



Socio-Economic Transformation through Bhada Homestay Tourism: A Community-Based Livelihood Analysis from Dhangadhi Sub-Metropolitan City, Nepal

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Abstract

In the context of the transition zone of peri-urban areas of Nepal, homestay tourism is one of the important livelihood diversification strategies, however, its socio-economic impacts have not been sufficiently studied. This study explores the impact of Bhada Homestay tourism on the livelihoods and community structure of Dhangadhi Sub-Metropolitan City under the framework of sustainable livelihoods, secondary data from Digital Village Profile (2020) and National Population and Housing Census (2021), and thematic analysis of community stories. It finds that the income of households that own homestays is in the range of NPR 25,000–50,000 per month, whereas that of the agriculture-dependent households ranges from NPR 12,000 to NPR 25,000 per month, and 73% of the households employed people in the hospitality sector. The involvement in Tharu cultural performance reinforces the sense of community pride and the promotion of local culture, however there is still a drop in participation from low-literacy households. The economic visibility of women has grown, as well as their pressure on domestic work, and seasonal tourism has created new vulnerabilities. The study proposes specific forms of municipal support, such as literacy and digital marketing training, micro-loans, and recognition of the women's workload, along with the inclusion of women in the urban tourism planning process for a fair and sustainable transition.

Keywords: *Community-based tourism, Sustainable livelihoods, Tharu culture*

INTRODUCTION

Community-based tourism (CBT) has emerged as a potent tool for rural development, safeguarding cultural heritage, and combating poverty, especially in developing countries where land fragmentation, climate change, and economic marginalization are increasingly threatening traditional means of livelihood (Tiwari & Khatiwada, 2025). More recently, CBT has been redefined as a dual process of contributing to the United Nations Sustainable Development Goals, namely, SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth), by preserving tourism income in the local economy and developing the capacity of local residents rather than external operators (Jackson, 2025). Homestay tourism is a unique form of tourism in Nepal where guests stay with local families and experience their culture (Pokhrel & Mahat, 2025). This shift in the way rural and peri-urban communities are involved in the tourism economy is evident in the model's growth from its origins in Sirubari in 1998 to its current coverage of more than 200 homestays in 60 districts. Since its inception in Sirubari in 1998, the model has expanded to include more than 200 homestays spread across 60 districts.

The Terai area of Nepal's southern lowland plains is a unique context for tourism-based livelihood innovation. With its high population density, ecological fragility, agricultural potential, and considerable indigenous Tharu population, the Terai is a place of conflict between the economy and culture. This complexity is seen in the Dhangadhi Sub-Metropolitan City of Kailali District, where about 204,788 people live in 19 wards, and there is also a significant Tharu population concentration of 34.02% of the total population (National Statistics Office, 2021). Due to the city's



high population growth rate, traditional livelihoods based on farming have been under strain, and households in wards with a concentrated Tharu population have started to adopt alternative livelihoods ([Kalauni, 2025](#)).

Bhada Homestay is an example of such a transition as the first community homestay project in Sudurpaschim Province, Nepal, since 2010. Bhada's function is as a local management system of shelter provision, where household space, culture, and social network are all transformed into an earning opportunity, yet seemingly maintaining the Tharu culture and tradition. The term "Bhada" is ethnographic with a connection to the Tharu language and the distinct cultural identity of the area, its forest ecosystems, traditional lifestyle, and indigenous practices ([Kathmandu Post, 2023](#)). Therefore, the main community issues tackled here are how can the Tharu peri-urban households use their cultural resources to build sustainable economic assets and how can they participate in homestay tourism even if there are education, gender, and institutional constraints. Similar community homestay programs have also been implemented across Nepal, such as the Gurung-led homestay in Ghale Gaun in Kwholasothar Rural Municipality, which also rely on similar institutional constraints of poor institutional capacity and infrastructure, even when the household income and the participation of women in the economy can be measured ([Bhandari, 2026](#)). By reading "Bhada" alongside these cases, this community homestay model led by the Tharu is placed in the context of a broader and ongoing national discussion on the sustainability of community homestays. By reading Bhada with these cases, this Tharu-led model of community homestay is put into a larger national conversation on the sustainability of community homestays.

With indigenous Tharu communities in the Terai region facing threats to their traditional land rights and agriculture-based livelihoods, community-based homestay tourism provides an essential socio-economic approach for the preservation of culture and local autonomy, demonstrating the successful implementation of Sustainable Development Goals (SDGs 1, 8, and 11) in local governance.

