. Table 4 shows that 13.3% disagreed, and 43.3% were neutral about the statement that they have the skills to sell and promote the local tourism product. When the respondent was asked if they have skills in preparing Tourism Packages, 10% strongly agreed, 50% of the total respondents agreed, 23.3% of the total respondents disagreed, and 16.7% were neutral about the statement. To maintain the relationship with society, 43.3% of the respondents were neutral, and 16.7% disagree. Evidence from Table 4 that the homestay operators were asked about their homestay knowledge of business and entrepreneurship 33.3% of the total respondents were neutral 33.3%, and 30% disagreed.

4.5 Trainings and Education

Table No 4: Do You Received any Form of Training From Either The Government or any Organization On The Homestay

	Frequency	Percent
Yes	4	13.3
No	26	86.7
Total	30	100.0

Figure No 4: Formal or Informal Training for Homestay



The finding shows in Table 5 that 86.7% of the total respondents were no such training by any organization on homestay management and only 13.3% of respondents have been trained for homestay. While 100% of the participant of homestay operators like to attain training about homestay.

4.6 Marketing

Table No 6: How Do You Market Your Homestay

Statement	Frequency	Percent
Internet	26	86.7
tv advertisement	1	3.3
Brochures	3	10.0
Total	30	100.0

To market the homestay business 86.7% of the operators, use the internet specifically social media for marketing, 10% use brochures and only 3.3% of the operators use cable advertisement for marketing can be seen in table6. This statement is also confirm from the recent studies by Ali & Xiaoying, (2021) state that 70% of the tourist get information about the destination from social media (Facebook).

Conclusions

The Karakorum Highway has significantly altered the socioeconomic environment of Gilgit-Baltistan. Tourism has allowed formerly isolated and isolated cultures to become more connected with the outside world. Homestay tourism is a segment of rural tourism recently becomes popular in Pakistan though it is more common in northern Pakistan. The tourism authorities are still in the process of formulation of the homestay regulations and homestay standards. The new regulation and standards always come with new challenges. Govt regulation or implementation of standards on homestay business is another challenging issue. The current standards and govt policies will be imparted in the project to become a sustainable and successful segment of the national policy.

The finding of this study provides the framework for the study. The outcome of this study has substantial insinuations for the government to propose policy for homestay accommodation and conduct an awareness program for the local people. The finding shows that homestay is a positive means of enhancing the socio-economic well-being of the local community. This result can be useful to the government (policymakers) in making policies and relevant legislation to enable and encourage the growth and development of homestays sustainably. Third, homestay operators documented a low level of knowledge and training. Sometimes homestay programs fail to owe to a lack of local involvement, leadership, experience, and skills, as well as poor planning and community structure. This issue is usually resolved before the implementation of the project or giving proper training. Homestay destinations to investigate their specialization and potential issues faced by homestay operators because each homestay community is likely to offer distinct products, they may encounter identical or distinctive issues in the operation. The research shows that some operators were successful, and some were not gain success in the homestay business due to its location, product, management, marketing, and personal issues.

Internal challenges include imbalanced demography, which results in a shortage of youth in the homestay program. Cash flow issue as a result of delayed payment, and the requirement for operators to rely primarily on groups. Internal issues that arise among the operators and community can be handled with appropriate metrics as a solution, for example, problems that can be debated in a closed meeting for a potential solution.

5.1 Recommendation for Policy

The government policymaker for tourism should develop policies to determine an facilitating atmosphere for the establishment of homestay lodgings. This will ensure supportable socio-economic development of the community, promote community- base tourism (CBT) and engage tourist with local culture. In addition, the education institution, tourism bodies must involve in tourism and hospitality training to conduct training workshops and to develop IT base solution for the promotion and management of homestay operations which will help to boost homestay business.

5.2 Further research recommendation

The growth of homestay business is great value to the local people, culture promotion and preservation, future research should study effective marketing strategies for homestays and the real encounters that the homestay operators face. i.e., funding issues. This study did not reveal the factors influencing why tourists chose the homestay accommodation in a destination etc. it may be valuable to conduct further research on this are by means of additional variables.

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