

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh



**Planning Department
Government of Himachal Pradesh**

Preface

The Home Stay policy of the Government of Himachal Pradesh is aimed at promoting rural tourism with the twin objectives of providing livelihoods to local youth and decongesting already over sold tourist destinations by providing tourists more options. An attempt has been made to assess the impact of operations of the Home Stay Units in meeting these objectives and to determine the level of satisfaction of the guests of these units in terms of the services and amenities provided to them by these units.

The initial part of the report analyses the policy followed by the State Government in promoting tourism in the State. The impact of interventions made through various policy statements in meeting the objectives of these policies has been evaluated at length and some recommendations for making changes in existing policies have been made based on the interaction with various government officials and the industry. An attempt has been made to make area specific recommendations following comparative advantage approach.

The inferences drawn in this report are based on the analysis of information collected through interviews held with the occupants of Home Stay Units and from various secondary sources. The suggestions and inferences drawn are purely based on the analysis of the gathered information and the opinions and responses of the occupants of the Home Stay Units, owners of these units and industry obtained during the survey. The views expressed by the respondents and reproduced in this report are not necessarily subscribed either by the State Government or by the Planning Department.

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Contents

Chapter 1:	Growth of Tourism in Himachal Pradesh	1-31
Chapter 2:	Home Stay Units and tourist Footfall	32-73
Chapter 3:	Amenities and Services Offered by Home Stay Units: Tourist Satisfaction Survey	74-80
Chapter 4:	Conclusion and Suggestions	81-90
References		91-93

Growth of Tourism in Himachal Pradesh

The tourism sector is one of the fast-growing sectors for States of India as well which has significant impact on employment and accelerated regional development with a multiplier effect. Of late, relatively developed States have started focusing on development of tourism for giving pace to growth process of their economies. In fact, domestic tourism has emerged as a springboard to the development of these economies. The multidimensional strategies focusing on environmental and heritage conservation, local advantages and participation of local communities followed by these States have made a huge impact in achieving the targets in the tourism sector within the Sustainable Development Goals Framework. Development of quality infrastructure in these States has supplemented their efforts to promote tourism.

The tourism sector as an engine for rapid and inclusive development with employment generation has played an important role in economic growth of Himachal Pradesh also. Development of tourism in Himachal Pradesh has not only helped in giving pace to the growth of its economy but has also been instrumental in creating backward and forward linkages resulting in development of other sectors and providing livelihoods to inhabitants of the State. The principle of sustainable tourism as followed by the State Government has helped in conserving the environment, cultural heritage and maintaining original characteristics of local landscape. Creating necessary infrastructure, facilitating tourists arriving in the State with all required amenities,

maintaining service standards and coordinating with the tourism service providers has always been the endeavour of the State Government. Various policies of the State Government are working in the direction of making Himachal Pradesh the most popular tourist destination throughout the year. However, certain areas like bringing more private investment by ensuring its profitability in tourism sector, provision of robust infrastructure comparable to international standards, identifying and capitalizing on the locally available advantages for promoting tourism still need to be worked upon with prudence.

Himachal Pradesh has also been making changes in its tourism policy as required by the changing market conditions and the resultant demand for tourism services. Tourism has been an integral part of culture and tradition across the globe. People living in different countries spend a considerable amount of their income on visiting new places throughout the world. The challenge is to attract the maximum number of such tourists by making their stay at the tourist destination of their choice as comfortable as near to home conditions which can prolong their stay at these destinations. Establishing and maintaining visitor friendly traditions, festive and colourful environment, contact with the varied lifestyles of local communities and following perpetually innovative practices would certainly help in attracting an increasing number of tourists. Publicizing and marketing historical buildings, temples, gardens, forts etc. provide an additional edge. Himachal has the advantage of having diverse geo-climatic conditions with a vast variety of flora and fauna which add beauty to its

landscape. The turbulence of five mighty rivers flowing across the State have rapids along many stretches which are perfect for attracting tourists interested in rafting. Himachal is also bestowed with a very large number of ancient temples with a very large potential for pilgrimage and heritage tourism. Clean and fresh air with scenic beauty has an advantage to promote health tourism.

Himachali handicrafts, particularly wool products like shawls, caps and carpets can be the main attraction for foreign tourists in addition to the tourists from other parts of the country. Mountain tourism combined with cold desert tourism with a vast potential for trekking and hiking at moderately high and even higher altitudes can best be capitalized by attracting adventure loving segment of tourist. Rural and unexplored remote areas of the State also have a vast potential for development of tourism if connectivity and other basic services along with necessary amenities are made available at these places. Mcleodganj and surrounding areas are visited frequently by many foreign tourists because of presence of His Holiness Dalai Lama, a great propounder of Buddhism in this area.

The Tourism Policy of Himachal Pradesh of 2000 observed that for every investment of Rs.10 lakh made in tourism sector generated 47 jobs in contrast with a more labour – intensive sector like agriculture which provided 44 jobs only. It was also taken note of in the same policy that the tourism sector (excluding trade and transport sectors) contributed only about two percent to the State Domestic Product despite having endless possibilities of

generating income and employment in this sector in Himachal Pradesh (Planning Commission, Government of India, 2005). The mission statement of this policy was as under: -

- To create prosperity for the people of Himachal Pradesh through travel and tourism.
- Promotion of tourism that is in harmony with the social and cultural values of the local communities and is environmentally sustainable.
- And to create direct, indirect, and ancillary new employment opportunities for the local population.

The policy statement was driven by the following objectives: -

- Promotion of tourism in Himachal Pradesh, which is economically, culturally, and ecologically sustainable.
- Tourism development as a means of providing new employment opportunities in rural, tribal, and remote areas.
- Encouragement and promotion of private sector participation in tourism to generate employment through provision of new infrastructure.
- Increasing duration of stay of tourists in the State by promoting activity-based tourism.
- Promotion and development of adventure tourism by following internationally established safety standards and providing facilities accordingly.

- Special focus on the promotion of religious tourism.
- Introduction of innovative concepts like time – share.
- Transforming the role of Government into that of a facilitator.

The Tourism Policy of 2000 found an explicit mention of important actions in relevant areas. The strategy was based on the following: -

- Attracting tourists throughout the year in all the seasons.
- Promoting tourism in the lesser-known destinations including rural and tribal areas, National Parks, and Wildlife Sanctuaries.
- Development of pilgrimage sites by providing better connectivity, sanitation, and wayside amenities.

The plan of action was based on improvement of basic infrastructure, tourism specific infrastructure, entertainment infrastructure, accommodation, transport, and catering, and enabling policies and legislation for achieving the objectives as laid down in the Policy Document. However, actual implementation of the initiatives mentioned in this policy was not as effective as it should have been. There was little effort to develop tourist clusters or amusement parks. The land policy could also not be amended in a way that could attract large investment. The Government decision to review all the investment clearances with specific permission to purchase land given by the Government in 2003, in fact, destroyed the confidence of potential investors. Many more actions mentioned in the Policy Document could either not be initiated or could not be completed. The

implications are reflected in continuous overselling of Shimla – Kullu – Manali Circuit and underselling of other circuits and tourist destinations in the State.

The State Government held a comprehensive review of the tourism policy and other investment policies of the State Government and brought out a new “Himachal Pradesh Tourism Policy” in 2019 with an objective to bridge the gaps which the earlier tourism policy could not take care of. The policy took cues from a report published by the NITI Aayog – “Sustainable Tourism in Indian Himalayan Region”. The report predicted an average annual growth rate of 7.9 percent in tourism sector in Indian Himalayan Region (IHR) between 2013 and 2023. The report drew an inference from the information available that the IHR had attracted tourists seeking vistas, adventure, cool climate in summers, sports, spiritual solace, peace, and many other endowments of mountains from all areas of the country. The same report concludes that tourism provides valuable economic and business opportunities and jobs to the local mountain people and the State Government together with private entrepreneurs of IHR exploit tourism potential of this region to earn revenues and profits (NITI Aayog, Government of India, 2018).

Despite various benefits, mainstream tourism has associated negative connotations. The impacts of mass-tourism and disregard to carrying capacity in the tourism development trajectory of the IHR have resulted in emergence of serious concerns among policy makers, residents, and visitors. The degradation of cultural assets and disruption to social structures are parallel threats. Global issues of resource depletion and environmental degradation may be seen as important as local ones,

including the long-term effects of tourism on climate change and the impact of adaptation and mitigation measures on travel patterns. It is also seen that tourism has been associated with weak linkages to the poor. The lack of engagement of the poor can cause much tourism spending to leak away from destinations in habitat by them. The income that accrues may not end up benefiting the poor and may reach the better educated and well-off segments of the society instead (NITI Aayog, Government of India, 2018).

Himachal Pradesh Tourism Policy, 2019

The Tourism Policy of 2019 also aligns itself with the Sustainable Development Goals Framework (SDGF) of United Nations. In addition to Sustainable Development Goal 17 that requires a detailed plan of action for people and prosperity for all countries with all stakeholders to act in collaborative partnership, the Sustainable Development Goals 8 and 12 take care of mountain specific tourism directly. In fact, none of the 17 goals of SDGF can be said to be entirely isolated from the impacts of and causes of sustainable tourism. The Tourism Policy of Himachal Pradesh of 2019 specifically aims at providing decent work with economic growth (SDG-8) and responsible consumption and production of resources (SDG-12).

Himachal has various natural and man-made assets namely, the Himalayas, lakes, rivers, snow, rural landscape, pilgrimage spots like temples, gurudwaras and monasteries, heritage structures, traditional dance forms and attires, local handicrafts and cuisine, and some well-

established commercial destinations like Shimla, Manali and Dharamshala. The Tourism Policy of 2019 aims at promoting following things in the State: -

1. Ecotourism: All nature-based forms of tourism in which the main motivation of the tourists is observation and appreciation of nature as well as the traditional cultures prevailing in the natural areas (UNWTO), having minimized negative impacts are covered under eco-tourism. The advantages of promoting eco-tourism include benefits to local communities, generation of revenue, support to local economy and preservation of ecosystem and biodiversity.

The varied natural landscape, rolling pastures, mighty Himalayas, vast flowing rivers, pristine lakes, dense pine forests and a vivid variety of flora and fauna make Himachal Pradesh a must visit eco-tourism destination. Bird watching, trekking, eco-trails, nature parks, eco-huts, and camping are some tourism products that the policy aims to be developed to promote eco-tourism.

2. Agro/Organic Tourism: Agro/Organic Tourism involves any agriculture-based operation or activity that brings visitors to a farm, orchard, or ranch. Agro Tourism is undertaken to experience the real rural life, taste the authentic local food and get familiar with the various farming tasks. The State has many organic farms, stone fruit orchards, etc. to offer in the field of Agro Tourism.

Development of village infrastructure, organizing cultural shows, providing eco-friendly accommodations amidst farms and orchards,

streamlining facilitation procedures at airports, human resource development, creating awareness, improving public participation and facilitation of private sector participation are important points of action for facilitating Agro Tourism in the State as mentioned in the Policy Document.

- 3. Snow Tourism:** Himachal Pradesh experiences extreme winters. Despite the harsh dip in temperatures, winter and snow tourism of the region is extremely magnetic, attracting tourists in huge numbers. Activities like snow trekking and camping, skiing, gondola rides, heli-skiing or simply playing in the snow are popular during this time.
- 4. Lake Tourism:** Himachal Pradesh houses several natural and man-made lakes like Prashar Lake, Chandra Tal, Deepak Tal, Mani Mahesh Lake, Maharana Pratap Sagar, Gobind Sagar Lake which offer numerous opportunities. The Policy looks forward to providing access to man-made reservoirs for conducting water sports adventure activities. Apart from this, the fast-flowing rivers of Himachal are popular for activities like river rafting, white water river rafting, angling etc., and water zorbing, rappelling and overnight camping along the riverbanks.
- 5. Adventure Tourism:** It is a type of niche tourism, involving exploration or travel with a certain degree of risk (real or perceived), or physical danger which may require special skills and physical exertion. Adventure tourism attracts high value customers who are passionate and risk-taking. It has been envisaged to be leveraged to support local economy with sustainable practices.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

- 6. Pilgrimage Tourism:** Pilgrimage tourism can be described as travel undertaken to visit a place, building or a shrine which is sacred. This travel can take place either for observing or participating in religious aspects in accordance with an individual's trust and faith. These places attract the attention of visitors, not only for religious reasons, but also tourists interested in history, architecture, or art.

Himachal is known, since earliest of times, as "Dev Bhoomi", which translates to "The abode of the calm" and it makes it the natural home of the Gods. Being a State full of isolated valleys and high ranges, several different styles of temple architecture can be observed, having carved stone shikharas, pagoda style shrines, and temples that look like Buddhist Gompas. The State not only has Hindu temples, but it also houses many Colonial Churches, Sikh Gurudwaras and centuries-old Buddhist Monasteries. Several of them are important places of pilgrimage and each year attract thousands of devotees from all over the country.

- 7. Cultural and Heritage Tourism:** This tourism is oriented towards the cultural heritage of the location where tourism is occurring. The National Trust for Historic Preservation in the US defines heritage tourism as "...traveling to experience the places, artifacts and activities that authentically represent the stories and people of the past, and can include cultural, historic and natural resources." Cultural tourism is concerned with a traveller's engagement with a country or region's culture, specifically the lifestyle of the people in those geographical areas, the history of those people, their art, architecture religion(s), and other elements that helped shape their

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

way of life. The eco-products like handicrafts, natural produce, cuisines, herbal cosmetics and products, medicines, ethnic ornaments, souvenirs etc. of Himachal Pradesh are quite popular among travellers. Often villages and rural areas have exclusive products which could be branded. Popularizing the products would lure more travellers to the place, as well as improve the economic condition of the local villagers. The advantages of promoting cultural/eco products are: it helps uplift the backward communities, is less demanding in terms of technological innovations, and finally, acts as a lifeline for dying art form.

- 8. Health and Wellness tourism:** Wellness tourism is travel associated with the pursuit of managing or enhancing one's personal well-being through physical, psychological, or spiritual activities. Wellness tourists are proactive in seeking to improve or maintain health and quality of life, often focusing on prevention. However, wellness tourism is often correlated with medical tourism where the traveller is looking for medical aid to get cured mostly through indigenous medicines and therapy.

The Himalayas, being home to a huge collection of medicinal plants and hot springs known for their curative properties provides a stable platform for building health and wellness tourism. Ayurveda spas, wellness centres, Yoga retreats bode well with the scenic and calmative settings of Himachal Pradesh.

- 9. Film Tourism:** There is a growing interest in and demand for locations among travellers which become popular due to their appearance in films and television series. Films, documentaries, TV-productions, and commercials inspire people to experience the

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

locations screened in the content and to explore such new destinations. Film tourism is an excellent vehicle for destination marketing and creates opportunities for product and community entrepreneur development. The film field is a fast-paced industry, driven by creative passion, positive energy, and tremendous enthusiasm, which can have strong linkages with the tourism and services sector to yield fast results.

10.MICE Tourism: The MICE market refers to a specialized niche of group tourism dedicated to planning, booking, and facilitating conferences, seminars, and other events, which is a profitable venture in the travel industry. Such events, when hosted, draw plenty of attention to the hosting city or place and benefit the local economies through multiplier effect (travel, accommodation food, local travel etc.). Infrastructure created to support such events also helps in the 'fast-track' development of these areas and indirectly becomes a platform for showcasing local culture.

Meeting Travel hosts a gathering of people coming together in one place, usually a limited number of people, to discuss a subject.

Incentive Travel may be one of the harder components of MICE travel to understand since it doesn't necessarily deal with group events. Instead, incentive travel is typically given to employees as a reward. Incentive travel doesn't usually have a business or explicit educational component but instead is more of a non-business vacation with the aim of continued motivation for performance.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Conference Travel involves organizing itineraries, meetings, and events for people from the same profession in the field. Conferences usually have a specific agenda, objectives, and a planned list of activities for the exchange of information.

Exhibition travel: At an exhibition, products or services are displayed and might be the primary focus of the event. Exhibitions are often included in other conferences and meetings, there is often an overlap.

Table-1.1
Theme Wise Performance of Districts and Potential Areas

Sr. No.	Theme	Existing Well Performing Districts	Potential Districts
1.	Eco Tourism	Lahaul-Spiti	Kinnaur, Kangra, Chamba, Mandi (Janjehli, Barot Valley), Kullu, Shimla (Chansal)
2.	Agro/Organic Tourism	Chamba, Shimla, Kinnaur	Sirmaur (Rajgarh), Majdi (Karsog Valley), Bilaspur (Ghumarwin), Lahaul-Spiti (Spiti) Chamba and Kullu
3.	Snow Tourism	Kullu	Shimla (Narkanda and Chanshal), Kinnaur, Lahaul-Spiti, Chamba
4.	Lake Tourism	Lahaul-Spiti, Kangra	Chamba, Mandi, Bilaspur, Una
5.	Adventure	Kullu, Chamba, Lahaul-Spiti	Kinnaur, Mandi, Sirmaur, Kangra and Shimla
6.	Pilgrimage	Promotion and Marketing through Religious Circuits in all districts of HP	
7.	Cultural & Heritage	Kullu, Shimla, Kangra, Lahaul-Spiti	Chamba, Sirmaur (Nahan), Kinnaur, Mandi and Hamirpur
8.	Health & Wellness	Kangra	Solan (Chail), Kullu, Kinnaur, Lahaul-Spiti, Mandi
9.	Film Tourism	Shimla, Kullu	Lahaul-Spiti, Kangra (Palampur), Kullu (Manali), Chamba (Priungal), Shimla (Fagu)
10.	MICE Tourism	Shimla, Solan, Kangra	Solan Kangra, Kullu & Sirmaur

Source: Tourism Infrastructure Sustainable Development Plan for HP, 2019

Vision and Mission Statement of HP Tourism Policy, 2019

Vision: “Positioning Himachal Pradesh as leading global sustainable tourism destination for inclusive economic growth.”

Mission: To grow an inclusive and sustainable tourism economy through:

- Protection of State’s natural and cultural heritage.
- Improved quality of life and better employment opportunities.
- Enhanced tourist experience.
- Innovation through private sector participation.