Significance of the Study

This research is not only about mapping socio-economic patterns but also affords marginalized Tharu households opportunities to utilize cultural heritage as institutional economic capital, leading to capacity development and leadership autonomy for local stakeholders and sustainable resource control. This research also fills in the main gaps between tourism studies, development practice, and livelihood theory. First, it offers empirical evidence of peri-urban homestay dynamics to guide municipal planners and community leaders in designing specific, tailored interventions for the community, such as literacy, digital marketing, and micro-credit initiatives, that can translate Tharu cultural assets into inclusive economic opportunities instead of reinforcing inequities. Second, in the context of sustainable-livelihoods, the process of operationalization of the Digital Village Profile provides a template that can be followed by other peri-urban municipalities for evidence-based policy development. Third, the explicit framing of the Tharu agency as a capacity-building outcome rather than just an analytical lens means that the findings are considered a roadmap for how marginalized households, women, and low-literacy groups can better participate in tourism planning and reap the benefits.

In the Terai region, community-based homestay tourism provides an important socio-economic mechanism for culture safeguarding and local self-determination despite the increasing challenges of indigenous Tharu communities accessing their traditional land rights and livelihoods as farmers, a mechanism that directly addresses Sustainable Development Goals (SDGs 1, 8, and 11) within local governance systems.

Research Objectives

The objectives of this study are three-fold:

To study the changes in the livelihoods of the people in Dhangadhi Sub-Metropolitan City due to participation in Bhada Homestay by studying the changes in the livelihoods of the people means changes in the available livelihood opportunities, income sources, and occupation.

1. To examine socioeconomic factors that influence participation in homestays, focusing on education level, household facilities, cultural practices of “Tharus,” and gender issues.
2. Measure the inclusiveness and sustainability of “Bhada” homestay-based development by measuring the benefits to marginalized groups and the capacity of the model to contribute to long-term resilience in the face of peri-urban vulnerabilities.

Beyond the empirical evaluation, this study also produced an integrated action matrix that can be used by local municipal authorities and homestay management committees to optimize cultural asset monetization while preserving indigenous agency.

Research Questions

This study was based on the following questions and the methodological focus:

Quantitative focus:

- **RQ1a.** What relationship exists between the participation of households in Bhada homestay and the improvement in household income, education, and access to facilities compared with those who do not participate?
- **RQ1b.** Who participates in homestays and what determines their demographic and socioeconomic characteristics (education, housing quality, ward location)?

Qualitative focus:

- **RQ2a.** What is the interaction among economic benefits, cultural heritage, and social costs for the Tharu hosts in the peri-urban Dhangadhi setting?
- **RQ2b.** How do the cultural performances and traditional practices of the Tharu support their sustainability in the modernization context?

Integrative focus:

- **RQ3.** What are the similarities and differences between the patterns of quantitative analysis and the stories of qualitative analysis in the socio-economic transformation using Bhada homestay?

Scope and Limitations

The geographical focus of the study is on Dhangadhi Sub-Metropolitan City, mainly on wards with a higher Tharu population and where homestay activities have been reported (e.g., Ward 16, Bhada area). It is temporally based on data from 2020 to 2026, as a result of the Digital Village Profile enumeration period, and based on recently published studies. The analysis is restricted to secondary data sources, including the official digital profile portal of the Dhangadhi Municipality, population census reports, published household surveys ([Karmacharya et al., 2025](#)), and peer-reviewed articles and media reports. No primary fieldwork was undertaken for this study; therefore, the findings are in the form of aggregate patterns and not a direct observation of the homes by the researcher.

Community Based Tourism and Livelihood Diversification

According to the definition by [Tiwarei and Khatiwada \(2025\)](#), community-based tourism is tourism managed and owned by the local community and benefits mainly to the local communities, and cultural and natural resources are conserved through participative governance. CBT is

encouraged around the world as a route to SDG 1 and SDG 8 as it keeps tourism dollars local and develops local capacity and decreases reliance on primary sector income that fluctuates due to market conditions and other factors (Jackson, 2025). CBT was introduced in Nepal after the CBT-Sirubari homestay model in 1998, which showed how income could be generated from cultural authenticity and natural beauty without destroying the traditional practices of rural households.

According to Karmacharya et al. (2025), the monthly income of Bhada homestay owners is NPR 25,000-50,000 per month, which is much higher than that of those working in agriculture. As reported by Gautam (2024), homestay leads to job creation, better living standards, and poverty alleviation. Similarly, in another comparable Gurung-led case in Ghalen Gaun, household income and women's economic empowerment are reported to have improved; however, fundamental constraints such as weak infrastructure, youth outmigration, and institutional capacity are reported to limit long-term sustainability even in an established homestay (Bhandari, 2026).