Guiding Principles

- **Sustainable tourism:** Sustainable tourism is a concept that entails visiting a destination as a tourist and trying to make a positive impact on the environment, society, and economy. No harm can be caused to the destination in terms of social, economic, and environmental aspects because of tourism.
- **Inclusive tourism:** Inclusive tourism intends to reduce poverty by integrating disadvantaged groups, so that they can participate in and benefit from tourism activities.
- **Atithi Devo Bhava:** It is a concept where host community considers tourists as Gods and provides them with a comfortable and safe environment.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Goals: The prime goal is to establish the State of Himachal Pradesh as a leading global sustainable tourism destination.

- Establish Himachal Pradesh tourism as an international brand in niche tourism.
- Make tourism sustainable with prime focus on socio-economic growth and employment generation.
- Ensure quality experience of tourists.
- Encourage Private Sector Participation in tourism related investments & infrastructure.

Policy Objectives: In order to realize the mission and achieve the goals for sustainable tourism, objectives focusing on different facets have been formulated to achieve the proposed target for 2029.

- To promote Tourism Diversification through theme-based development.
- To safeguard State's tourist destinations through sustainable interventions.
- To ensure that sustainable tourism primarily benefits host communities.
- To build capacity and develop quality human resources for the tourism industry.
- To provide safe, secure, and unique "Tourism for all."
- To create an enabling environment for investments for sustainable tourism.

Each objective is achieved through a set of strategies. The strategies are to be achieved through Short Term (0-3 years), Mid Term (3-5 years) and long Term (5-10 years) action points. A separate strategy has been elaborated for achieving each objective in the Policy

Document of 2019. Some of the strategies are listed as under: -

- Promoting thematic tourism to cater to national and international segment of tourists.
- Statewide tourism infrastructure development.
- Innovations in promotion and branding techniques.
- Chalking out guidelines for tourism management for sustainable tourism.
- Tourism destination development based on carrying capacity.
- Encouraging green practices at all tourist destinations.
- Strengthening Home Stay registration.
- Community based tourism development.
- Year-round tourist engagement activities.
- Strengthening of existing institutional structure.
- Skill and entrepreneurship development programmes.
- Safety and security of tourists at all destinations.
- Trekking and Tourism Master Plan.
- Promoting tangible and intangible cultural products of the State.
- Improving accessibility and creating/enabling infrastructure.
- Integrating ICT in Tourism Industry for tourism management and quality experience.
- Development projects in PPP mode.
- Provision of single window system to facilitate private investments.

Incentives for tourism enterprises

The State Government has already granted the status of 'Industry' to the tourism sector way back in 1984. The incentives and concessions announced in this policy are applicable to the investment made in the tourism sector. The entire State has been divided into three categories i.e., category 'A' areas which are remote, lesser known or new tourist destinations and have potential for tourism development; category 'B' areas are intermediate areas and category 'C' areas comprise of existing popular tourist destinations. Any tourism project approved and registered by the Department of Tourism, Government of Himachal Pradesh shall be eligible for these incentives. Hotels, resorts/ski resorts, tented/hut accommodation, hospitality training institutes, theme parks, adventure tourism projects, wellness tourism units etc. are among the eligible tourism units for getting incentives and concessions under the policy. Such tourism units are eligible for getting subsidy on capital investment on private land (other than the cost of land) to a maximum permissible limit. These limits have been prescribed separately for different units. Different incentives for eligible tourism units which intend entering a partnership with the Government either through transparent bidding process or through Swiss Challenge Mode have been mentioned in the policy. The role of the Government is getting all necessary approvals from various departments and has also been defined with the provision of providing all clearances through a single window. The policy also provides for financial assistance for development of infrastructure at the site of establishing the tourism unit. Additional incentives have been announced for bonafide Himachali entrepreneurs. The policy has provisions for skill upgradation of the manpower deployed in tourism units at subsidized fee.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

The policy also contains a negative list barring any tourism unit located within 200 meters on either side of four highways viz. Parwanoo to Kumarsain, Swarghat to Manali, Chakki Bank to Baijnath and Chakki Bank-Dalhousie-Khajjiar from getting any incentives provided in this policy. However, certain tourism projects/activities are eligible for getting incentives along above-mentioned highways also.

The State Government had brought out a comprehensive Home Stay Scheme with the dual objective to attract tourists to relatively lesser-known tourist destination with natural serenity and simultaneously providing self-employment and wage employment to the local youth. This study is an attempt to assess the success of this scheme in meeting its objectives.

The following text of this chapter attempts to make an assessment of the impact of policy initiatives in the Tourism Sector on the growth of the Tourism Sector and State's economy. The changes in contribution made by the Tourism Sector to the GSDP since 2004-05 have also been analyzed. The public spending in Tourism Sector was given a push especially with the start of implementations of Himachal Pradesh Tourism Infrastructure Project with the financial assistance of Asian Development Bank in the State Government is now in negotiations with the Asian Development Bank for implementation of second phase of the project. The first phase of this project has been successfully implemented with a total cost of USD 95.16 million. The State Government introduced a new scheme – 'Nai Rahen Nai Manzilen' for improvement of road infrastructure, transport, parking, and other basic amenities in the identified virgin tourist destinations. The

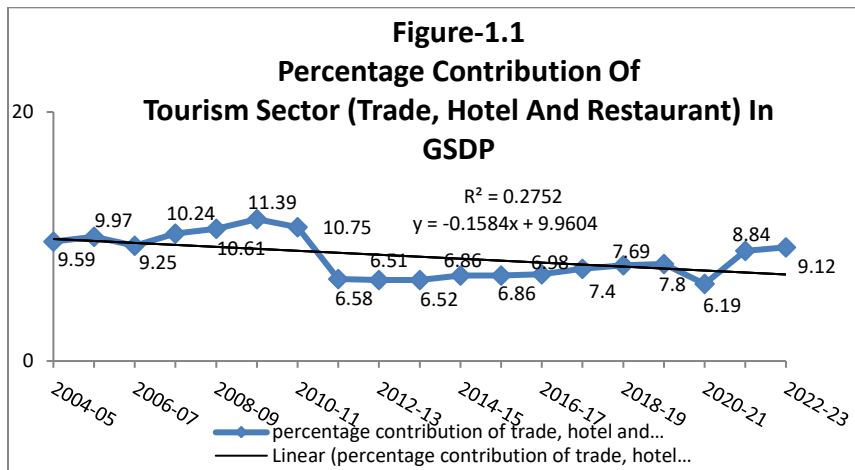
Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

need to pump in more public investment into this sector has also been examined critically.

The trend line drawn for movement in percentage contribution of tourism sector which includes trade, hotel, and restaurant in the total Gross State Domestic Product (GSDP) shows a declining trend between the period starting from 2004-05 up to 2022-23 (Figure-1.1). The contribution of tourism sector in the total Gross State Domestic Product (GSDP) started declining after 2010-11 and remained below the trend line right up to 2018-19. The trend line in Figure-1.1 clearly shows that even though the share of the tourism sector in the GSDP has increased after 2018-19, this increase has been at a decreasing rate. This is clear from the negative slope of the trend line ($-0.16x$) and actually requires attention especially, keeping in view that the public investment in the tourism sector has increased particularly after 2010. In fact, the movement of line graph after 2011-12 has been at an increasing rate right up to 2019-20 even though the contribution of Tourism in GSDP remained below the trend line. The year 2020-21 witnessed a sharp decline in the percentage share of tourism sector in the GSDP and this decline is largely attributed to the general economic slowdown and the resulting decrease in the commercial activities in the tourism sector due to outbreak of COVID-19. Although the tourism sector picked up sharply after 2020-21, this upward movement needs to be interpreted in the backdrop of lower base during 2020-21. Another fact that is required to be kept in mind, while having an insight about the contribution of tourism sector in the GSDP, is that the figures available are inclusive of trade, hotel, and restaurant rather than being purely of the tourism and hospitality sector. This has been a limitation of the present study as the figures brought out by the Directorate of Economics and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Statistics are inclusive of the contribution of the trade sector as well. This has been the limitation of the present study. All references to tourism sector in the present

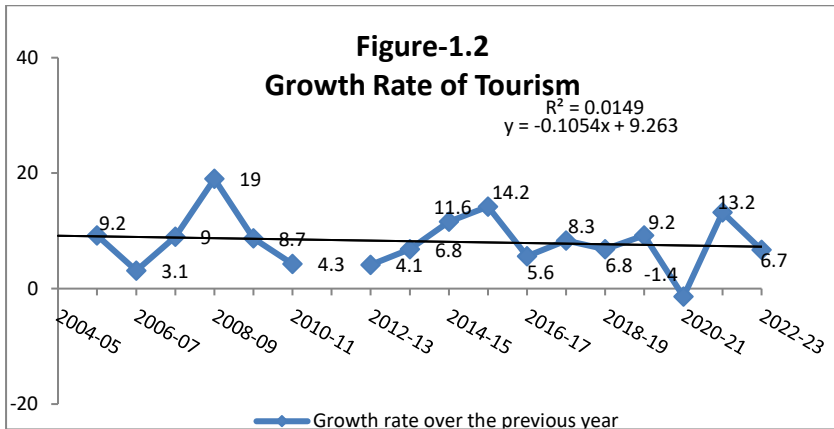


study henceforth would mean exactly as has been explained in the preceding text.

A trend in the movement of growth rate of tourism sector in Himachal Pradesh will help in getting better understanding of as to how the tourism sector has progressed. Figure-1.2 gives an idea about the movement in growth rates of tourism sector in Himachal Pradesh between 2004-05 and 2022-23. The growth rates for 2004-05 and 2011-12 are not available because of the change in base year and beginning of new data series during these years. Two spikes showing exceptionally high growth rates of tourism sector of 19 percent during 2008-09 and 14.2 percent during 2015-16 have been observed. Although, an average growth rate of 6.58 percent of tourism sector in Himachal Pradesh between 2014-15 and 2022-23 may give a comforting feeling, it is to be seen that the tourism sector in Himachal Pradesh has grown at a decreasing rate between 2004-05 and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

2022-23 as is evident from the negative slope of the trend line equation shown in the Figure-1.2. A sharp decline in

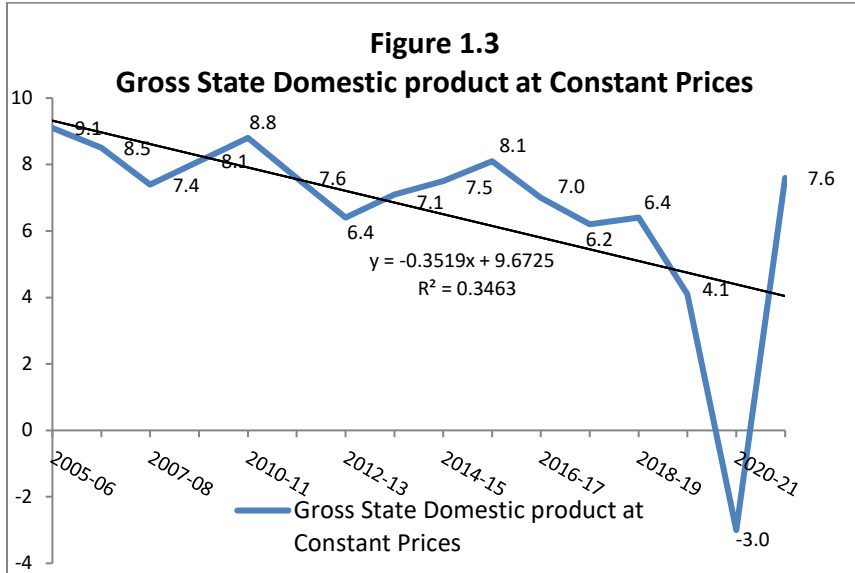


the growth rate of tourism sector during 2020-21 can be explained due to fall in tourist footfall and also general lockdown resulting from COVID-19. The growth in the following year was expected, however, decline in growth rate below the trend line during 2022-23 is a matter of concern.

Figure-1.1 and Figure-1.2, when interpreted in conjunction with each other, are sufficient to indicate that the increase in public investment made in tourism sector after 2010-11 has not yielded the desired results as it has failed to arrest the decreasing rate of increase in growth of tourism sector in Himachal Pradesh. This implies either that the public investment in the tourism sector was not sufficient to give the desired pace of growth to the tourism sector or there are some other areas which also needed the attention of the Government for obtaining the desired results.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

It would be worthwhile to compare the movement of the GSDP with that of the share of tourism sector in it in Himachal Pradesh with the help of statistical tools. A



simple line graph along with the trend line equation showing the movement of GSDP in Himachal Pradesh between 2004-05 and 2021-22 is given in Figure-1.3. Notably, the negative slope of the trend line equation ($-0.36x$) not only indicates to the decreasing rate of growth in the GSDP but is also considerably higher than the negative slope of the trend line equation of contribution made by the tourism sector. The positive correlation between the GSDP and the contribution of tourism sector in GSDP is evident by merely observing Figures 1.2 and 1.3. A more precise relation between the two has been attempted by running regression analysis on these two variables.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Regression Analysis – A Technical Note

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.946 ^a	.895	.889	1595431.41	1.37
a. Predictors: (Constant), TTHR					

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	348062879174468.750	1	348062879174468.75	136.74	.000
	Residual	40726422349138.445	16	2545401396821.15		
	Total	388789301523607.200	17			

Dependent Variable: GSDP
Predictors: (Constant), TTHR

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-386513.71	851573.54		-.454	.656
	TTHR	13.344	1.14	.946	11.69	.000

a. Dependent Variable: GSDP

Regression analysis has been run to know if there is any significant contribution of the income generated from the tourism sector (including trade, hotel, and restaurant) (TTHR-independent variable) to the Gross State Domestic Product (GSDP- dependent variable) during the period under consideration of the study. Following Null hypothesis and the Alternate hypothesis have been put to test by running regression analysis on two variables: -

Null hypothesis H_{01} : The income generated from the tourism sector has not contributed statistically significantly to the Gross State Domestic Product of Himachal Pradesh.

Alternate hypothesis H_{A1} : The income generated from the tourism sector has contributed statistically significantly to the Gross State Domestic Product of Himachal Pradesh.

A linear regression analysis using a single independent variable i.e., the income generated from the tourism sector (including trade, hotel, and restaurant) (TTHR) to know its relationship with the dependent variable – Gross State Domestic Product has been run using SPSS. Both the independent

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

and dependent variables are measured on a continuous scale. Linearity in the relationship between two variables is established by the scatter plot between two variables. R-value of 0.946 in the model summary table above indicates to a high degree of positive correlation between two variables. R² value in the same table is 0.895 indicates that 89.5 percent of variations in the Gross State Domestic Product can be explained by the independent variable. Both these values are more than good and are satisfactory to proceed further with the next step of regression analysis.

The Durbin Watson for the model comes out to be 1.37 which is a little lower than the lower permissible limit of 1.5 indicating to a relatively higher incidence of positive autocorrelation in the time series data. However, since 1.37 very close to 1.5, this has been ignored as working on lagged time series and then running multiple regression on the lagged time series data may have been out of scope of the present study. A lag in the independent variable is inherent to the process of income generation within the tourism sector as the income generated in this sector during the previous years, will certainly affect income generation in future due to a natural lag involved in multiplier process. There are, of course, other factors that influence the income generation in tourism sector contributing to the GSDP.

The Coefficients table provides necessary information to predict GSDP from the income generated from the tourism including trade, hotel and restaurant sector and determines whether income generated from tourism sector contributes statistically significantly to the GSDP. The values under B column can be used to derive the regression equation for the model, which can be written as:

$$\text{GSDP} = -386514 + 13.44(\text{TTHR})$$

Using this regression equation GSDP for any financial year can be forecast by regressing the income generated from tourism sector. Same table shows to p-value as 0.000 which is much less than the permissible value of 0.05 for a two tailed test. Thus, the Coefficients of regression are statistically significant and the Null hypothesis H₀₁ i.e. The income generated from the tourism sector has not contributed statistically significantly to the Gross State Domestic Product of Himachal Pradesh can be safely rejected and supports acceptance of Alternate hypothesis H_{A1} i.e. The income generated from the tourism sector has contributed statistically significantly to the Gross State Domestic Product of Himachal Pradesh.

Above analysis indicates to sluggish growth of Tourism Sector in Himachal Pradesh. Some areas have been identified which need to be considered for making changes in existing policy, and are mentioned as under: -

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

- There has been a total absence of development of tourism clusters and large-scale initiatives for development of amusement parks in partnership with the private sector or entirely with participation with the private sector.
- The existing land policy has been found to be the single largest factor coming in way of attracting private investment in tourism sector. The present provisions of land policy require an overhaul that can bring in capital investment and entrepreneurship in the tourism sector. Even though, the tourism policy finds a mention of the provision of advertising such sites which have all clearances for inviting entrepreneurs to invest, the action has been found to be missing in practice. Even after getting 'single window' clearances, the investment proposals still need a lot of clearances for which the potential investors must visit different Government offices repeatedly.
- Despite all its efforts and provisions made in various policy statements to decongest over sold tourism circuits like Shimla-Kullu-Manali, already established tourist places continue to be over sold. Lesser known and unexplored new destinations are either under publicized or have connectivity and other infrastructure related issues.
- The seasonality in tourism continues and provision of world class infrastructure and other amenities especially during winters are found to be absent.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

- The biggest gap in implementation of the Tourism Policies of Himachal Pradesh of 2010 and 2019 has been observed to be the confusion about the role of Himachal Pradesh Tourism Development Corporation (HPTDC). Some of the observations in this regard which were made by the research team after interaction with various stakeholders and after going through the available information are as under: -
 - ✓ Even though, both the policies particularly, that of 2019 makes a mention of giving 'Single Window' clearances to all the private investment proposals in tourism sector, the public investment in HPTDC continues to be increasing over the years. A large proportion of the funds budgeted under the ADB assisted Himachal Pradesh Development Project and under 'Nai Rahen Nai Manzilen' has been invested either in creation of new assets or in altering/renovating the existing assets of HPTDC. In fact, it was noticed during the discussion with the stakeholders that HPTDC is still considered as an organization which would give competition to the private sector in the development of tourism sector in Himachal Pradesh.
 - ✓ The services being provided, and the menu being served by the HPTDC is also not in alignment with the demand in the market. The private investment

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

would certainly help in providing a lot more choices to the tourists and local population alike. The process of disinvestment in the HPTDC had never taken off to the extent it was mentioned in the Tourism Policy of 2010. Some of the assets have been outsourced/leased out recently for their operation. However, it is too early to make assessment of the outcome of this disinvestment.