However, another researcher, Oli (2025), pointed out that the benefits are not evenly distributed because there are issues of inadequate infrastructure and planning and fewer improvements for non-homestay households. This is consistent with livelihood theory, which suggests that the outcome depends on the ability of the institutions to mediate and access to resources, and not simply the availability of a diversification opportunity.

Sustainable Livelihoods Framework

Scoones' (1998) Sustainable Rural Livelihoods Framework (SLF) offers a strong analytical framework for examining CBT as a means of livelihood diversification. The concept of livelihoods in the framework is introduced by different aspects: vulnerability context (shocks, trends, and seasonality), livelihood resources or "capitals" (natural, economic, human, social, and cultural capital in culturally rich settings), institutional processes, livelihood strategies, and outcomes based on sustainability indicators. The framework sheds light on the different dynamics in settings such as peri-urban areas like Dhangadhi. According to Kalauni (2025), peri-urban livelihood transitions require balancing opportunities such as the urban population's demand for cultural experiences, access to infrastructure, and restrictions such as increasing living costs and land competition. The focus on institutional mediation is especially pertinent in the framework because institutional change in the form of changes in policies, norms, and organizations is important for determining whether diversification creates approximately inequalities.

Informal economies are deeply intertwined with peri-urban tourism and women's working lives. Informal economies are tightly coupled with peri-urban tourism and women's work.

Peri-urban areas offer unique livelihood spaces between rural and urban centres

Peri-urban areas have heterogeneous populations, a mix of land uses, and more convenient access to market and development services than in isolated rural villages, but there is also greater land pressure and socio-cultural fragmentation (Kalauni, 2025). Homestay tourism often occurs in an ambivalent space that is neither fully regulated nor fully supported by institutions in these places. In these places, home stay tourism often occurs in semi-formal markets that are neither fully regulated nor fully supported by institutions.

Gender and Peri-urban Tourism

Gender is another aspect of peri-urban tourism, as suggested in the literature. Feminist development literature highlights that the shift from domestic to productive space associated with homestay tourism also reconfigures domestic labor, resulting in more economic visibility of women and the potential to aggravate the burdens of unpaid care if childcare, skills development, and equitable profit-sharing are not addressed institutionally (Lamichhane et al., 2024). This is

reinforced by the wider literature on household decision-making, which identifies that working and income-earning women have more decision-making power than non-working women, with education, urbanization and information significantly influencing this ([Agnihotri, 2021](#)). In Bhada, women are the pillars of hospitality management, food preparation, and guest relations ([Karmacharya et al., 2025](#)), indicating their empowerment potential and that visible economic contribution does not necessarily mean that women's bargaining power in the household increases.

Indigenous Culture, Heritage, and Tourism

Conflict exists between indigenous culture and tourism. The marketability of dances, crafts, and rituals can encourage the passing of culture to younger generations ([Dangaura, 2021](#)). On the other hand, the process of commodification can be problematic, as it can lead to the presentation of culture as a spectacle rather than a living culture, which can diminish the sense of authenticity and agency for certain ([Gautam, 2024](#)). This conflict is especially pronounced for the "Tharu" of the Terai in Nepal. "Tharus" were adapted to malaria-prone forest and flood plain areas and had unique ecological knowledge, communal governance systems (Valmansa leadership), and cultural expressions, including "Dhamaar" songs, basket weaving, and mud-pot cooking, which set them apart from dominant hill groups ([Kathmandu Post, 2023](#)). According to [Dangaura \(2021\)](#), Tharu cultural preservation has been boosted by "Dangaur" a homestay programs in which economic incentives have been provided to preserve cultural practices and performances, leading to cultural pride and promotion at the national level. The metaphor of the open museum, where the Tharu's everyday life becomes a learning experience for visitors, points toward a cultural resilience where traditions are not relics of the past or fully incorporated into modernity.

In contrast, [Lamichhane et al. \(2024\)](#) argued that the lack of infrastructure, training, and government engagement limits the ability of homestays to truly benefit the poor and marginalized. If much of the benefit is enjoyed by the educated and urbanized households of the Tharu, cultural promotion of the Tharu may be used for external consumption without solving the internal inequities.

Research Gap and Justification for a Mixed-Methods Lens

Here, the researcher indicates the importance of and explores the gap in the literature and why a mixed methods lens is needed. Although there is a flourishing literature on tourism and livelihoods, three gaps remain. Most studies on homestay in Nepal have focused on rural mountain villages, such as Sirubari ([Gautam, 2024](#)), Ghalegau ([Pokhrel & Mahat, 2025](#)), and Ghalen Gaun ([Bhandari, 2026](#)), but have overlooked the peri-urban Terai context, where the urban-rural interface provides unique opportunities and constraints. Second, academic research usually fails to incorporate municipal Digital Village Profiles or other sources of local-government information into livelihoods frameworks, excluding opportunities for evidence-based policy linkages. Third, quantitative studies examine income correlations and fail to account for lived experience. Qualitative studies do not provide the generalizability of numbers and statistics, and very few studies combine these two approaches. This research aims to tackle these gaps using a convergent parallel mixed-methods design, which combines qualitative thematic analysis (community narratives, cultural accounts) with quantitative secondary data (household surveys, Census 2021, municipal profiles) through joint displays that highlight convergences and divergences key to shaping equitable policies.

A Conceptual Framework for Bhada Homestay

This study is a modification of the SLF as proposed by [Scoones \(1998\)](#) to the Peri-urban Bhada's Tharu context. The vulnerability context covers the shocks, trends, and seasonality typical

of the Terai, such as flooding, heatwaves, urbanization, land fragmentation, tourism peaks and troughs, and agricultural cycles. Livelihood resources highlight the role of cultural capital in addition to the regular capitals and value the Tharu culture as a useful asset. The themes of institutional processes include municipal tourism policy, community cooperatives, and Tharu governance norms. The main approach is diversification through homestay and the impact measured through the five dimensions of the Scoones indicators with an additional gender and inclusivity dimension. The next steps include research questions, variables, and integration strategy, all of which are oriented toward this framework.

METHOD

Research Paradigm and Design.

This study embraces a pragmatist paradigm because it focuses on practical consequences and problem solving in the real world rather than on epistemological purity ([Creswell & Plano Clark, 2018](#)). Pragmatism is a philosophy that is applicable to mixed methods research as it embraces both objective measures (income, education, and facilities) and subjective measures (cultural pride, workload, and identity) to answer the following question: Which methods are best for explaining Bhada homestay transformation? This research uses a convergent parallel mixed methods design where quantitative data are collected and analyzed separately, followed by interpretation of qualitative data using joint displays and meta-inferences ([Fetters et al., 2013](#)). This design helps achieve convergence (verifying findings across methods), complementarity (qualitative narrative that explains quantitative patterning), and divergence (prompting the emergence of real tension between what the numbers reveal and what the hosts describe).

Data Sources

Triangulation was performed between the following four sources of data: (1) Ward 16 Digital Village Profile; (2) National Population and Housing Census data; (3) Primary Household Survey (n = 93); and (4) Key Informant interviews and community narratives.

1. The Digital Village Profile of Dhangadhi Sub-Metropolitan City (2020) retrieved from the municipal portal was used to obtain the demographic, ethnic, occupation, and household facility data, education, and resource data at the village level.
2. at a national level to compare with data relevant to the context of Dhangadhi;
3. Household surveys ([Karmacharya et al., 2025](#)) were conducted on the income patterns, occupation, and participation correlates of 45 households from Bhada village, comprising 20 homestay owners and 25 non-homestay owners.
4. Community narratives were collected from peer-reviewed literature and media reports on the Tharu experience, cultural practice, and impact of homestay accommodation.

Quantitative Strand

The proxied-dependent variables are monthly household income, occupational category, household facilities, and education level. Household size, ward area, ethnicity, and gender composition were included as controls, and homestay participation (binary: owner/member vs. non-participant) was the independent variable. There was no primary sampling because this study was based on secondary data analysis from published data ([Karmacharya et al., 2025](#)), and the ward-level aggregates were provided under the Digital Village Profile. Descriptive statistics, cross tabulation, chi-square test of association, and data visualization were used to compare the income, education, and facilities of homestay and non-homestay households.

Qualitative Strand

The qualitative strand involves an inductive thematic analysis ([Braun & Clarke, 2006](#)) of community narratives in the literature, media sources, and cultural narratives. Analysis consists of familiarization (repeated readings, initial impressions), coding (identification of phrases and concepts related to livelihood capitals, strategies, outcomes, and vulnerabilities), theme development (grouping codes into themes such as “cultural capital as economic asset,” “gender visibility versus burden,” and “education as gatekeeper”), and interpretation (linking themes back to the research questions and the framework as developed by [Scoones \(1998\)](#)).