- ✓ Most of the units owned by the HPTDC were run by the manpower that was hired long ago and it has failed to upgrade their skills to match with the market demand. Most of the staff deployed in these units are not able to communicate effectively with the guests.
- ✓ Food and Beverages being served in these units also need updation. The same items being served in different units taste differently and there is no standardization of ingredients and recipes, especially, in case of cuisine showcased as local delicacy.
- The tourists travelling in their own vehicles are generally a harassed lot. Local police tend to stop and check their vehicles randomly. The police, in fact, should see this group of tourists to promote local tourism by guiding and giving them a feeling of friendliness.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Based on the findings of analysis of available information, there are certain suggestions which can make tourism sector to grow at a faster pace. These suggestions are briefly listed as under: -

- a. The two Tourism Policies of Himachal Pradesh and the action taken for implementation of these policies mainly focused on development of tourism with a philosophy that tourism in Himachal Pradesh would mean development of Himachal Pradesh. Although, tourism has been granted status of an industry, its socio-economic orientation is still viewed as one of the important factors that can contribute to overall development of the State more than any other sector. Despite enunciating the role of private investment in the Policy Document, the State has not been able to attract private investment in a major way. The tourism potential existing in Himachal Pradesh requires professional marketing with a singular focus on the customer which, in this case, is tourist. It must be an explicit part of the Tourism Policy that the tourists must be considered as an individual whose satisfaction during his stay in the State may result in an urge to stay for a longer period in the State and to visit it again. Given past performance of HPTDC and its current State of affairs, it seems a distant reality unless extremely professional approach is followed by it, or its area of operation is opened to private sector.
- b. The HPTDC is currently one of the important organizations providing employment to the local youth. Most of the employees of the HPTDC have been found to be lacking

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

professionalism and the skills that are currently in demand in the market. The non-professional management of HPTDC cannot sustain it in the long run. Even if, the compulsion is to employ local youth, it is necessary to upgrade their skills commensurate with the demand prevailing in the market. Even partial or complete outsource of their services in the units owned by HPTDC may not be a bad option considering expectations of the tourists visiting the State.

- c. Advertising campaigns alongwith hoardings and tourism promotion events alone cannot attract tourists to Himachal Pradesh. Aggressive marketing strategies alongwith the promotional activities are likely to yield better results. The marketing strategy needs to be isolated from the publicity strategy and the Tourism Department and the HPTDC need to get out of the mind set of just attracting the tourists considering tough competition from neighbouring States of Uttarakhand and Jammu & Kashmir. The aggression in marketing strategy will help in fetching the tourists from other parts of the world. This strategy also includes ensuring world-class all-weather connectivity to and provision of other amenities at identified tourist destinations and setting it to potential clients. Formulating an effective and innovative marketing strategy would require lots of market research with the help of nationally and internationally renowned experts. This task cannot be accomplished by the Government officials above. Reaching potential tourists living in other parts of the world would also mean tying up with airlines, transport companies, hotel chains, travel agencies,

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

financial institutions, and banks to ensure uninterrupted supply chains which will also help in prolonging the stay of tourists in Himachal Pradesh.

- d. Himachal Pradesh Tourism Development Board needs its reorientation to professionalize the entire management so that research and evidence-based tourism development strategy can be formulated. The board as a centralized agency needs to oversee policy, accreditation, standardization, and certification procedures. The non-official segment of the board needs more representation from the industry for formalization of market driven decision making. The membership fees paid by the non-official members can help in sustaining the board in the long run. The board can frequently interact with other agencies within the State and the professional organizations of national and international repute to work with them through convergence. The services being provided by the registered units need to be standardized with the help of extremely objective criteria and provisions for withdrawing certification in the eventuality of deviations from the standards also need to be made as part of the strategy. Special skills that can cater to the needs of foreign tourists need identification and a mechanism, making for the registered units mandatory to impart those skills to the manpower hired by them, needs to be put in place. The industry needs to be encouraged for active membership of the board by providing suitable incentives. Local communities, PRIs and other elected representatives also need to be taken on board and consulted on regular basis

to remove all hindrances that may arise locally in future.

- e. The role of HPTDC and Tourism Department is still seen as the regulators and of policing by almost all the entrepreneurs of the sector who were interacted with by the research team. They still feel that the number of compliances can be reduced as many of them have become redundant over time. They also opined that even though an automated system of submitting compliances is available, they still must visit offices to get required clearances. The visits made by the inspection staff to their facilities are just a ritual with a defined periodicity as these facilities are generally prepared temporarily for their visit.

Home Stay Units and Tourist Footfall

After launch of an ambitious tourism promotion program of Incredible India, India has witnessed a large influx of tourists resulting in manifold increase in the number of tourists visiting India during the past few decades. Our countrymen have also started coming out of their shells and visiting across breadth and length of the country. Not only foreign tourists, but even many local tourists prefer staying in the comfort of a homely environment where following so-called protocols is not the order of the day. One can relax in the cozy comfort of home while staying away from it; can remain away from clamorous and polluted environment of city life; can freely share experiences with the local people; and can enjoy local and homemade cuisine in the culturally rich and strongly bonded company of local people. Increasing demand for such holidays has resulted in the emergence of a new concept - Home Stay which can appropriately be considered as 'home away from home'. It has provided the tourists with tremendous opportunities to enjoy their stay in these Home Stay Units and a chance to learn about local culture and traditions.

Home Stays are generally houses inside farms or plantations, in areas which are away from the town or city. People living in those areas are encouraged to convert their houses, heritage houses or hill cottages to commercial 'in-staying facilities', sometimes with the provision of cooked meals or alternatively, with an option of availing all the facilities enabling self-cooking, with a view to accommodate a few guests. These guests can live in a homely atmosphere and get a chance to exchange views and ideas/gifts with the owners of the property and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

other families who generally play hosts to guests. At some places even more than one family are accommodated at one place. As per the guidelines set by Government of India, any Home Stay can have only 5 rooms at the most.

Depending upon the place, one can find different kinds of Home Stays across India. They are available near the beaches, on the plantations and even in remotely located villages/habitations. Though the place may vary, the basic concept remains the same everywhere. One can even get a chance to have a stay for a day or two in a boat house and idle on the decks of boats, ride a bullock cart, plough a field with a tractor, join the labourers on the plantations and enjoy the local festivals. Besides offering local delicacies in their meals, some also offer the guests the chance to learn to cook some local cuisines. These are quite different from hotels and lodges. Depending on the type and location of the Home Stay Unit, they may offer the following:

Homely Comfort: allow one all the freedom to have a comfortable stay in a homely atmosphere. Here one can spend quality leisure time. It really refreshes one mentally as staying with one's near ones is always pleasurable. Having an entire space for one's family and enjoying home-made food is definitely a great luxury in this fast-paced world.

Personal Care: Since there are only a few or a single family staying with the host, the guests are treated with utmost care and due attention is paid to their comforts.

Exposure to different cultures and other practices: Staying together with other families with different

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

cultures and habits gives one a chance to know people with different practices. It would become more enjoyable as it would be like a social gathering with only a few people to interact and get to know.

However, Home Stays have rules and restrictions, such as curfews, facility usage, and work requirements, and may not have the same level of comfort, amenities, and privacy as in other types of lodging.

National Strategy for Promotion of Rural Home Stays (2022): The Government of India has introduced a comprehensive policy for promotion of tourism in rural parts of the country in May, 2022. This policy caters to the needs of tourists resulting from the increasing trend and the resulting demand for experimental tourism aimed at knowing new things and experiencing different cultures cuisines, traditions, and other things. The discerning traveller today is prepared to go great distances and to unexplored destinations to have unique experience. The slow pace of life in the rural areas is far away from the noisy environment in the big cities. Their visit to such destinations also results in giving a boost economy of the rural areas. The rural tourism focuses on the visitor travelling to rural areas and actively participating in the rural lifestyle. The policy of 2022 has envisioned to develop rural Home Stays as an experimental tourism product, which can give a boost to rural tourism, provide entrepreneurial opportunities to rural people and lead to community development. The mission is to provide financial, technical, and marketing support to promote rural Home Stays in the country.

The national strategy clearly mentions the need for a well-defined role of different stakeholders including central ministries, State Governments, Panchayati Raj

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Institutions, industry, non-government organisations and local communities for its success. The Home Stays are required to be in the rural areas with the natural and cultural attractions in the surrounding areas. The Policy Document has recognized the crucial role that village communities will have for the success of rural Home Stays. The Rural Home Stays are required to be providing the common facilities within the village for welcoming the guests, performing art and culture and other activities with the support of the village panchayats. The hosts of the Home Stays are required to be staying within the property and be responsible for providing hospitalities to the guests. The civil structure within the Home Stays is also required to be in a good, stable, and safe condition. A good, clean, and ventilated kitchen with the provision of cooking local cuisines is preferred.

The State Governments are required to exempt, wherever feasible, the rural Home Stays from the provisions of Sarai's Act, 1867 or any other act relevant to the subject in force. These units are not required to obtain any licence from any authority under any such Act for providing food and lodging services to the guests. Rural Home Stays automatically become eligible for getting benefits under various State and Centre run schemes aimed at providing self-employment, promoting village industries, encouraging MSMEs etc. The Policy Document also requires the State Governments to frame their own dedicated Home Stay schemes to promote them in the rural areas with the provision of subsidy on fixed capital, operational support, and performance-based support. The State Governments are also required to provide necessary public amenities within the vicinity of the Home Stay and facilitate an interaction with the industry with the special focus on participation of Self-Help Groups particularly, of women. The same policy also

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

provides for periodic ranking of States in providing the facilities and amenities by the rural Home Stays. It also emphasizes the extensive use of digital platforms in publicizing and marketing the rural Home Stays. Wherever possible, cluster approach with the provision of seamless market linkages may also be followed by the State Governments.

Many States have enunciated their own strategies and policies to promote Home Stays within their respective geographical expanse which have been customized to suit their own requirements but are aligned with the objectives and goals of the nationally publicised policy. The following text briefly gives an account of the home stay policies of some of the States of India.

Home Stay Policy 2010 of Madhya Pradesh (revised in 2018): The scheme has been started with the objectives to provide affordable stays to national and international tourists with food facility; introducing foreign tourists to Indian culture and hospitality; and providing opportunities to rural communities to utilize and earn through their own resources. The scheme is not applicable to hotels, motels and guests houses. The Home Stay Units with minimum one room and maximum 6 rooms (12 beds) are registered for a period of three years and are classified into 3 categories viz silver, gold and diamond. The State Government is also implementing other schemes related to Bread and Breakfast Stay, Farm Stay as well as Gram Stay.

Deendayal Upadhyaya Griha Awaz Yojana (Uttarakhand): It has been started by the Uttarakhand Government for economic empowerment of local people and for providing entirely new experience to the domestic and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

foreign tourists visiting Uttarakhand. The scheme to encourage Home Stays aims at improving the economic condition of rural population by providing self-employment to them by introducing tourists to the State's cuisine, culture, historical heritage, and traditional /Pahari style. The policy also states that the scheme will help in stopping out migration from the State by creating local employment. The State Government has been assisting the eligible applicants in providing bank credit for setting up the Home Stay/renovation of the house. The SGST paid by the Home Stay Units is being reimbursed by the State Government for the first three years. A separate website and mobile app are being used for promotion of the scheme and the Home Stay operators are being provided hospitality training. Upgradation, furnishing, maintenance of old buildings housing these units and construction of new toilets with a maximum cost of Rs. two lakh does not require land use change.

Amar Alohi Scheme (Home Stay) of Assam: 'Aamaar Aalohi' – Rural Home Stay Scheme is framed by the Tourism Department of the Government of Assam, with the objectives of giving a new dimension and thrust to the Rural Home Stay facilities in the State of Assam and creation of self-employment opportunities for educated youth in rural and semi-urban areas with tourism potential. The Scheme being run and monitored by the Assam Tourism Development Corporation assists local people willing to establish New Home Stay Units as well as those who already have civil structure suitable for running Home Stay facilities.

Meghalaya Home Stay Scheme: The policy acknowledges that provision of affordable accommodation to tourists in private houses with basic amenities would help in

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

bridging the gap in the shortage of accommodation in the State during tourist season. These Home Stays can either constitute an addition to existing Home Stays or can be entirely new units. To encourage community participation in the tourism sector, Home Stay accommodation is being given an incentive as assistance of 30 percent of the project cost on a maximum project cost of Rs 16.00 Lakhs. The maximum number of rooms that can be constructed under this scheme is limited to four rooms. Each room is necessarily required to be having a minimum area of approximately 15 square meter and should consist of a bedroom and an attached toilet with modern fittings and a walk-in closet. The entrepreneur's contribution would be a minimum of two percent of the project cost.

Haryana Home Stay Scheme, 2020: The aim of the Home Stay Scheme is to expand the market by making more accommodation rooms on offer as well as reducing the price of such accommodation. The scheme is aimed at boosting the percolation of benefits of tourism to a large number of people who have properties available for use. The Government provides common advertising and marketing platforms as well as basic training in hospitality to the owners of such units. The proprietor/owner is supposed to provide home cooked food, stay facilities, a chance to the visitor to experience agricultural practices such as floriculture, harvesting, bee keeping, dairying etc. and the village way of life through various participatory activities. The visitor gets exposure to local community life. Any house, within the State of Haryana, having four furnished rooms with attached bathrooms is considered under the Scheme subject to fulfillment of other conditions.

Rajasthan Home Stay (Paying Guest House) Scheme, 2021: The establishment registered under this scheme as Home Stay is required to conform that the establishment is purely a residential unit; shall let out not less than one room and not more than five rooms to paying guests; if the property is hired on a lease, the period of lease shall not be less than 3 years; each lettable bedroom has an attached bathroom and WC and adequate arrangement for water and power supply, proper ventilation and lighting, parking facility. It is mandatory for the owner/lessee of the guest house to reside on the premises.

Gujarat Home Stay Policy (Incentives and Guidelines Policy - Revised-2020): The Gujarat Home Stay Policy 2020(Revised) has been formulated with an aim of providing comfortable Home Stay facilities offering world class services to tourists. These supplement the accommodation options available in cities and tourist destinations across Gujarat. A Home Stay is a place where homeowner along with his/her family resides letting out one to six rooms to any tourist on payment for boarding and lodging and such accommodation is recognized by the office of Commissioner of Tourism, Gujarat. Incentives and concessions to these units include residential rates of tariff on supplied power, property tax, water tariff, one-time short duration training along with marketing guidance and support in general, subsidy for residential rooftop solar plants etc. Registration of such units is valid for two years.

Karnataka Athithi Home Stay Policy: The government has come out with a policy on Home Stays which are popular in Chikmagalur, Kodagu and Shimoga. Under the Athithi Home Stay project, the Home Stays are categorized as golden guest and silver guest categories. The Home Stays coming under golden guest category will

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

pay an annual fee of Rs 15,000 to the Tourism Department. The silver guest category will pay an annual fee of Rs 10,000. The Home Stays are exempt from paying luxury tax. The owners should be living beside their Home Stay facility. The accommodation should not exceed more than five rooms. Owners should not use the land and building earmarked as Home Stay for other purposes.

Kerala Consortium of Home Stay and Tourism Promoters: Residents of Kerala staying in their own house and who are willing to set apart minimum one room (two beds) and maximum six rooms (twelve beds) for accommodating tourists can apply to the Director, Department of Tourism for starting a Home Stay. These Home Stay Units have three kinds of classification viz: Silver, Gold, and Diamond. Classification of Home Stay Units is mandatory for starting Home Stay business.

Tamil Nadu Guidelines for Registration and Classification of Bed & Breakfast Establishments and Home Stay Establishments (2022):

The policy defines Bed and Breakfast Establishment as a premises including buildings in plantation where the Owner / Promoter of the establishment does not reside at the establishment himself / herself, but an agent or operator so designated by him / her resides in the establishment premises for providing necessary services to the visitors/guests. The establishment would have a minimum of one lettable room and a maximum of six lettable rooms. "Home Stay Establishment" as defined in the policy is a premises where the owner/promoter of the establishment is physically residing for providing necessary services to the visitors/guests. The establishment would have a minimum of one lettable room and a maximum of three lettable rooms.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Telangana State Guidelines to Setup and Operate:

Telangana Government has classified fully operational rooms of Home Stay Facilities as “Telangana Tourism Home Stay Establishments”. The basic idea is to provide clean and comfortable place for foreigners and domestic tourists alike including an opportunity for foreign/domestic tourists to stay with family to experience local customs and traditions and relish authentic Telangana Cuisine. The initiative envisages a public and private sector partnership with the Government acting as a promoter. Telangana Tourism selects the Home Stay Establishments according to a fixed norms and benchmarks the houses and monitors the delivery of services rendered by the units. Telangana Tourism duly publicises all the approved establishments in its brochures, website and other publicity material and promotes them during the tourism events wherever Telangana Tourism is participating. Short term trainings in hospitality trade to those who opt for such training are also being provided. Telangana Tourism Home Stay establishment status is given only to the residential premises where the owner along with the family physically resides in the same establishment and can let out minimum one room and maximum five rooms.

Odisha Home Stay Establishment Scheme 2021: This scheme aims to incentivise setting up and operation of Home Stay Units across Odisha with the objective of offering tourists unique cultural experiences in hospitality, cuisine and other local ways of life while dwelling in local family homes. The units registered under this scheme shall commit to operating the Home Stay for a minimum of five consecutive years upon availing the available incentives, failing which, they will be liable to repay the entire incentive amount at an annual interest. Odisha Tourism Development Corporation (OTDC) has

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

provided a payment gateway along with a collection-routing mechanism for a maximum period of 2 operational years within which the registered units shall acquire and activate electronic payment systems. One-time Capital Investment Subsidy of 30 percent of fixed capital invested, subject to a ceiling of INR one lakh per lettable room to a maximum of six rooms is also available to the Home Stay Units. Residential tariff is applicable on consumption of cooking gas, power, and water by the registered units.

Chhattisgarh Bed and Breakfast/ Home Stay: The main objective of the scheme is to provide a clean and affordable place for foreigners and domestic tourists alike including an opportunity for foreign tourists to stay with an Indian family to experience Indian customs and traditions and relish authentic Indian cuisine. The classification for approval and registration of Incredible India Bed and Breakfast/Home Stay Establishments is available only in those cases where the owner/promoter of the establishment along with his/her family is physically residing in the same establishment and letting out minimum one room and maximum six rooms.

Himachal Pradesh Home Stay Scheme 2008: The scheme was started by the State Government with the objective of providing comfortable Home Stay facilities with world-class services to the tourists and to supplement the availability of hotel accommodation in rural areas. This policy is aligned to the objectives of the “Incredible India Bed and Breakfast Scheme” of the Ministry of Tourism of the Government of India. The basic idea is to provide a clean and affordable accommodation to foreigners and domestic tourists with an opportunity to experience Himachali customs and traditions and enjoy authentic local cuisine. The Tourism Department of Himachal

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Pradesh has been entrusted with the responsibility of preparing a directory of all the Home Stay Units approved by it and publicize and market the units widely with the initial handholding in terms of facilitating necessary trainings and imparting skills required in the industry. One of the objectives of the scheme has been to decongest already popular tourist destinations by providing employment and other economic benefits to the population living in interior areas while maintaining focus on the environmental sustainability.

Any private house located in rural areas of the State in good condition within easily accessible farmhouse, orchard, tea garden etc. primarily qualifies for getting support under the scheme. The house is mandatorily required to have minimum one and maximum three rooms (now increased to four rooms) with attached toilet which will be made available to the guests for being eligible to be registered as Home Stay accommodation. The Rooms are reasonably furnished with the standard size for single and double bed accommodation. The Home Stays located near the units run by Himachal Pradesh Tourism Development Corporation get necessary training from these units. These units have been exempted from paying any fee for change of land use, luxury/sales tax/VAT and they are also allowed to pay water and power tariffs at the domestic rates. These incentives are available only to the Home Stays registered with the State Tourism Department. The policy also elaborates responsibilities and duties of the Home Stay owners/hosts.

The State Tourism Department lists on its website, free on any charge, the approved Home Stay Units on written request from the owner of such unit. The Himachal Pradesh Tourism Development Corporation has

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

included such Home Stay Units on their online reservation portal on the payment of fixed commission as determined by it from time to time.

It is seen from the brief reference to the Home Stay policies being followed by different States that there are variations in the incentives being given to promote Home Stay Units in the respective States. Some States have ventured into the partnerships with the owners of these units and are providing with the initial handholding enabling them to establish and sustain in the long run. However, the policies of all the States are in line with the objective of the National Policy for Promotion of Rural Home Stays to encourage house owners living in rural areas to take hospitality as the means of livelihood and providing a wider choice to the foreign and domestic tourists to spend their holidays.

Growth of Home Stay Units and Tourist Footfall

Secondary data as available with the Department of Tourism of Himachal Pradesh and which was available on the official website of the Ministry of Tourism, Government of India have been analysed to assess the trends followed during past few years in terms of growth of hotels, guest houses and Home Stay Units in the State and of domestic and foreign tourist footfall in the State. Various models have been worked out to determine the trends however, the one with the best fit has been selected to explain these trends even though it too may not be perfect fit and with high statistical significance. While trying various models, it was established that the growth trends explained with the help of the linear trend line equation had extremely low statistical significance and the R^2 values were too low to explain a reasonable level of variations in the observed values. After having rejected all other models, the polynomial graph was

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

found to be the best fit for the available data. The curvilinear path followed by the selected variables i.e., number of guest houses and hotels, Home Stay Units, domestic tourist arrival and foreign tourist arrival was best explained with the help of trend line based on quadratic equation. With the help of this analysis, the following text attempts to establish if an increase in number of hotels and guest houses together with Home Stay Units has led to increase in the number of tourist arrival, both domestic and foreign, in Himachal Pradesh over the years. All the plots sharing trend lines and regression lines are exhibited in the Annexure to this chapter.

Two consecutive calendar years i.e., 2020 and 2022 had been abnormal in terms of tourist arrival due to outbreak of COVID-19. The information pertaining to these two years had been used only to determine long term trends in the tourist arrival, both domestic and foreign, and of the increase in numbers of Home Stay Units in the State. No information pertaining to these indicators of the two abnormal years has been considered to determine if increase in the Home Stay Units has helped in attracting and eventually resulted in arrival of more tourists in Himachal Pradesh. The null hypothesis put under test has been that the increase in number of Home Stays has not contributed to increasing number of tourists visiting the State each year and the corresponding alternate hypothesis is that the increase in the Home Stay Units has helped in attracting and eventually resulted in arrival of more tourists in Himachal Pradesh.

A regression model with the best fit has been attempted to reject either of two hypotheses after running various regression models with the number of

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

tourists being the dependent variable and the number of hotels and guest houses and Home Stay Units being independent variables. During the test run of various regression models, the quadratic equation model was found to be the best fit for explaining variations in data over the period under consideration. Since, the years 2020 and 2021 were considered statistically abnormal years, the data pertaining to these two years was not considered. Similarly, the data for number of Home Stay Units registered in the State at the end of each year was available since 2011, a small time series starting from the year 2011 up to 2019 was used for this analysis. Values of R^2 and the p values for each tested model have been used to determine reliability of a model and as the basis for its acceptance or rejection. Limitations about the data quality were evident during the analysis as various regression models gave extremely small R^2 values and relatively large P values. The following text analyses the available information in context of the entire State and individual districts to infer as to how availability of Home Stays has affected the tourist arrival.

The tourists in the State have shown an increase over the period of reference but this increase has been at a decreasing rate as can be seen from the fitted trend line on the tourist arrival over the years in the State. Even though the R^2 indicates to the explanation of only about 38 percent variation in the observed values, a cursory look at the data would reveal that the total number of tourists visiting the State increased up till 2017, their number decreased thereafter. The decrease in the domestic as well as the foreign tourists has been considerable after 2017. The tourist arrival in the years after 2019 can safely be ignored due to the adverse situation for tourism prevailing during these years. The trend line fitted for both the categories of tourists

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

indicate to their growth at a decreasing rate in the State. The trend line graphs for the increase in hotels and guest houses and Home Stay Units show their growth at an increasing rate and that too at a considerably higher rate. When the tourist arrival and Home Stay Units were correlated for the period between 2011 and 2019, the correlation coefficient was small which was not statistically significant. Non-linear regression analysis also doesn't support rejection of null hypothesis (Annexure to the Chapter). This indicates to the possibility of factors other than availability of Home Stay Units in the State which may have influenced the domestic and foreign tourist arrival in the State. The analysis does not give results supporting rejection of null hypothesis and hence it cannot be said with certainty that the growth of Home Stay Units in the State has helped in attracting more tourists into the State.

The domestic tourist footfall in Bilaspur has shown a great fluctuation during the period of reference whereas the increase in total tourists, both domestic and foreign has been at a decreasing rate over the reference period. Interestingly, the correlation between Home Stay Units and number of tourist arrival in the district has been positive, considerably high, and statistically significant which helps in concluding that the analysis results support rejection of null hypothesis. The non-linear regression analysis also indicates to statistically significant explanation of the variations in the dependent variable i.e., tourist arrival. This implies that total number of tourists in district Bilaspur have tended to increase with the increase in the number of Home Stay Units in the district. There is a possibility that the increasing numbers of tourist footfall is attributed to the presence of famous places of worship in the district. The National Highways passing through the district can be another possible

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

reason. However, there still exists a vast tourism potential due to presence of the Gobind Sagar Lake which remains unexploited. Provision of adventure sports, leisure facilities alongwith world class infrastructure in it and within its periphery will help in attracting more tourists. Simultaneously, attending to the environmental concerns will help in providing employment to local youth on sustainable basis.

The arrival of foreign tourists in Chamba district has decreased since 2011. In fact, their arrival in the district started declining since 2008 and the trend continued up till 2017, thereafter their numbers increased slightly till 2019. The domestic tourist arrival in Chamba has fluctuated over the years and has registered an inverted curvilinear trend line indicating to their increase at a decreasing rate. The number of hotels, guest houses and Home Stay Units has increased considerably in Chamba as well, however, there is no statistically significant correlation between the two. Chamba has many destinations other than already established tourist destinations like Dalhousie, Khajjiar, Bharmaur and Chamba town which can be developed as new tourist destinations by providing necessary infrastructure. Particularly, the area adjoining neighbouring State of Jammu and Kashmir has a vast tourism potential bestowed with the existence of landscape like that in Kashmir. Hotels and Home Stay Units have shown a mushrooming growth in the district which is evidently not enough to attract more tourists in the district.

The tourist footfall in Hamirpur has also followed an inverted curvilinear growth path which is more pronounced in case of domestic tourists. The domestic tourist footfall has increased in the district at a decreasing rate. Whereas the arrival of foreign tourists in Hamirpur

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

has decreased to less than half of what it used to be in 2008. The correlation coefficient between the tourist arrival and the total number of Home Stay Units is not statistically significant for Hamirpur. The non-linear regression model with the number of tourists arrived being a dependent variable although, was found to be best fit among all other models, doesn't have statistical significance of reasonable level to reject the null hypothesis. Hamirpur district can have a great potential for education tourism because of the presence of a medical college and an engineering college in the district. Apart from it, it has places of historical importance like Chowgan and Fort at Sujanpur Tihra and of pilgrimage like Deothsidh, which if are developed in a planned way, can attract many more tourists. Important National Highways also pass through the district.

Tourists' arrival, both domestic and foreign, has increased in Kangra district over the period of reference but at decreasing rates. The correlation between the number of Home Stays and the tourist arrival is not statistically significant indicating to other factors which have contributed to increasing the number of tourist arrival in Kangra district. Air connectivity of the district with Delhi and Chandigarh, presence of abode of His Holiness Dalai Lama at Mcloedganj and cricket stadium with world class facilities at Dharamshala, a very large bird sanctuary for migratory birds in Pong Dam, places of importance from pilgrimage point of view are some of the attractions in Kangra which have positive effect on tourist arrival in the district. There are many other less known places in the district, which if are provided with quality infrastructure and other amenities, can help in attracting more tourists to the district and in decongesting already established and over sold tourist places.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

The domestic tourist arrival in Kinnaur district has fluctuated over the years with having at its peak in 2010, 2012 & 2017 and at the bottom during 2014, 2015 & 2016. The number of foreign tourists visiting Kinnaur has declined over the years. The growth of hotels, guest houses and Home Stay Units has been reasonably good, however, the correlation coefficient between tourist arrival and Home Stay Units has not been statistically significant. The curvilinear regression model for the tourist arrival regressed with hotels, guest houses and Home Stay Units has not given the results which are statistically significant to explain the fit. This indicates to existence of other possible reasons for decline in number of foreign tourists and large fluctuations in arrival of domestic tourists in Kinnaur district. Increase in the frequency of natural calamities like flash floods can be one of the possible reasons for this decrease. The tourism promotion plan for the district needs a reorientation to the environmental concerns and building a robust and resilient mitigation and response system to the occurrence of natural disasters.

The arrival of domestic tourists has registered an increase though at a decreasing rate in Kullu district during the period under reference. However, the number of foreign tourists visiting the district have tended to remain constant over the same period. The number of hotels, guest houses and Home Stay Units has mushroomed in the district. One can also observe many unregistered Home Stays coming up and being operational in the district. These illegally operating Home Stay Units not only have caused revenue losses to the State Government but are also vulnerable to illicit trafficking and other activities bringing bad name to the State. The tourism promotion plan in the district needs to take care of these illegally operating units and to focus on

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

decongesting Kullu and Manali as most popular tourist places. The district has serene landscapes, high mountain passes and naturally occurring lakes. One of the alternatives can be to provide all weather connectivity to such unexplored places which will have costs in terms of excessive arrival of tourists or alternatively, vehicular traffic to these places may be restricted and naturally existing treks and trails can be developed from the viewpoint of striking a balance between resource exploitation and conserving the nature in a sustainable manner.

The domestic and foreign tourist arrival in Lahaul & Spiti district decreased drastically during the years 2012 and 2013 and thereafter they have registered a constant increase up till 2019 giving a bowl-shaped curvilinear line graph depicting growth trend in tourist footfall in the district. However, if the movement in total number of hotels, guest houses and Home Stay Units is seen in Lahaul & Spiti both have decreased during a particular period thereafter they have been increased perpetually. The correlation coefficient between the tourist arrival and number of Home Stay Units is not statistically significant. Even the regression equation fitted is not statistically significant. The results of the analysis are not sufficient to reject the null hypothesis and there are other factors than the growth of Home Stay Units in Lahaul & Spiti which have affected number of tourist arrival. Opening of Atal Tunnel connecting Kullu district with Lahaul & Spiti district has provided connectivity with later throughout the year opening new opportunities for promoting tourism in the district. This tunnel has also provided connectivity with the most wished for tourist destination of Leh & Ladakh for most of the year. The increase in tourist footfall in Lahaul & Spiti can be attributed to the stay of tourist in the district while their

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

trip to Leh & Ladakh. There are other places of attraction like Chander Taal, Sissu lake, Spiti valley alongwith several monasteries which are visited by the tourists. However, the future plan for developing tourism in Lahaul & Spiti needs to take care of environmental concerns by reducing all kinds of pollution to almost zero. Social aspects are also required to be part of the future plan to ensure that evils resulting from increased incomes through rapid development do not manifest.

The domestic tourist arrival in Mandi district dropped considerably in 2012 and has registered constant increase thereafter. The trend line graph indicates to growth in tourist arrival at an increasing rate. However, the footfall of foreign tourist in the district has reduced drastically over the years and it was at about 37 percent in 2019 of what it was in 2011. The total number of hotels, guest houses and Home Stay Units has increased considerably in Mandi district also. However, the positive correlation between tourist arrival and hotels, guest houses and Home Stay Units is not statistically significant. The regression equations fitted also do not yield anything of significance statistically. Mandi district is bestowed with diverse geographical features ranging from narrow valleys to wide and open valleys with a view of snow laden mountain ranges. Higher altitudes of the district experience heavy snowfall during winters and have dense forests having coniferous trees. The district has many places of religious importance like Mandi town which is also known as 'Choti Kashi', Shikari Devi, Kamru Naag, Mameshwar Mahadev in Karsog etc. The district also has educational institutions of repute like IIT, Medical College, Polytechnic etc. which can be capitalized for attracting students and faculty from across the world by providing best of the infrastructure and amenities. The tourism development plan for the

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

district will have to consider all these strengths of the districts while ensuring that local unemployed youth get maximum benefit out of the development process on sustainable basis.

The domestic tourist arrival in Shimla district has registered an increase during the period under consideration except during the year 2018. Whereas the foreign tourist arrival in Shimla increased perpetually until 2017 and dropped considerably in 2018. Both domestic and foreign tourist arrival in Shimla had dropped in 2018 which can be treated as an abnormal year however, the cause for this sudden drop during 2018 could not be ascertained. The growth in the number of Home Stay Units in the district is more pronounced in comparison to that in the number of hotels and guest houses. The correlation coefficient is statistically too insignificant to establish any relationship between the tourist arrival and the number of Home Stay Units. The regression models run following various models were also statistically insignificant. It is a fact that Shimla as a tourist place has always been oversold bringing inconvenience to the local population in terms of frequent traffic jams, water scarcity and gradually but surely changing climate of the town and surrounding areas. Immediate measures are required to be taken to mitigate, arrest and finally reverse this adverse effect probably through a comprehensive decongestion plan. However, overzeal in preparing such a plan might result in a danger of it being ambitious and unrealizable that may probably bring more harm to already deteriorated ecology of the district. This plan may be finalized after wide consultations not only with the experts of national and international repute but also with the local population - the real stakeholders in the case.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

The foreign tourist arrival in Sirmaur district has been on decline since 2012. The domestic tourist footfall has also not witnessed considerable changes during the period under reference. However, as observed in other districts, the hotels, guest houses and Home Stay Units have shown a considerable increase. Analysis of available data could not establish any correlation between the tourist arrival and hotels, guest houses and Home Stay Units. Various regression models worked out also failed to provide any information which is statistically significant. Sirmaur district has some places of historical and religious importance. Renuka Ji lake and Mangarh Shiva Temple are some of them. It also has a well-established industrial belt bordering neighbouring States of Haryana, Uttarakhand, and Uttar Pradesh. However, a very large proportion of interior areas still have poor connectivity. These factors need to be considered while formulating tourism development plan for the district.

Solan District has come up as education hub of the State. It has also earned the reputation of being the vegetable bowl of the State by diversifying agricultural operations into cultivation of cash crops like mushrooms, tomatoes, exotic vegetables, and other off-season vegetables. Its proximity with the markets in Punjab, Haryana and Chandigarh has encouraged farmers to venture into floriculture as well. This has attracted many wholesale and retail traders into the district who specialize in marketing and selling of vegetables and other agricultural products. Kasauli, which carries British legacy and historically has been the favourite abode for famous writers and historians, is still one of the favourite tourist spots for many visitors. Historical forts carrying legacy of small hill principalities and religious places of historical importance in Solan district can be developed as new popular tourist destination. The foreign and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

domestic tourist arrival in Solan district has increased at a decreasing rate during the period of reference. The correlation between the tourist arrival and Home Stay Units is strong, positive, and statistically significant. Similarly, the quadratic equation fitted for non-linear regression model gives statistically significant relationship between the tourist arrival and the number of hotels, guest houses and Home Stays implying that available data supports the hypothesis that the growth in the number of hotels, guest houses and Home Stays has helped in attracting tourists to the district. The industrial estates and areas located in the district has also resulted in developing business tourism in the district.