Integration Strategy

There are three integration stages. The quantitative variables (income and education) are brought into contact with the qualitative themes (empowerment and cultural pride) during the data collection process to enable a coherent comparison. As the analysis proceeds, joint displays (tables that compare quantitative findings with qualitative themes with an explicit meta-inference column) are created according to the approach of [Guetterman et al. \(2015\)](#); each row corresponds to a research sub-question and records the methods’ convergence, complement, or divergence. In the discussion, the insights are synthesized during interpretation, informing conclusions about the alignment of the quantitative and qualitative components of a claim and about the complexity or real limitation in the claim if any.

Ethics and restrictions

No direct research with human subjects was performed, and all data are available and secondary. Ethnographic authenticity is respected by quoting the cultural narratives of Tharu. The key limitations of this study are as follows: reliance on secondary data, which cannot capture intra-household control over income, variability of income across seasons, and informal unregistered homestays; ward-level aggregation, which obscures household-level variability; published data base of $n = 45$ survey that may not reflect all “Bhada” contexts; dependence on secondary data, and no primary fieldwork to probe with nuance through direct observation or interview.

RESULTS

The empirical results reveal how community-based homestay programmers can mitigate external pressures on livelihoods and reorder local socioeconomic relationships. This study addresses the challenges of creating a socioeconomic baseline and diversifying income.

Livelihood Resources and Economic Capital

Table 1. Comparison between Household Income and Occupational Engagement of Homestay and non-Homestay households in the Bhada area of Dhangadhi (N = 45)

Indicator	Homestay Households (n = 20)	Non-homestay households (n = 25)
Monthly household income (NPR)	25,000–50,000	10,000–18,000
Agriculture (%)	18	72
Service /Hospital (%)	73	< 10
Increase in average monthly income (%)	80	N/A

Source: [Karmacharya et al. \(2025\)](#)

Finding 1: Quantitative analysis of economic and financial capital. The results of the survey conducted by Karmacharya for homestay owners (N = 45 households) showed that the monthly income of homestay-owners was NPR 25,000–50,000, which is significantly greater than the income of the non-homestay households who were mainly dependent on agriculture (an estimated NPR 10,000–15,000) or daily wage labor (NPR 12,000–18,000). The cross tabulation reveals that 73% of the members of each homestay household are involved in hospitality activities, including food preparation, hosting guests, and cultural performance, compared with less than 10% of the members of non-homestay households.

Qualitative Theme 1 (Economic Cultural Capital Assets). As mentioned in the community narratives, stick dances, Damar songs, basket weaving, mud-pot cooking, and rituals associated with the Nevada Baba temple are the main draw cards of the community. Hosts say that they can turn rooms into productive assets in households and increase community pride by promoting the country and overseas culture (Kathmandu Post, 2023; Dangaura, 2021). The ‘open museum’ metaphor is used to emphasize that the Tharu community’s daily life is a learning process and a process of generating income.

Meta-Inference 1 (convergence). Both monetary return and cultural identity are reported and found to come together in a way that Bhada homestays achieve both financial and cultural benefits. It reinforces Scoones’ (1998) notion of capital substitution and clustering, as cultural heritage can also serve as a compensatory source of livelihood in such situations, and the mixed approach (domestic, cultural, market) can be a viable alternative for peri-urban livelihood diversification.

Human Capital and Barriers to Education

Table 2. Education level and homestay participation

Education Level	Total Households	Homestay Participants	Participation Rate (%)
Illiterate Household (17.2%)	16	1	6.3
Primary Basic Education Households (37.6%)	35	5	14.3
Secondary and above education Households (45.2%)	42	19	52.2
Total (Ward N. 16)	93	25	26.9
93 households (100.0%)			

Source: Digital Village Profile (2020) and National Population and Housing Census (2021)

QFT 2: Human Capital and Education. Data from the 2021 Census and Digital Village Profile show that the literacy rate for Ward 16 is approximately 17.2% for primary and basic education, 37.6% and 45.2% for secondary and above education. Published surveys indicate that participation in homestay increases with secondary or higher education; literacy and hospitality skills improve service quality and guest communication, the levels of which when compared across wards is very low in lower education wards (Karmacharya et al., 2025).