The information available for Una district also supports the hypothesis that the tourist's arrival has a bearing on the availability of hotels, guest houses and Home Stays in the district. The quadratic equation fitted for non-linear regression model also gives statistically significant results for the district. The domestic tourists in the district have increased at a decreasing rate whereas the foreign tourist's footfall is negligible in the district when compared to total foreign tourist arrival in the State. Una district has famous historical and religious places which attract tourists across the country throughout the year. Industrial activity in the district also attracts entrepreneurs to the district frequently. Una is largely a warm district with a comparative advantage in traditional agricultural crops and dairy farming.

Analysis of the available statistical data clearly indicates that it does not establish the hypothesis that the increase in number of Home Stay Units alone has affected tourist arrival in the State. This inference holds true for all the districts except for Bilaspur, Solan and Una where a significantly positive correlation has been found to be

existing between these two variables. The indications are also very strong that many factors other than availability of Home Stay Units may have affected the tourist arrival in districts. District wise SWOT analysis is required to be undertaken with the help of the domain experts to ensure that the comparative advantage in tourism sector available in each district is fully exploited ensuring simultaneously, employment to indigenous population and taking care of the sustainability issues.

Foreign Tourist Arrival:

Foreign tourist arrival in Himachal Pradesh gradually increased starting from 2008 write up to 2017 and thereafter the number of foreign tourist arrival decreased drastically in Himachal Pradesh. This decrease has been observed even before the outbreak of COVID-19 as during the COVID years reduction in this number is explainable. The average number of bed nights spent by an individual foreign tourist in Himachal Pradesh has increased from 1.28 bed nights in 2008 to 1.55 bed nights in 2019. However, this average has also decreased marginally after 2017. The curvilinear trend lines fitted for the foreign tourist arrival and number of bed nights spent by each foreigner tourist are inverted implying that both these numbers have increased between 2008 and 2019 at a decreasing rate. Post COVID period may have registered a sharp increase in these numbers, the figures for which were not available at the time of writing this report, the sharp increase, if any, will have its explanation in the lower base during the COVID years.

Number of tourists visiting from Italy, France, Germany, Japan, and some others have decreased over the period of reference. This decrease has been very sharp in case of number of tourists arrived from Pakistan in Himachal Pradesh. The countries from where the

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

tourist footfall in the State has increased over the years are United Kingdom, United States of America, Malaysia, Australia, Bangladesh, Sri Lanka, Saudi Arabia, Singapore, and Iran. In fact, the increase in the foreign tourist arrival in Himachal has been considerably large in case of countries like Malaysia, Bangladesh, Sri Lanka, and Singapore. The average number of tourists visiting from countries like United Kingdom, Canada, U.A.E. and Australia has remained almost constant during the period of reference. Although, overall number of foreign tourists visiting Himachal have registered a growth, it has tended to slow down over a period under consideration. The average bed nights spent by the foreign tourists has been maximum in case of visitors from Saudi Arabia at 1.52 bed nights and it has been minimum in case of visitors from U.A.E. at 1.29 bed nights against the average bed nights spent by all foreign tourists which was 1.55 in 2019. An important observation that has been made from the available data is that the average number of bed nights spent by tourists from all the nations visiting Himachal has shown an increasing trend over these years. However, it is still much less than the potential Himachal Pradesh has and in comparison to the stay of foreign tourists in other States of India.

Conclusion

The Home Stay Policy to promote rural tourism with an objective to provide employment to local people in Himachal Pradesh is also in line with the National Tourism Policy as are the policies of other States. There are minor variations in the policies of different States in terms of incentives being provided and the private partnership models with the Government. However, it is felt that after initial hand holding, the entire venture should be left to the private parties for future management and

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

operation with minimal interventions of the Government. The Government may monitor the functioning of registered units till their self-sustenance is ensured and thereafter such units may be considered as the potential source of revenue to the State without bringing unbearable burden on the owners of such units. The available information has nothing to show that growth of Home Stays alone has affected the tourist arrival in Himachal Pradesh. Other factors are also required to be identified and appropriate plan is required to be in place for taking care of identified bottlenecks in boosting rural tourism in Himachal Pradesh.

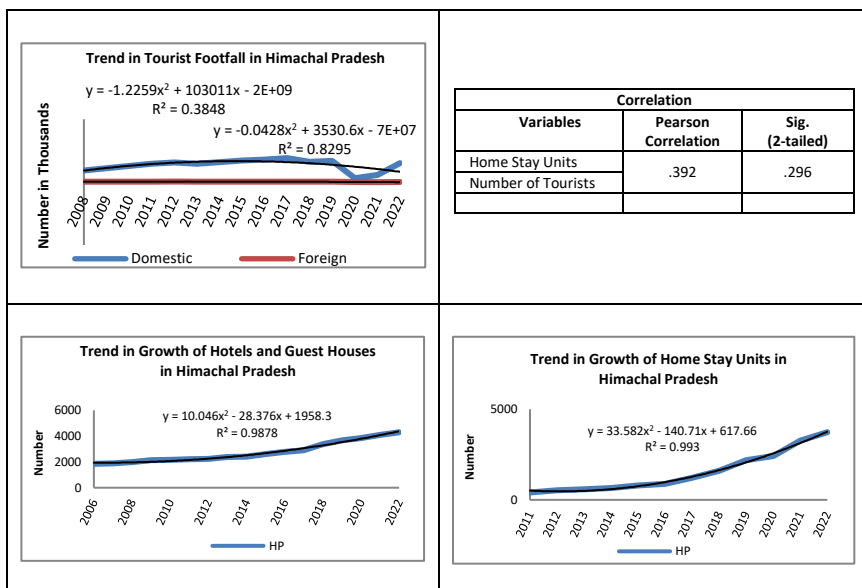
The preceding text also established that each district of Himachal Pradesh is endowed with different sets of geoclimatic conditions and has different attractions for tourists. The strengths and weaknesses in tourism sector of all the districts need to be identified separately and accordingly opportunities and threats be incorporated into the district specific tourism development plans. The diversity in topographical and geographical features existing in all the twelve districts do not support the idea of following a uniform tourism development plan for all the districts alike. The need to consult domain experts while framing district specific tourism development strategies is once again stressed upon with additional weightage. This need arises because of past experience of the State in its failure in giving desired pace to develop tourism. This failure of the policy makers and the implementing agencies is reflected in the percentage contribution of tourism sector to the Gross State Domestic Product which stands at 7 percent (including trade, hotels, and restaurants) in the year 2022-2023 despite having an immense potential for growth of this sector.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

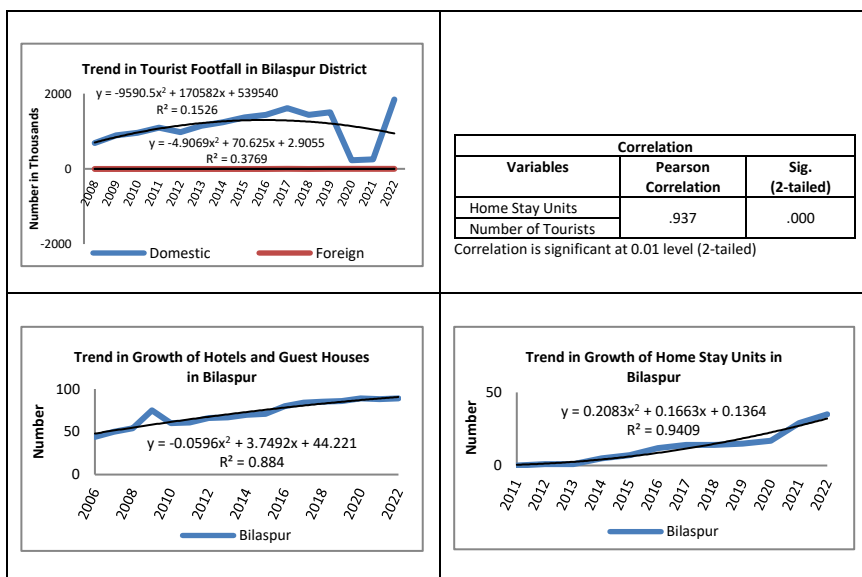
The key point for consideration for increasing average stay of tourists both - domestic and foreign, is to have in depth understanding about the expectations of the tourists during their stay in the State. The private sector is probably the best choice for providing the expected services as can be seen in the private hospitality industry. Excessive public investment in tourism sector can never be the best option as even the most popular and frequently visited liked tourist destinations across the world have been developed by private sector and it has invested even in providing the basic infrastructure. These successfully flourishing tourist destinations have private sector managing, maintaining, and operating the created infrastructure by charging appropriately from users without availing any viability gap funding. Even if the Governments at these destinations are providing viability gap funding, it is negligible in comparison to the total fund requirement for operating and maintaining such infrastructure. The Government should however be providing an enabling environment ensuring timely clearances and approvals at a single instance. This will help in building confidence among the investors and the tourism sector in the State can grow at a quicker pace.

Annexure to Chapter-2

Himachal Pradesh

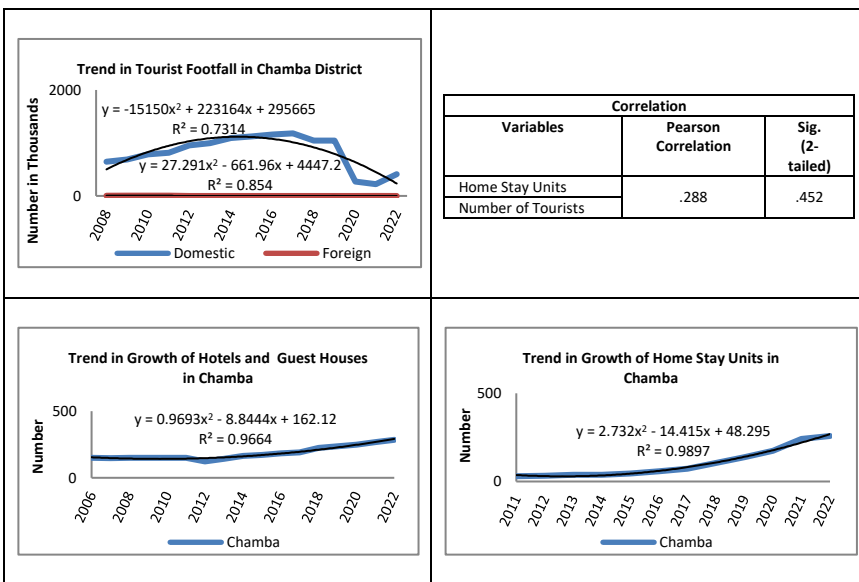


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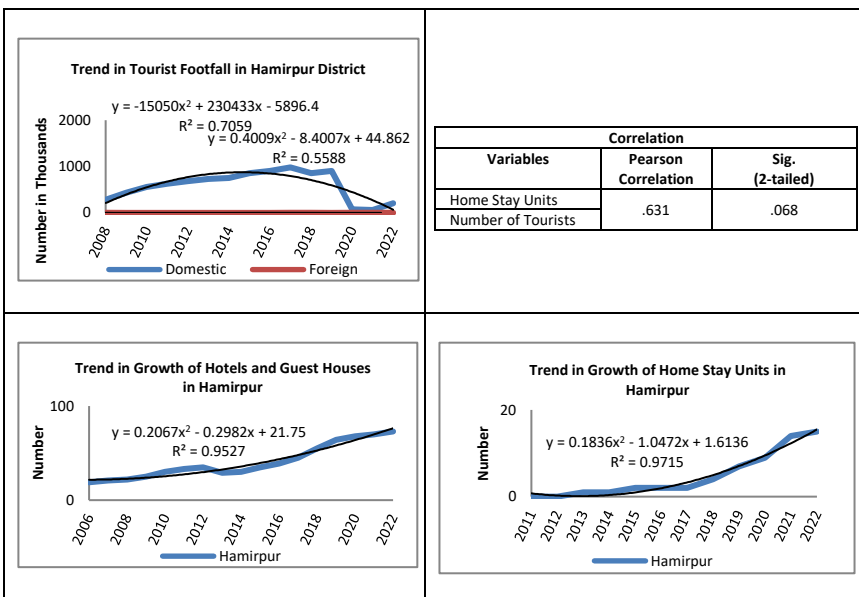


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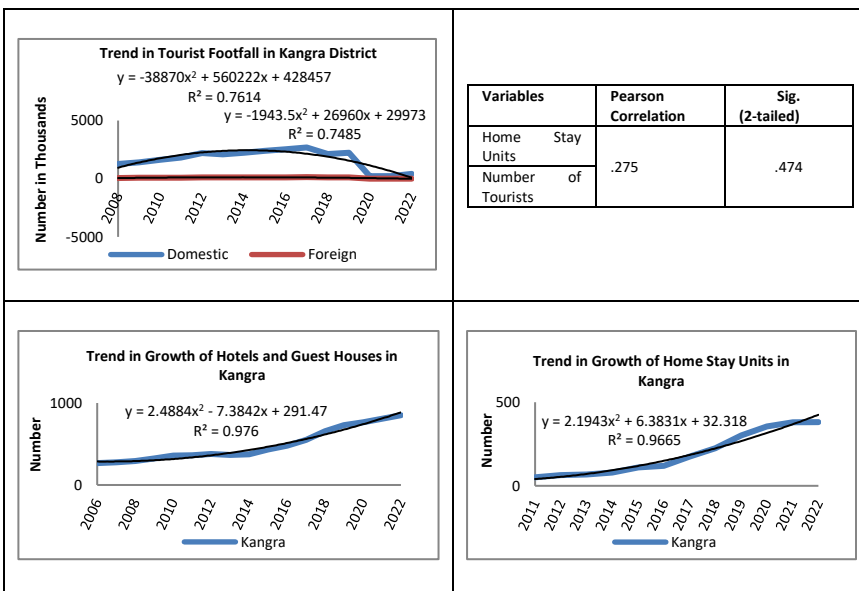


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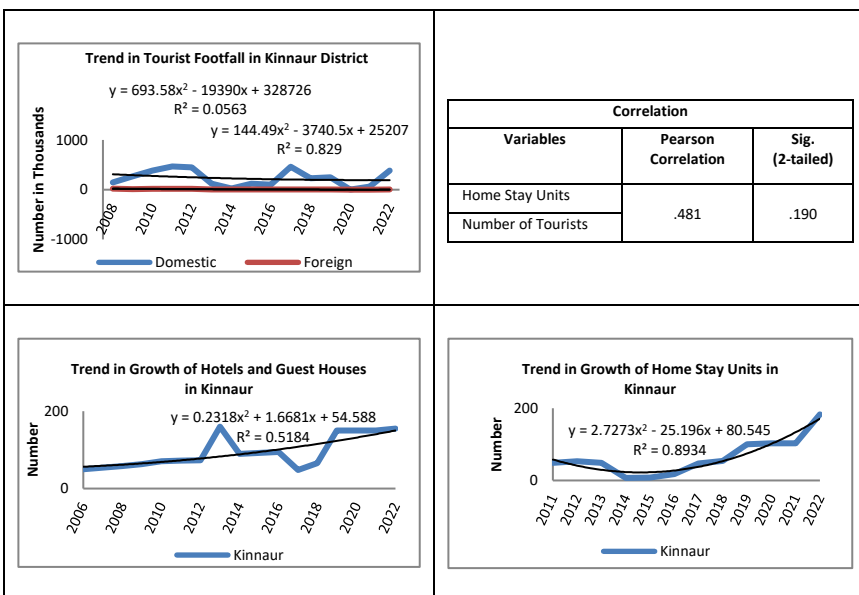


Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

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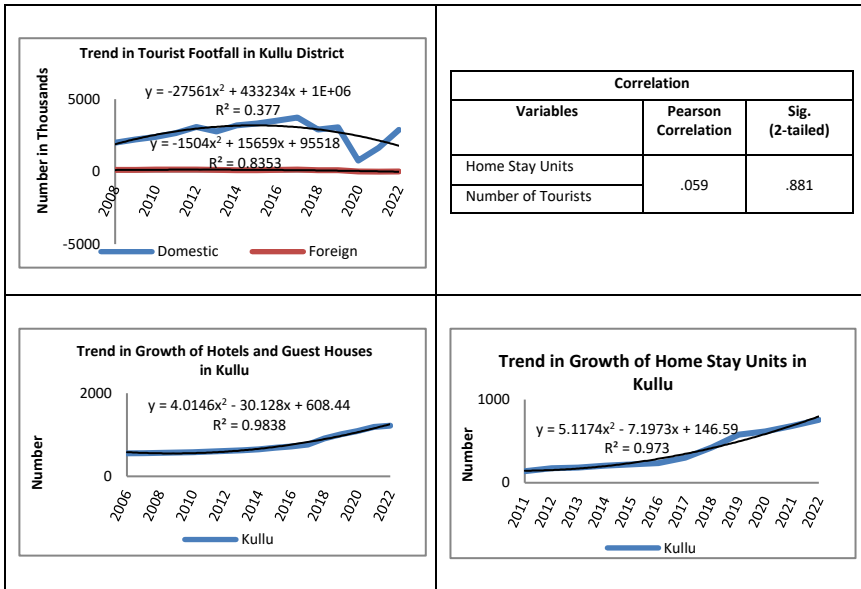