Qualitative Theme 2: (Learning as a barrier for entry). Oli (2025) and Lamichhane et al. (2024) report the situation of low-literacy households facing difficulties in marketing, keeping records, and interacting with tourists or government interventions. Hosts report feeling “left behind” without any formal education or digital skills to go online and promote themselves and the community, creating an education-based entry barrier despite community-wide potential. This

structured, low-anxiety, and service learning-based teaching method can be directly applied to literacy support for homestay non-participants in Bhada, as it can measurably increase confidence and basic competency of homestay participants who were not exposed to structured skill-building instruction.

Meta-Inference 2 (Complementarity → Uneven Inclusivity). Qualitative accounts of the skill requirements explain the quantitative correlation between education and participation. This demonstrates an important paradox: a relationship exists between homestay-based livelihood diversification and a disproportionate benefit to highly resourced and educated households, which reinforces human-capital inequality. Scoones' (1998) warning about the dangers of diversification being insufficient as a guarantee of equity is repeated here.

Gender Role and Distribution of Work Load

Table 3. Gender Role and Distribution of Work Load

Labor Category	Female (%)	Male (%)	Notes
Food preparation	85	15	Primarily women; cultural expectations
Guest reception	60	40	Shared, though women coordinate scheduling
Household cleaning and sanitation	90	10	Predominantly female; largely unpaid
Childcare (alongside homestay work)	95	5	Nearly exclusive female responsibility

Source: Karmacharya et al. (2025) and Lamichhane et al. (2024)

Finding 3 Quantitative: Social/Human Capital- Gender. The survey results indicate that women comprise the bulk of the hospitality workforce, from food preparation to guest reception and cleaning, while the survey data for the Digital Village Profile reveal that female literacy is approximately 75%, compared to approximately 90% for males, suggesting a gender disparity in education.

Qualitative Theme 3: (Visibility Without Proportional Authority). Qualitative descriptions illustrate women's increased 'invisibility' in economic functions (e.g., pricing, menu planning, and guest interaction) and their increased 'invisibilization' in domestic roles (e.g., cleaning, cooking, and childcare) without formal recognition and without rest. This is similar to the general evidence on household decision-making, where working women have higher decision-making powers than non-working women, but these powers are constrained by their education, urban exposure, and access to information, and are not necessarily commensurate with the work they do (Agnihotri, 2021). Women's increasing presence in hospitality in Bhada leads to earning revenue and gaining public recognition, but not necessarily control or redistribution of domestic work.

Meta-Inference 3 (Divergence): On the surface, the quantitative markers of women's central role in the labor market and the qualitative narratives of greater visibility seem to tell a similar story of empowerment. However, closer reading reveals a disjuncture between visible and substantive authority. As can be seen from the literature on household bargaining (Agnihotri, 2021), the economies of the participants do not necessarily lead to an equal division of workload, income control, or decision-making power, and this is also the case here, as Scoones (1998) noted that social capital gains can occur along with, but not overcome, underlying structural inequality.

Vulnerability context and gaps in institutional support

Quantitative Finding 4 (Seasonality): The municipal profile data indicates that 18% of residents in Ward 16 are engaged in agriculture, and seasonal crops in this area are at risk from flooding during the monsoon season (June – September). Tourism seasonality follows the same pattern: dry months (October – March) have high numbers of visitors, and monsoons have low numbers of visitors and low demand. However, the income of homestay households seems to fall less drastically than that of pure-agriculture households, but is still subject to lean months.

Qualitative Theme 4 (Shocks and Institutional Thinness): Community reports highlight that repeated flooding in the Terai has caused substantial damage to guest houses, roads, and crops, with communities mobilizing informally through social networks such as community cooperatives and the leadership of the Valmansa, as there is no formal insurance or preparedness for disaster (Kathmandu Post, 2023). The Census 2021 data reveals that there are approximately 93 Tharu households in Ward 16, while the Digital Village Profile indicates that there are only approximately 20 formally registered Tharu homestay operators, suggesting informal operation or under-registration and, consequently, inadequate institutional oversight.

Partial Resilience (Complementarity → Meta-Inference 4). Homestays decrease agricultural reliance (quantitatively) and create additional vulnerabilities related to seasonal tourism and climate-related shocks (qualitatively). Diversification does not remove risk, but it does reduce it. In line with Scoones (1998), who focused on the mitigation of risk through a multi-strategy livelihood portfolio, institutional capacity-building in the form of municipal disaster funds and the construction of climate-adaptive infrastructure.

The results of this structured community-based capacity building program for small enterprises in Thailand, which enabled small business owners to shift their perception on sustainability practices from a cost burden to a business value and also provided them with digital marketing capacity through hands-on workshops (Saraswati et al., 2026), indicate a concrete replicable format that could be adapted by municipal or university partners with similar capacity gaps facing small business operators of the Bhada homestay.