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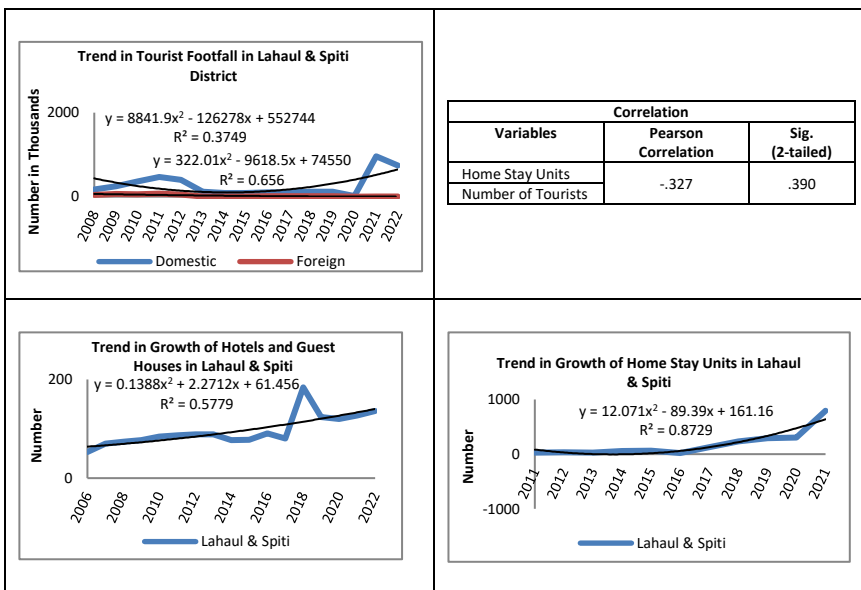


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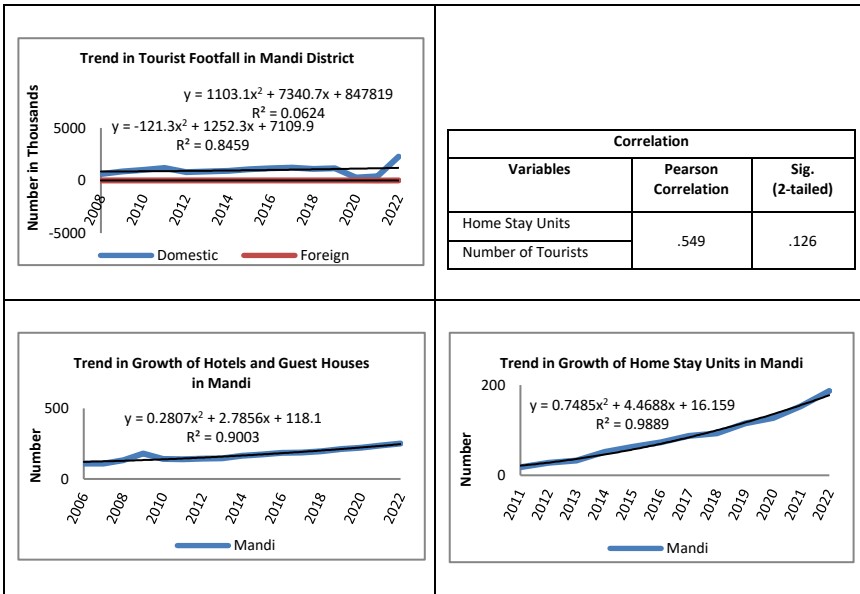


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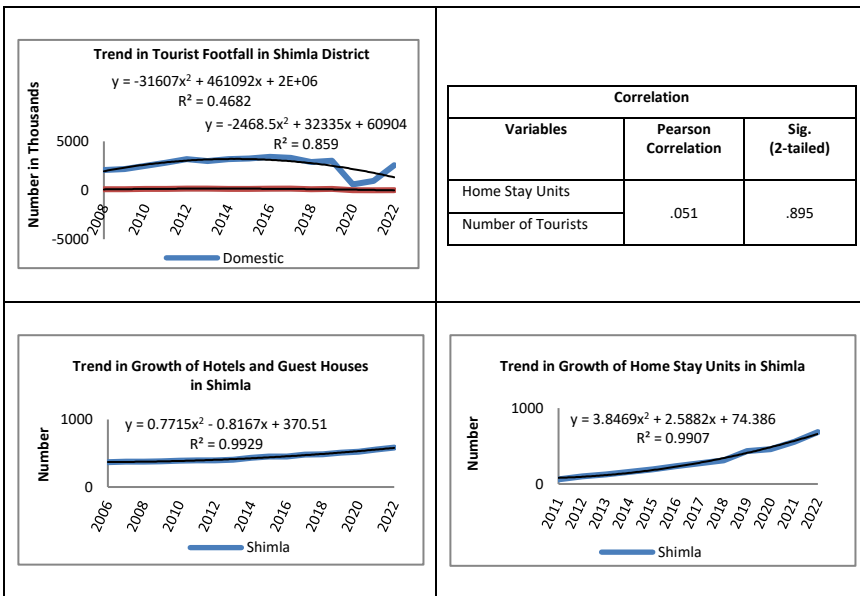


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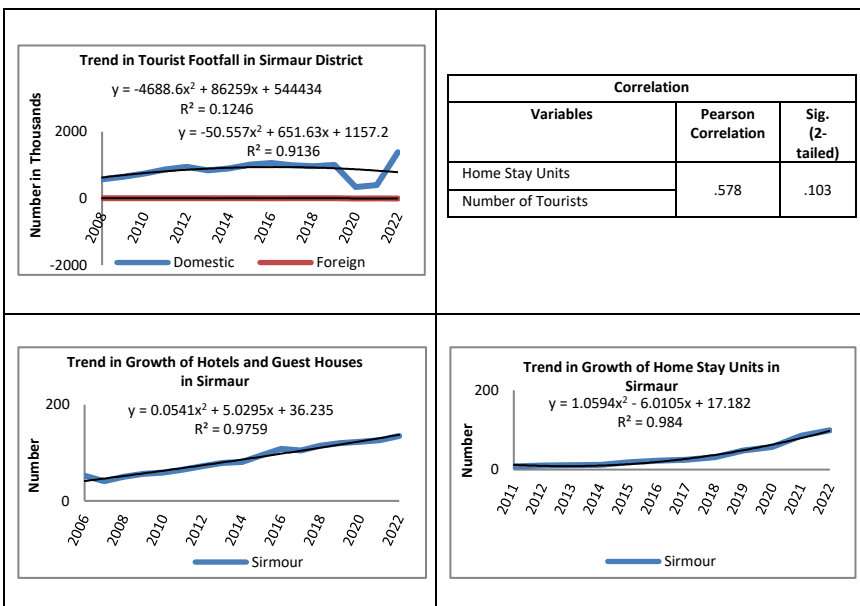


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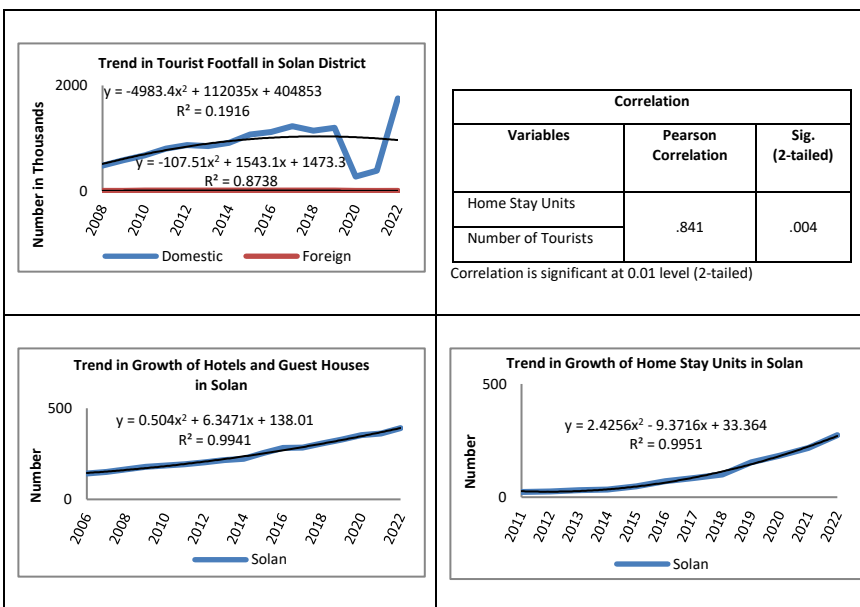


Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Sirmaur

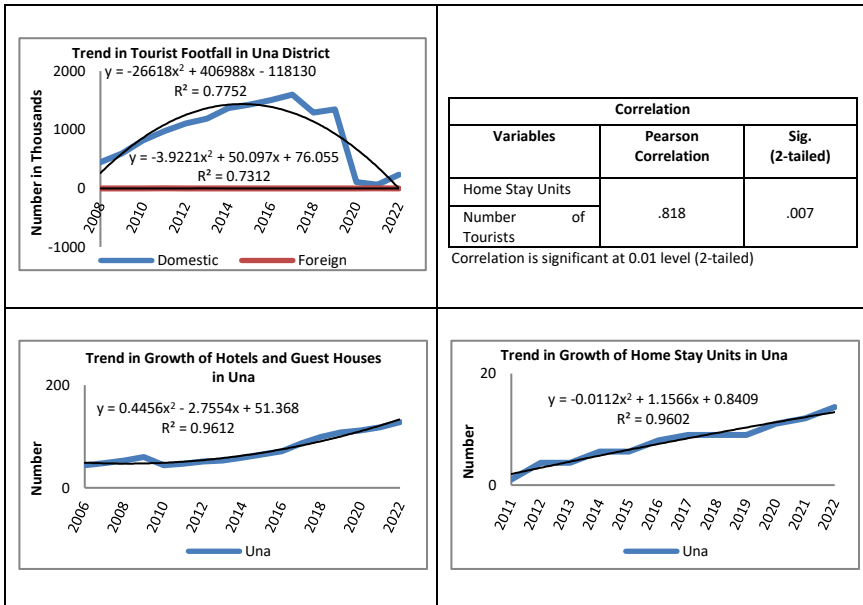


Solan

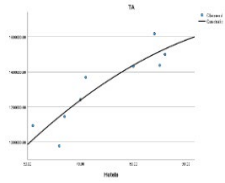
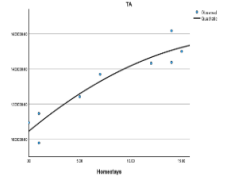
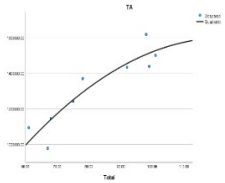
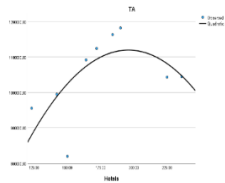
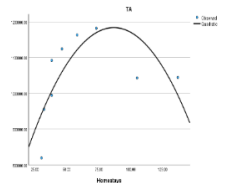
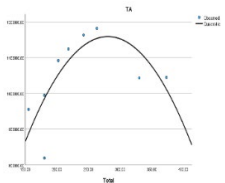
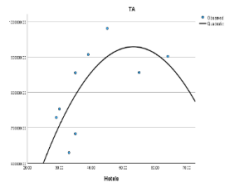
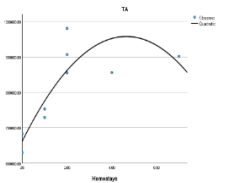
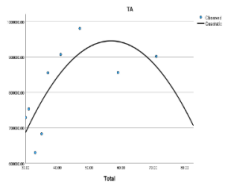
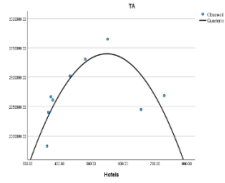
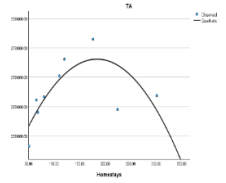
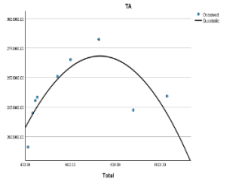


Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

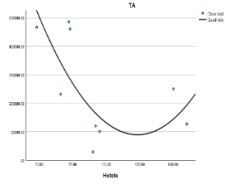
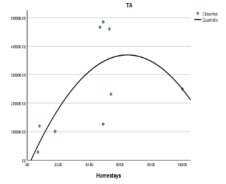
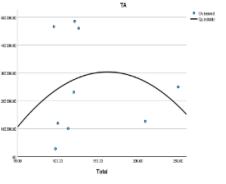
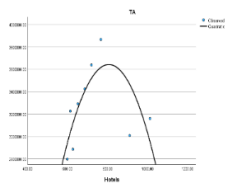
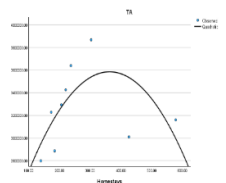
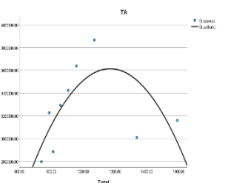
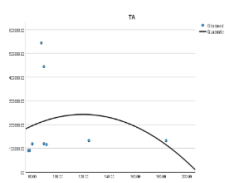
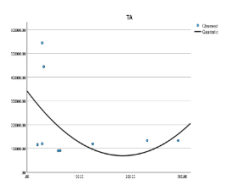
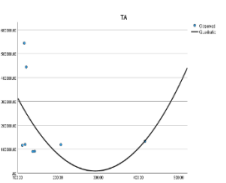
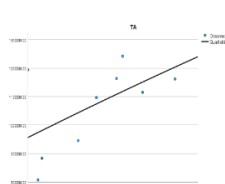
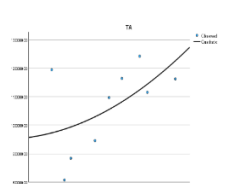
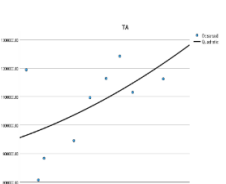
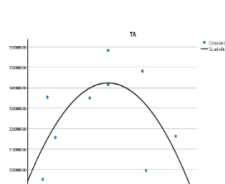
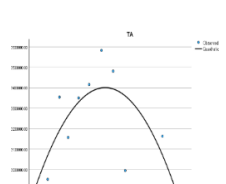
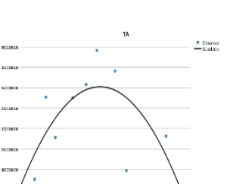
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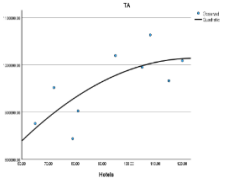
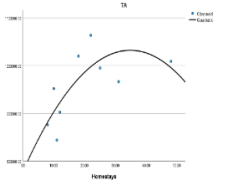
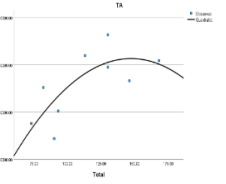
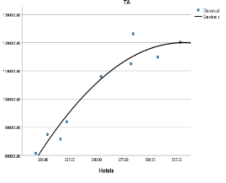
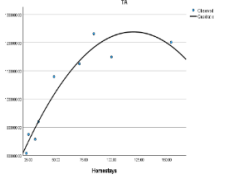
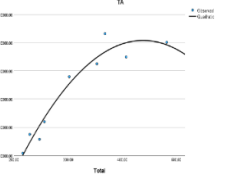
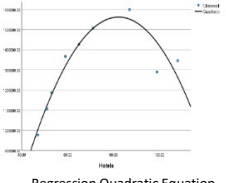
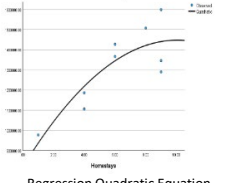
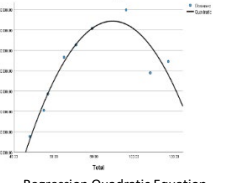
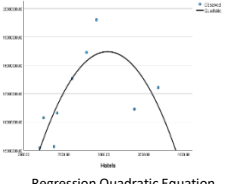
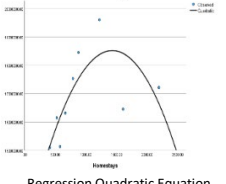
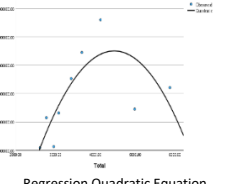
Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

District	Regression plot of Hotels and Guest houses on Tourist Arrivals	Regression plot of Home Stays on Tourist Arrivals	Regression plot of Hotels, Guest Houses and Home Stays taken together on Tourist Arrivals
BILASPUR	 <p style="text-align: center;">Regression Quadratic Equation $TA = -272.281THG^2 + 60721.41THG - 167736.85$ $R^2 = .811$ Sig.=.007</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -1087.19HS^2 + 48189.68HS + 1044325.97$ $R^2 = .890$ Sig.=.001</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -153.65TGHS^2 + 37680.53TGHS - 712411.58$ $R^2 = .851$ Sig.=.003</p>
CHAMBA	 <p style="text-align: center;">Regression Quadratic Equation $TA = -45.05THG^2 + 17654.81THG - 610431.17$ $R^2 = .443$ Sig.=.172</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -74.82HS^2 + 12978.22HS + 620844.66$ $R^2 = .565$ Sig.=.082</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -17.17TGHS^2 + 9632.65TGHS - 192080.527$ $R^2 = .582$ Sig.=.073</p>
HAMIRPUR	 <p style="text-align: center;">Regression Quadratic Equation $TA = -411.20THG^2 + 43758.22THG - 235332.96$ $R^2 = .521$ Sig.=.110</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = 13695.15HS^2 + 127212.68HS + 662358.29$ $R^2 = .726$ Sig.=.021</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -358.65TGHS^2 + 40764.09TGHS - 213008.74$ $R^2 = .603$ Sig.=.062</p>
KANGRA	 <p style="text-align: center;">Regression Quadratic Equation $TA = -15.64THG^2 + 17166.66THG - 2011709.93$ $R^2 = .650$ Sig.=.043</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -31.80HS^2 + 11695.56HS + 1577940.25$ $R^2 = .564$ Sig.=.083</p>	 <p style="text-align: center;">Regression Quadratic Equation $TA = -5.49TGHS^2 + 8043.84TGHS - 261293.67$ $R^2 = .622$ Sig.=.054</p>