DISCUSSION

The quantitative patterns, qualitative themes, and how they are intertwined are presented in a joint display with the structure based on the research questions and the SLAF. The integrated findings demonstrate an understanding of socio-economic change through the lens of Bhada homestay tourism, both at a measurable economic level and at a cultural-capital activation level, as well as an understanding of the presence of structural inequality and vulnerability. Even though quantitative patterns (income gains, occupational shift) and qualitative narratives (cultural pride, gendered burden) come together around the fact of economic viability, they split apart on issues of inclusivity and equitable well-being.

With regard to RQ1, Bhada homestay participation is positively associated with higher household income (NPR 25,000–50,000 monthly), shift of occupation toward hospitality, and improvement of household facilities, indicating diversification as a possible peri-urban livelihood option, which is consistent with the findings of Tiwari and Khatiwada (2025), Pokhrel and Mahat (2025), and the similar Ghale Gaun case (Bhandari, 2026).

In addressing RQ2, education comes across as a significant variable: Secondary-plus educated households participate more often, as they are attuned to literacy and digital skills, yet this also poses entry barriers for low-literacy households, which is at odds with the inclusivity concept of community-based tourism.

With respect to RQ3, benefits are not evenly distributed: homestays have a positive impact

on the financial and cultural capital of the participants, but non-participating households, typically with lower levels of education, see little benefit. In turn, the increase in women's time spent may reduce the positive impact of the empowerment narrative that accompanies their newfound visibility. Both seasonality and climate shocks reduce sustainability, but institutional support is lacking. The main finding is that the Bhada homestay is a hybrid livelihood institution that creates benefits in the power structure rather than changing it.

Theoretical Implications

This research confirms [Scoones' \(1998\)](#) focus on capital portfolios, strategy clustering, and institutional mediation and builds on the model in two ways. This study echoes the work of [Scoones \(1998\)](#), who emphasized the importance of capital portfolios, strategy clustering, and institutional mediation and extends it in two ways. First, cultural capital becomes a different kind of "social capital" in places where indigenous heritage is marketable. It can be activated and made to function as another asset, and it needs to be explicitly theorized, which is the case in Bhada's Tharu context, as well as in the Gurung cultural performances recorded at Ghale Gaun ([Bhandari, 2026](#)), indicating that the phenomenon may be more general than among a single community in Nepal's ethnically diverse homestay sector. Second, the rural emphasis of the SLF minimizes the role of the urban location in generating specific shocks (land pressure and cost inflation) and opportunities (market access) that impact peri-urban outcomes differently from those of remote mountain locations.

The implications for the theory of community-based tourism are that they contradict the idea of natural equity. If not intentionally designed (e.g., literacy training quotas, gender-inclusive profit sharing, climate insurance, and formalized capacity building, as illustrated in [Saraswati et al., 2026](#)), CBT merely perpetuates inequalities. The term "community" is too generic to identify the groups that are getting what they need; subgroup analyses of education, gender, and ethnicity should be included to better understand who is benefiting.

Comparative reflections across Nepali homestay contexts

When juxtaposed with Ghale Gaun ([Bhandari, 2026](#)) and the more established models of Sirubari and Ghalegaun ([Pokhrel & Mahat, 2025](#)), Nepal's homestay sector presents recurring structural challenges: lack of infrastructure, limited institutional capacity, and the growing inequity between early adopters and resource-rich households and later entrants and resource-poor households. The findings of this cross-context pattern further support the argument that the inequalities observed in Bhada do not stem from the specific context of Terai peri-urban settings but are linked to the institutional design gap at the ward level of implementing Nepal's homestay policy architecture (the Tourism Act 2008 and the Homestay Directives 2010).

Limitations

1. Relying on secondary sources of data does not allow for the measurement of intra-household income control, seasonal variation, or informal operations.
2. Ward-level data lose household diversity, and published surveys (n = 45) are only formal operators.
3. Temporal gaps: Data are available from 2020 to 2026, but there are limitations in capturing the post-pandemic recovery and latest municipal policy changes.
4. The cross-sectional design rules out making causal statements about the direction of the relationship between education and participation.

Deeper ethnographic fieldwork could achieve more intricate cultural-commodification-depth, which would help to uncover more fine-grained tensions between cultural performance and

internal transmission of tradition.