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

KINNAUR	 <p>Regression Quadratic Equation $TA = +77.01THG^2 - 18984.85THG - 1259230.01$ $R^2 = .498$ Sig. = .127</p>	 <p>Regression Quadratic Equation $TA = -95.707HS^2 + 12372.15HS - 30762.55$ $R^2 = .528$ Sig. = .371</p>	 <p>Regression Quadratic Equation $TA = -15.68TGHS^2 + 5077.59TGHS - 107509.61$ $R^2 = .033$ Sig. = .905</p>
	 <p>Regression Quadratic Equation $TA = -16.25THG^2 + 26186.63THG - 6911570.78$ $R^2 = .545$ Sig. = .094</p>	 <p>Regression Quadratic Equation $TA = -12.69HS^2 + 9207.56HS + 1913290.86$ $R^2 = .376$ Sig. = .242</p>	 <p>Regression Quadratic Equation $TA = -3.63TGHS^2 + 8483.47TGHS - 1343276.98$ $R^2 = .460$ Sig. = .157</p>
	 <p>Regression Quadratic Equation $TA = -30.62THG^2 + 7308.35THG - 193100.44$ $R^2 = .044$ Sig. = .873</p>	 <p>Regression Quadratic Equation $TA = -7.97HS^2 - 2945.75HS + 341699.87$ $R^2 = .190$ Sig. = .532</p>	 <p>Regression Quadratic Equation $TA = 8.24TGHS^2 - 4815.46TGHS + 711911.95$ $R^2 = .183$ Sig. = .545</p>
MANDI	 <p>Regression Quadratic Equation $TA = -2.08THG^2 + 4115.85THG + 421164.22$ $R^2 = .319$ Sig. = .315</p>	 <p>Regression Quadratic Equation $TA = 14.99HS^2 + 612.19HS + 956949.62$ $R^2 = .309$ Sig. = .330</p>	 <p>Regression Quadratic Equation $TA = 2.53TGHS^2 + 252.09TGHS + 861568.12$ $R^2 = .312$ Sig. = .326</p>
	 <p>Regression Quadratic Equation $TA = -97.76THG^2 + 87969.72THG - 16367078.17$ $R^2 = .396$ Sig. = .221</p>	 <p>Regression Quadratic Equation $TA = -9.54HS^2 + 4714.76HS + 2817643.41$ $R^2 = .373$ Sig. = .247</p>	 <p>Regression Quadratic Equation $TA = -5.61TGHS^2 + 7806.12TGHS + 685241.83$ $R^2 = .387$ Sig. = .230</p>

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

SIRMAUR	 <p>Regression Quadratic Equation $TA = -42.33THG^2 + 10519.72THG + 360100.41$ $R^2 = .561$ Sig. = .085</p>	 <p>Regression Quadratic Equation $TA = -209.63HS^2 + 14593.99HS + 777852.64$ $R^2 = .557$ Sig. = .087</p>	 <p>Regression Quadratic Equation $TA = -27.09TGHS^2 + 7975.53TGHS + 426024.50$ $R^2 = .576$ Sig. = .076</p>
SOLAN	 <p>Regression Quadratic Equation $TA = -21.72THG^2 + 14383.14THG - 1181263.27$ $R^2 = .938$ Sig. < .001</p>	 <p>Regression Quadratic Equation $TA = -43.15HS^2 + 10337.54HS + 618862.04$ $R^2 = .930$ Sig. < .001</p>	 <p>Regression Quadratic Equation $TA = -8.25TGHS^2 + 7229.98TGHS - 37134.96$ $R^2 = .946$ Sig. < .001</p>
UNA	 <p>Regression Quadratic Equation $TA = -450.61THG^2 + 74100.89THG - 1484504.42$ $R^2 = .891$ Sig. = .001</p>	 <p>Regression Quadratic Equation $TA = -6223.12HS^2 + 125264.39HS + 816992.27$ $R^2 = .719$ Sig. = .022</p>	 <p>Regression Quadratic Equation $TA = -342.22TGHS^2 + 61072.64TGHS - 1181146.18$ $R^2 = .905$ Sig. < .001</p>
HIMACHAL PRADESH	 <p>Regression Quadratic Equation $TA = -4.79THG^2 + 29205.10THG - 26013844.91$ $R^2 = .647$ Sig. = .044</p>	 <p>Regression Quadratic Equation $TA = -3.24HS^2 + 9257.84HS + 11903809.44$ $R^2 = .554$ Sig. = .089</p>	 <p>Regression Quadratic Equation $TA = -0.99TGHS^2 + 8839.35TGHS - 1261373.61$ $R^2 = .604$ Sig. = .062</p>

Note:

Dependent Variable: TA = Total Tourist Arrival in a Year

Independent Variables:

end of a year

THG = Total number of Hotels and Guest Houses at the

HS = Total number of Home Stays at the end of a year

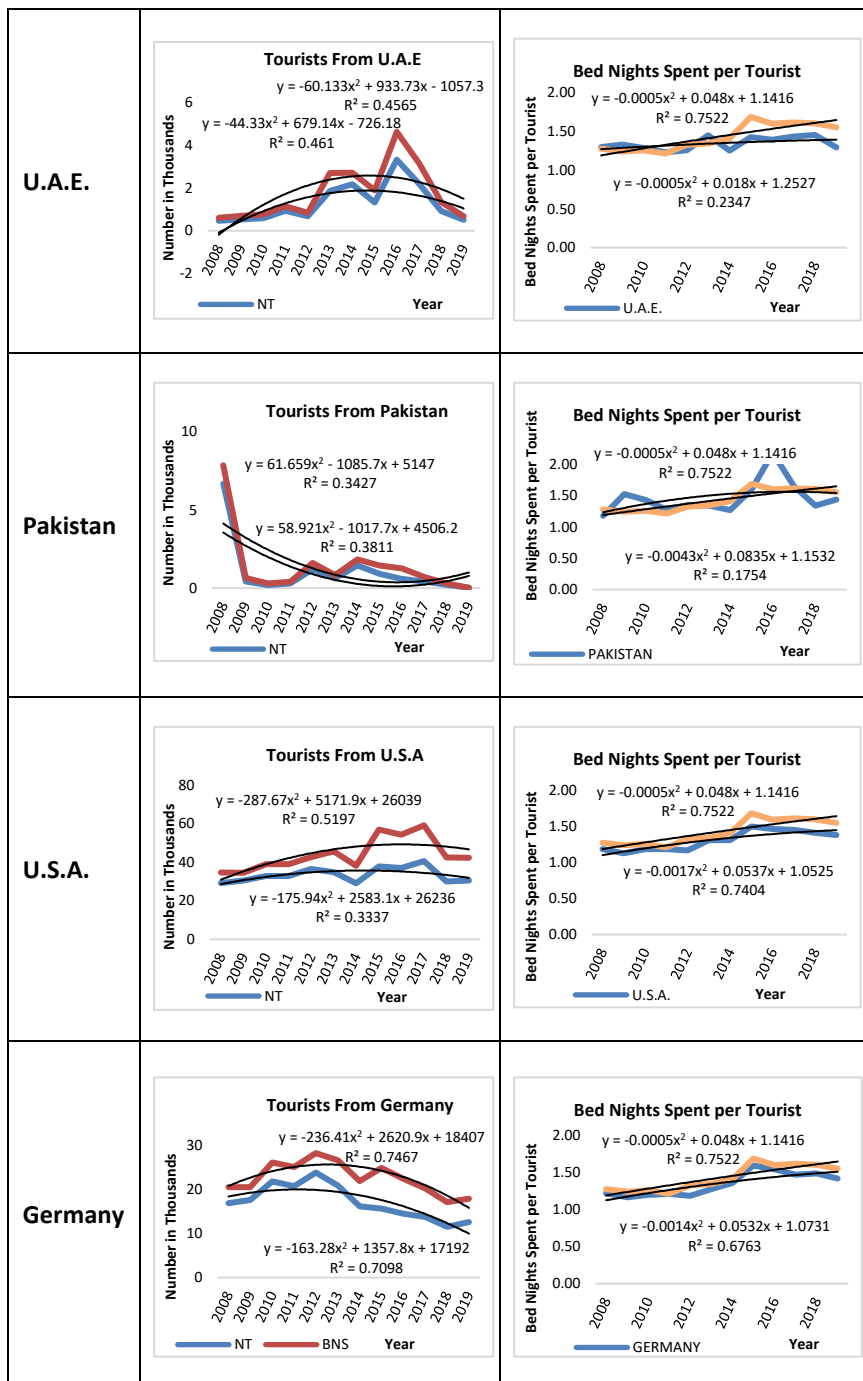
TGHS = Total number of Hotels, Guest Housed and

Home Stays at the end of a year

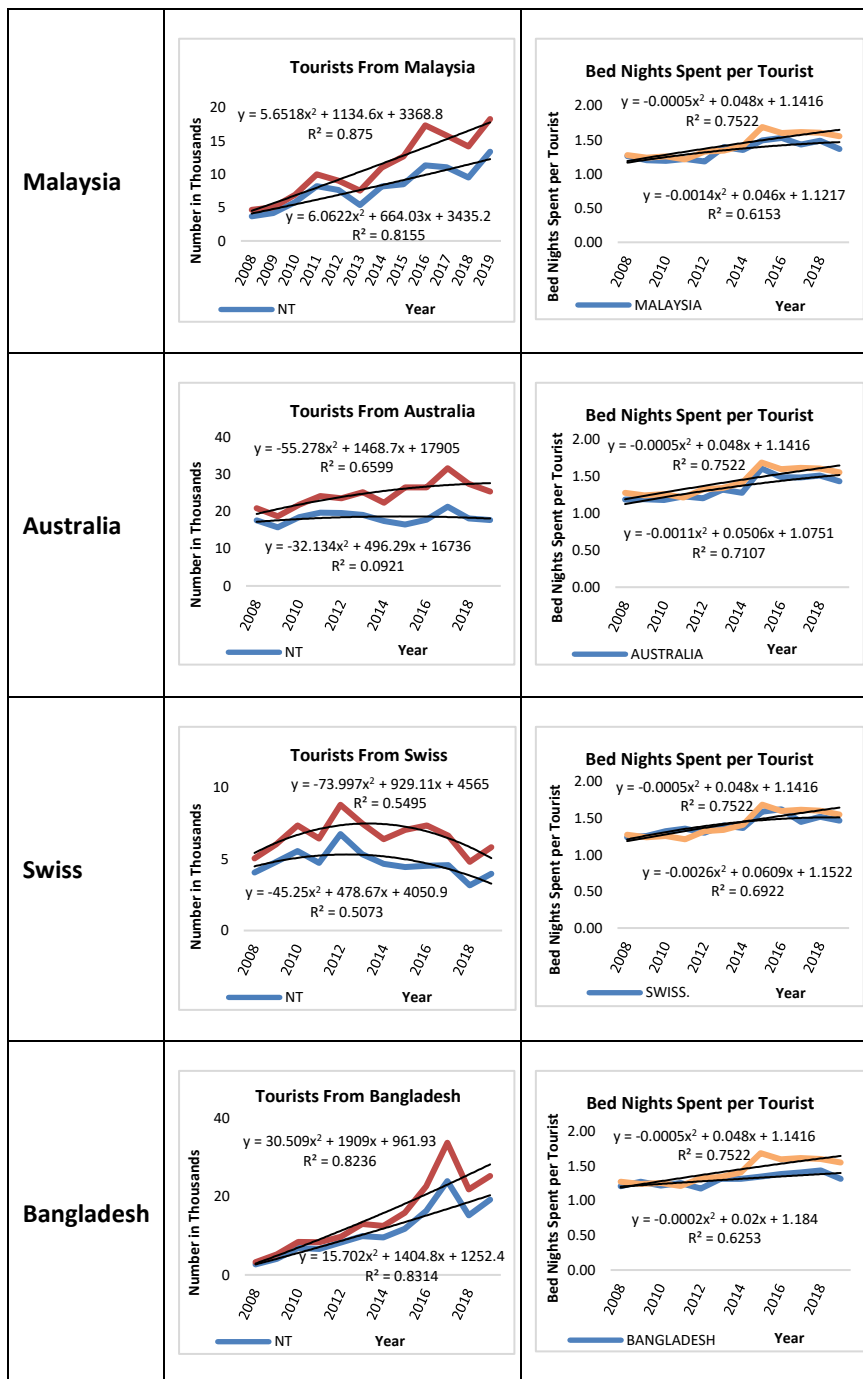
Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

U. K.	<p style="text-align: center;">Tourists From U.K.</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p> <p>U.K.</p> <p>$y = -567.73x^2 + 10293x + 57499$ $R^2 = 0.6282$</p> <p>$y = -351.96x^2 + 5185.1x + 57236$ $R^2 = 0.4478$</p>	<p style="text-align: center;">Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>U.K.</p> <p>$y = -0.0005x^2 + 0.048x + 1.1416$ $R^2 = 0.7522$</p> <p>$y = -0.0016x^2 + 0.0512x + 1.0524$ $R^2 = 0.7165$</p>
France	<p style="text-align: center;">Tourists From France</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p> <p>FRANCE</p> <p>$y = -133.86x^2 + 968.3x + 30595$ $R^2 = 0.5876$</p> <p>$y = -95.209x^2 + 33.763x + 27679$ $R^2 = 0.7565$</p>	<p style="text-align: center;">Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>FRANCE</p> <p>$y = -0.0005x^2 + 0.048x + 1.1416$ $R^2 = 0.7522$</p> <p>$y = 0.0002x^2 + 0.0344x + 1.0951$ $R^2 = 0.7928$</p>
Italy	<p style="text-align: center;">Tourists From Italy</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p> <p>ITALY</p> <p>$y = 43.318x^2 - 1205.6x + 17388$ $R^2 = 0.6513$</p> <p>$y = 52.943x^2 - 1402.4x + 15272$ $R^2 = 0.7726$</p>	<p style="text-align: center;">Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>ITALY</p> <p>$y = -0.0005x^2 + 0.048x + 1.1416$ $R^2 = 0.7522$</p> <p>$y = -0.0017x^2 + 0.0555x + 1.0872$ $R^2 = 0.802$</p>
Canada	<p style="text-align: center;">Tourists From Canada</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p> <p>CANADA</p> <p>$y = -124.16x^2 + 1772.4x + 11177$ $R^2 = 0.4069$</p> <p>$y = -74.311x^2 + 798.32x + 10535$ $R^2 = 0.3932$</p>	<p style="text-align: center;">Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>CANADA</p> <p>$y = -0.0005x^2 + 0.048x + 1.1416$ $R^2 = 0.7522$</p> <p>$y = -0.002x^2 + 0.059x + 1.095$ $R^2 = 0.7217$</p>

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh



Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh



Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

<p>Sri Lanka</p>	<p>Tourists From Sri Lanka</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p>	<p>Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>SRILANKA</p>
<p>Japan</p>	<p>Tourists From Japan</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p>	<p>Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>JAPAN</p>
<p>S. Arabia</p>	<p>Tourists From S. Arabia</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p>	<p>Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>S. ARABIA</p>
<p>Singapore</p>	<p>Tourists From Singapore</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p>	<p>Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>SINGAPORE</p>
<p>Iran</p>	<p>Tourists From Iran</p> <p>Number in Thousands</p> <p>Year</p> <p>NT</p>	<p>Bed Nights Spent per Tourist</p> <p>Bed Nights Spent per Tourist</p> <p>Year</p> <p>IRAN</p>

Chapter-3

**Amenities and Services Offered by Home Stay Units:
Tourist Satisfaction Survey**

This Chapter has been attempted based on primary information collected in respect of the Home Stay Units, the interviews of the guests staying in these units at the time of survey and observations made by the field investigators during their visit to the Home Stay Units. The field survey was initially proposed to be conducted in 2020 however, due to the circumstances arising from outbreak of COVID-19 it could not be done in time. Telephonic interviews were not an option keeping in view the design of the questionnaire which required an on-site visit by the field investigators. The survey could only be conducted after the tourism activity picked up again with the situation becoming favourable after COVID-19 was over.

A total Sample of 114 Home Stay Units was selected out of 1,657 registered Home Stay Units (a sample size of about 7 percent). Each district was proportionately represented by selecting 7 percent (approximately) from the registered Home Stay Units in it. The number of Home Stay Units registered in Hamirpur and Una districts was too small and hence no sample unit was selected from these two districts. The questionnaire was divided into three parts. The first part attempted to capture general information about the owner of the unit and the amenities and services being provided by the sample unit in accordance with the guidelines. The second part of the questionnaire was aimed at gathering opinion of the guests inhabiting the surveyed Home Stay Unit about the services and amenities offered by the unit at the time of

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

survey. The last part of the questionnaire was designed to obtain ranking of the services and amenities on a five-point scale provided by the Home Stay Units as per the observation of the field investigators. The opinion of the guests was also ranked on the five-point Likert Scale.

Only 19.3 percent of the Home Stay Units were found to be owned by females indicating to existence of gender disparity in terms of ownership of these units. 42 percent of the Home Stay Unit owners were graduates and only 15 percent of them were postgraduates. A large

Table-3.1
Socio-economic Profile of Guests

Selected Demographic Characteristics		Frequency	Percentage
Gender	Male	92	80.7
	Female	22	19.3
Qualification	Matric/+2	43	37.7
	Graduate	48	42.1
	Postgraduate	17	14.9
	Other	6	5.3
Monthly Income	Less than 10000	56	49.1
	10000-20000	52	45.6
	20000-30000	5	4.4
	More than 30000	1	.9
Proper maintenance	Yes	113	99.1
	No	1	0.9
Garbage Disposal Facility	Yes	111	97.4
	No	3	2.6
Register for check-in and check-out	Yes	111	97.4
	No	3	2.6
First-aid facility	Yes	112	98.2
	No	2	1.8
Periodical Inspection	Yes	103	90.4
	No	11	9.6
Aid provided	Yes	2	1.8
	No	112	98.2
Apps & UPI	90	37.7	78.9
Cash	111	46.4	97.40
Cheques & DD	2	0.8	1.8
Online Banking	36	15.1	31.6

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

proportion of about 38 percent of owners had passed only tenth standard exams and were found to be running Home Stay Units satisfactorily. None of the owners was found to be illiterate. All the Home Stay Unit owners had responded by indicating a monthly income ranging from Rs.7,000 to more than Rs.30,000 although. However, a direct response to a direct question regarding income earned from the Home Stay Unit cannot be relied upon to have even a rough estimate of the income generated from this activity due to inherent tendency of human beings to always underreport an individual's income. About 50 percent of the respondent owners indicated their monthly income from their Home Stay Unit as less than Rs.10,000. In response to a direct question asked from the owners if they were able to maintain the units after initial hand holding by the Government, 99 percent of the responses were in affirmation. About 98 percent of the Home Stay Units had proper garbage disposal facilities, were maintaining a proper register for checking-in and checking-out the guests, had facility providing first aid in case of a medical situation and about 90 percent of the Home Stay Unit owners confirmed that the Tourism Department had been inspecting these units periodically. A very large proportion of responses negated any assistance having been received from the Government and this was on the expected lines. It is, indeed, encouraging to find that about 79 percent of the Home Stay Units had been accepting payment through cards, UPI, and other similar Apps and about 32 percent of the units had started accepting payment through net banking. However, they had been accepting cash payments as well.

As per the survey, most of the homestay owners think that their parking facility was excellent (43.9 percent) and very good (45.6 percent), whereas a smaller

number of homestay owners rated their parking facility as good (3.5 percent), average (6.1 percent) and below average (0.9 percent). These responses were purely based on the perception and understanding of individual respondents and no leading questions were asked from them.

Tourist Satisfaction

Based on the firsthand information gathered from the guests staying in Home Stay Units at the time of survey, certain inferences have been drawn in view of the ranking of the services and amenities available in these units. The guests interviewed were asked to rate the various services and amenities on a five-point Likert Scale. These responses were then further put to Chi-square test to ascertain if the responses are normally distributed. Put in simple words, Chi-square analysis was done to see if the observed values were near to the expected values, of the responses in this case. The analysis was run using Software Package for Social Sciences (SPSS), the results of which gave mean values, standard deviation, Chi-square values and the degrees of freedom. These values for each individual service and amenity have been tabulated in Table-3.2. It is evident from the table that the null hypothesis which assumed that there is no significant association between the responses of the respondents with the expected mean values has safely been rejected in all cases. This indicates to the inference that even though the responses deviated from the mean values, the observed values of the responses are statistically significant to establish that the responses summed up in the Table-3.2 indicating to the ratings of services and amenities provided by the Home Stay Units are near to the expected values and hence these responses can safely

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

be relied upon and used to arrive at inferences and making recommendations.

All the services which were requested to be rated by the guests were being provided by the Home Stay Units to the satisfaction of the guests. The Home Stay Units had adequate parking space with reasonable wide approach road to the unit. The Home Stay Units had been providing running hot and cold water. However, the entertainment facilities which included, TV channels, wi-fi internet and other recreational games supposedly to be provided by the Home Stay Units may not be up to the expectations of the guests as it had been ranked as very good in contrast to the excellent ranks given by the guests to all other services and amenities. The provision of clean drinking water, quality of food being served in them, which generally was of local origin, and cleanliness and hygiene had been ranked as excellent by the guests. The Home Stay Units registered by the Tourism Department were found to be functioning with all the facilities and amenities which the tourists required during their brief stay in the rural areas away from clamour of the busy city life.

Even the observations made by the field investigators do match the ratings done by the guests except that the ratings done by them score a little less than those done by the guests. This may possibly be attributed to the fact that the field investigators may have an inherent bias in view of their visits to many other Home Stay Units which may have led them to compare the facilities and amenities with the best available. These Home Stay Units in Himachal Pradesh can serve international tourists as well if they keep up with the demand pattern prevailing in the national and international markets. They can also help a great deal in

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

decongesting already crowded tourist places of the State. The behaviour and attitude of the owners of Home Stay Units had been found to be extremely friendly as per the rating given by the guests. These strengths of the Home Stay Units in Himachal Pradesh can be capitalized to market them and sell the properties to the tourists for their stay at the locations of their choosing.

The role of the Himachal Pradesh Tourism Department and that of Himachal Pradesh Tourism Development Corporation in publicizing and marketing the Home Stay Units in the State was not much appreciated by the guests as about 80 percent of them had come to know about the Home Stay Unit they were staying in, from the internet and blogs excluding official websites of either of these two organizations. More than 15 percent of the respondents had come to know about the Home Stay Unit from their friends and relatives. This indicates to unsuccessful efforts of the Tourism Department and the Himachal Pradesh Tourism Development Corporation in marketing and selling the Home Stay Units to the tourists. This finding is another reason to advocate even more participation of the private sector in the promotion of tourism in Himachal Pradesh. The professional approach with a good market orientation followed by the private sector can give the desired push to the tourism sector in Himachal Pradesh.

Tourist Satisfaction Rankings

Selected Attributes		Frequency	Percentage	Mean	Standard Deviation	Chi-Square	df
Tourist Satisfaction Level							
Parking with adequate road width	Excellent	50	43.9	4.25	0.860	117.140	4
	Very good	52	45.6				
	Good	4	3.5				
	Average	7	6.1				
	Below	1	.9				
	Excellent	58	50.9	4.30	1.030	36.842	2
	Very good	48	42.1				

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Availability of running hot and cold water	Good	0.0	0.0				
	Average	0.0	0.0				
	Below	8	7.0				
Quality of food	Excellent	63	55.3	4.50	0.696	105.867	3
	Very good	47	41.2				
	Good	1	.9				
	Average	0	0.0				
	Below	2	1.8				
Attitude of host	Excellent	77	67.5	4.63	0.613	134.772	3
	Very good	34	29.8				
	Good	2	1.8				
	Average	0	0.0				
	Below	1	.9				
Cleanliness and Hygiene	Excellent	45	39.5	4.34	0.607	105.579	3
	Very good	65	57.0				
	Good	2	1.8				
	Average	2	1.8				
	Below	0	0.00				
Entertainment facility	Excellent	27	23.7	3.91	0.837	86.877	4
	Very good	57	50.0				
	Good	24	21.1				
	Average	5	4.4				
	Below	1	.9				
Pure drinking water facility	Excellent	42	36.8	4.31	0.597	101.649	3
	Very good	66	57.9				
	Good	5	4.4				
	Average	1	.9				
	Below	0	0.00				
Condition of bathroom and toilets	Excellent	45	39.5	4.33	0.590	41.737	2
	Very good	62	54.4				
	Good	7	6.1				
	Average	0	0.00				
	Below	0	0.00				
Ratings by the Field investigators							
Parking with adequate road facility	Excellent	22	19.3	3.86	0.901	132.930	4
	Very good	70	61.4				
	Good	7	6.1				
	Average	14	12.3				
	Below	1	0.9				
Cleanliness and Hygiene	Excellent	26	22.8	4.13	0.557	63.000	2
	Very good	77	67.5				
	Good	11	9.6				
	Average	0	0.00				
	Below	0	0.00				
Condition of bathroom and toilets	Excellent	26	22.8	4.15	0.536	70.158	2
	Very good	79	69.3				
	Good	9	7.9				
	Average	0	0.00				
	Below	0	0.00				
Running hot and cold water	Excellent	33	28.9	4.26	0.499	75.000	2
	Very good	78	68.4				
	Good	3	2.6				
	Average	0	0.00				
	Below	0	0.00				
Entertainment facility	Excellent	11	9.6	3.21	1.085	34.246	4
	Very good	39	34.2				
	Good	36	31.6				
	Average	19	16.7				
	Below	9	7.9				

Conclusion and Suggestions

The growth of tourism sector has been slower, especially after 2010, than many other sectors in Himachal Pradesh despite a big push given to this sector through increased public investment and reorientation of Tourism Policy to make it investor friendly. The share of the tourism sector the GSDP of Himachal Pradesh has declined gradually since 2004-05. This inference has been drawn from the analysis of data in this report that was obtained from the Economic and Statistics Department of Himachal Pradesh. The methodology followed by the State Government to calculate the share of tourism sector in Himachal's GSDP includes contributions made by the Trade and Transport sectors as well. The contribution of Tourism Direct Gross Value Added to the Gross Value Added (GVA) of Himachal Pradesh was 3.94 percent during 2015-16 which declined to 3.46 percent during 2018-19. Even the direct and indirect contribution, taken together, of the Tourism Gross Value Added to the Gross Value Added has declined from 9.12 percent during 2015-16 to 7.53 percent during 2018-19 (NCAER, 2021). It clearly establishes that the policy of increasing public investment in the tourism sector has not succeeded in giving the desired pace to the growth of the tourism sector.

The analysis clearly brings out the fact that not only the contribution made by the tourism sector in the State's GSDP has declined over time, the growth rate of the sector has also registered a declining trend as indicated by the decreasing rate of growth of the sector during the period under consideration. The empirical data presented in the report does not support this sector, being one of

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

the growth engines of the State's economy. It has also been found that the translation of successive policy documents into action has been weak. The presence of the private sector in setting up mega projects in the sector is negligible despite repeated statements of the policies to promote private investment in the State. The reasons for the absence of desired levels of private investment in the sector need to be enquired into separately by an independent agency. One of the major reasons coming in way of the private investment in the State is perhaps the Land Policy of Himachal Pradesh. Multitude of compliances and the time taken to honour them are perhaps pother reasons becoming obstacles in way of the private investment in the sector.

The cluster approach to development of tourism as enunciated in various policy Statements for development of tourism in Himachal Pradesh has been missing when it comes to the implementation of policy. Amusement parks, other theme parks, the shopping malls and way side amenities up to the required level could not really come up possibly because of the thinking that every provision of every facility in tourism and hospitality sector is mainly the responsibility of the Government. Engagement with domain experts of national and international repute has been missing when it comes to translation of policy prescription into plan of action.

Despite all the efforts made by the Government and the private sector, the success in decongesting already crowded tourist destinations has been meagre. Shimla-Kullu-Manali circuit is still the most preferred and visited circuit by the tourists. New destinations have started becoming popular largely due to the availability of Home Stays at these destinations. However, the large presence of the private sector at these destinations has

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

resulted in congestion- mainly related to traffic in these newly developed destinations as well which is visible while visiting such places. The environmental costs of developing new destinations are yet to be assessed. Gradual and certain shift in the climatic conditions, decreasing glacial masses and shift in the pattern of rains in the State require an in-depth study to know if the State especially, the tourist destinations, have already exceeded their carrying capacity.

The number of tourists visiting the State, both domestic and foreign, and the average number of nights spent by them in the State have increased over the years, but this number has increased at a decreasing rate. The growth pattern varies across the districts. The climatic conditions prevailing during a year also seem to be affecting the tourist arrival during that year and during the following year. The districts with the presence of famous religious places have witnessed an impressive increase in tourist arrivals. The availability of more Home Stay Units at new destinations and their publicity have certainly resulted in an increase in tourist footfall, however, the present study could not establish it as the only factor responsible for increasing the tourist arrival.

The survey also indicates a very high level of satisfaction among the guests with the amenities and services prided by these units. This confirms the proposition that the private sector has an edge over the Government sector in providing services to the tourists. Although present survey did not attempt to assess satisfaction level of the customers visiting and staying in the properties owned by the Himachal Pradesh Tourism Development Corporation, the interaction with different officials and experience of the research team with the properties owned and run by the Himachal Pradesh

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Tourism Development Corporation were enough to infer that the service provided by these units had serious quality issues. Everyone agreed, to the extent of unanimity, with the poor quality of services provided by the properties run by the HPTDC. The cuisine served in these properties was also not up to the mark nor was any professionalism there in the behaviour displayed by the waiting and front desk attending personnel. The locally skilled chefs could not offer authentic Continental, Chinese and other Asian cuisine. Even the local Himachali cuisine cooked by these chefs cannot be termed as authentic food as it varied in taste from one property to another. The chefs could not upscale their skills to expectations of more aware and ready to spend for authentic cuisine segment of the tourists.

Considering high satisfaction level of the guest staying in the Home Stay Units which are purely run and managed by the private individuals, the Government may rework the existing policies with an objective encourage private investment and withdrawing gradually from the hospitality sector in a phased manner. Private investment is the key to improve performance of the Tourism sector by increasing its contribution in the GSDP. Private capital investment in this sector has its success in the world's most popular tourist destinations where even the infrastructure has been created and is being maintained and operated by the private sector very successfully. However, the procedural simplification, drastic reduction in compliances and reducing investors, visits to the Government offices in getting necessary clearances can be some of the starting points. Some of the initiatives that the Government can take to bring in private investment in this sector have been listed in the following text.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

- a. Governance is the key factor that helps potential investors in determining how easily and successfully a business may operate at the publicized destinations. Destinations offering minimal commercial risks and regulatory barriers together with a robust economy are best suited for successful investment in the hospitality industry. The location and appeal of the destination are of paramount importance in making investment decisions in industry. Equally important are clarity in the regulatory and legal framework, transparency, and promptness in getting permissions and timeliness in obtaining all clearances, preferably in a single instance. The existing system of granting investment clearances have a single digital platform for applying for theme however, the investors have to visit various related public offices very frequently taking hard copies of the already uploaded documents to these offices. Moreover, there are no time limits fixed for granting the permissions. More often not, the potential investors are left with no other option but to give up the investment plan in the State. A revision of the existing mechanism is urgently required with explicit mention of the authority and accountability of all the public offices involved in the process. The delays in granting the permissions may be adequately provided for punitive action against the officials.
- b. The government may review all the incentives currently being given to the industry and evaluate them against the revenue contribution to the State Government by the industry. The revised incentives made available to the industry must have a sunset clause allowing handholding during

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

the initial couple of years only rather than extending them to industry infinitely. The Government should start assessing the share of the Tourism industry in total revenue receipts also rather than looking at its share in GSDP alone while revising its tourism policy.

- c. The Home Stay Units in Himachal Pradesh have been doing well as the customers have ranked them very high in terms of the satisfaction, they got by availing themselves of the services and amenities provided to them by these units. These Units have been managed and operated by individuals or families on their own without any engagement from the Tourism Department in management of their day-to-day affairs. Their success in meeting the objectives of the policy strongly advocates to make sunset clause a mandatory condition to be included in all the Government interventions aimed at providing financial and other incentives to the beneficiaries in Tourism sector. In fact, this should be a part of the schemes across all the sectors of the economy.
- d. Operation of Home Stay Units needs a closer monitoring to ensure that there are no illegal units running in the State as the activities with ulterior motives undertaken in these illegally run unit can easily damage image of any destination ruining its chances to emerge as a new tourist destination. These units may also result in social and environmental costs to the State.
- e. The government should think of facilitating the collaboration with the owners of the home Stay units and the local artists and artisans for giving exposure to their skills and handicrafts to the

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

visiting population. This can help in supplementing the incomes of the local artists and the artisans.

- f. Use of digital technology needs to be encouraged for wider publicity of Home Stay units. The survey done clearly indicates that a negligible proportion of the guests who stayed in the surveyed Home Stay Units knew about those units from the official web site of the Tourism Department. HPTDC. The Home Stay units arranged their own means of publicizing their properties using social media and other electronic media. This finding does not support the idea of the government continuing to publicize these units using its own resources. At best, the Government can help the owners of these units to form a Consortium or a larger body with no representation from the Government and guide them to outline a publicity strategy using various media through only a single incidence engagement with them and leaving the Consortium on its own for further innovations and ideas. The Government can help build a partnership of this Consortium with the specialized agencies like Airbnb and other such organizations operating in the industry.
- g. The same Consortium can also help in clustering the Home Stay Units based on a theme drawn from area specific specialization and heritage. Theme based cluster approach can help in promoting local culture, cuisine, and heritage within the country and abroad alike.
- h. The Government may consider entering into multiple agreements with the private investors in developing and operating world class infrastructure acknowledging that the private investment is driven by the profit motive. The

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

models working successfully in most of the European countries in this field may be studied and implemented in the State with appropriate modifications to suit the requirements of both private investors and the State.

- i. Increased level of private investment in Tourism sector is perhaps an important requirement for the State to make this sector as the leading growth engine for its economy. The successive strategies providing monetary incentives to investors have not worked well in giving pace to the growth of Tourism sector in Himachal Pradesh. All that an investor would want is an enabling environment with minimum compliances and freedom to operate within clearly defined legal framework for making new investment. The policy maker must also acknowledge that any private investor has the profits as one's prime motive. Private investors cannot play the role of a welfare State.
- j. It is high time that the Government should start thinking about disinvesting in the Himachal Pradesh Tourism Development Corporation, considering the existence of many loss-making units being run by it and considering overall balance sheet of the Corporation. The cash balances built by drawing funds against budgetary provisions and keeping them in the bank accounts of the Corporation do not give a correct picture of its financial health. The disinvestment plan may be chalked out with the help of the professional consultants and the entire process should be followed with great transparency to maximize the revenues. The units owned by the Corporations are located at prime locations and are not able to earn profits due to the absence of professional

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

approach in managing them. The communication and other skills required to cater to the needs of greatly aware tourists are generally found to be lacking in the staff engaged by the Corporation in managing these units. The professional approach requires engagement with the private sector in such a manner that there is no displacement of the employed personnel, and their skills are upscaled at the same time.

- k. Environmental and social sustainability are equally important while working to enhance the employability of local youth for their economic betterment. All the existing and emerging tourist destinations need to be assessed scientifically for their carrying capacity and the tourist traffic to these destinations need to be regulated and managed in consultation with the domain experts, industry, and local communities. This plan cannot be formulated by the government alone as it requires expert knowledge. Development plans for these destinations are required to be prepared by the professional and the existing development plans need revision. Repeated consultations with all the stakeholders are the key to bringing an element of ingenuity into the plan. It is the local population that suffers most during tourist arrival as it must compete with the visiting tourists in getting its share of available resources. This has been the experience of the local people living in already established tourist destinations across the globe. The Government can engage with the local population in stopping the spread of undesirable evil social effects of development in society.
- l. Himachal has twelve districts with great diversity of geoclimatic conditions prevailing in each district.

Home Stays and Dimensions of Sustainable Tourism in Himachal Pradesh

Every district is endowed with different geo-climatic conditions and has its own history and cultural heritage. The cuisine available in each district also varies. The idea of having district specific Tourism promotion plans aligned to the objectives of the State level strategies would be worth giving a try. The advantages available within each district need to be identified. Again, consultations with the industry and with the local communities is an imperative while making district specific plans for them to succeed. The Government should just be a facilitator rather than being the implementor of the plans. Industry and the communities should be left alone for implementation of the plan formulated with their consolation.

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