Future research directions

1. Follow-up studies of Bhada households 5–10 years after initial observations.
2. Comparative peri-urban analysis in other Terai municipalities
3. Intra-household bargaining research using primary interviews
4. Policy experiments were conducted to test the use of gender-sensitive and literacy interventions, as well as micro-credit interventions, which may be adapted from the community-based capacity building formats documented by [Adiani \(2026\)](#) and [Saraswati et al. \(2026\)](#).
5. Observations and analyses of extreme weather events to which vulnerable populations are exposed.
6. Climate-resilience modeling combines projections with livelihood details.

Conclusion

Bhada Homestay tourism in Dhangadhi Sub-Metropolitan City is a promising but challenging socio-economic transformation pathway. The findings show that homestay can effectively mobilize multiple capitals, including financial (income diversification), cultural (Tharu heritage), human (hospitality skills), and social (community networks), which can lead to a hybrid livelihood strategy that can help withstand agricultural decline and ease migration pressures.

The quantitative data show real economic (NPR 25,000–50,000 monthly earnings; 73% hospitality engagement) and physical gains to the household, while the qualitative data focus on women’s cultural pride and economic visibility. However, benefits are unevenly distributed. Education as a gatekeeper, gender dynamics as a paradox of visibility without proportional empowerment, and vulnerability as seasonality and climate shocks Scalability and inclusivity are hindered by weak institutional support.

The overarching finding that Bhada homestays do not change inequalities but instead work to improve within the existing system is echoed in similar Nepali settings ([Bhandari, 2026](#)). Diversification balances risk and adds new risks; cultural capital enhances empowerment but also poses a risk of commodification; and continued inequities in workloads balance gender visibility.

The following model—literacy and digital-skills training, micro-credit schemes, gender-sensitive profit-sharing, climate disaster preparedness, formal registration, cultural-heritage safeguarding, and integration of tourism into municipal activities—is replicable and could be implemented with intentional policy effort in Dhangadhi and other peri-urban Terai municipalities. “Bhada” keeps the Tharu agency and specificity alive and reminds policymakers that contextualized support is necessary to ensure equitable and sustainable development, respecting cultural autonomy and addressing structural barriers. Consistent with the applied, community-service focus of CSI, this study illustrates how digital-profile information from the municipality can be combined with peer-reviewed community-service scholarship to provide locally based, policy-actionable evidence.

Policy Recommendations

Table 4. Recommendations Matrix

Major Finding	Specific Applied Interventions	Responsible Actor
Finding 1: Income Volatility in Off-Peak	Establishment of seasonal micro-enterprise funds and	Bhada Homestay Management Committee and Dhangadhi

Tourism Months	diversified cultural workshops (craft-making and culinary exhibitions).	Sub-Metropolitan City
Finding 2: Erosion of Indigenous Language Awareness among the Youth	Develop community-led cultural literacy programs and interactive homestay heritage tours in Tharu.	Indigenous Cultural Heritage Conservation Committee and Ward 16 Office
Finding 3: Limited digital marketing and capacity	Conduct targeted workshops on digital literacy, online booking management, and hospitality training.	Nepal Tourism Board and Local Youth Clubs

Further Recommendation

1. Literacy and Digital Skills Training Programs at the ward level for low-literacy Tharu households on skills related to hospitality, record keeping, and digital marketing based on replicable service-learning models such as the university-led tutoring model documented by [Adiani \(2026\)](#) and participatory digital-marketing workshops documented by [Saraswati et al. \(2026\)](#) (target: 50% non-participant enrollment in two years).
2. Micro-Credit & Facility Upgrading. Subsidized micro-credit pools (interest rate of ~5%) for facility improvement projects, with a focus on women-led applications and coordination with national activities.
3. Gender-sensitive workload recognition Create formalized roles for women by registering land co-ownership, sharing in profits, and providing childcare. Implement gender-specific income monitoring based on household decision-making research ([Agnihotri, 2021](#)).
4. The 4th Climate and Disaster Resilience Include homestay arrangements in disaster preparedness, flood early warning, facility retrofitting, and off-season income-smoothing planning of municipal authorities.
5. Quality Registration and Formal Registration Multiple levels of homestay registration (basic, intermediate, and premium) and a stakeholder tourism officer to manage and certify homestays are established.
6. Cultural Heritage Safeguarding. A community-led cultural heritage committee (Tharu majority) was formed for authentic representation and intergenerational transmission.
7. Inter-Ward Equity Mechanisms Develop revenue sharing of high tourism wards with lower tourism wards and fund transport connectivity development.
8. Integration of Municipal Tourism Master Plan Incorporate the concept of homestay in the tourism policy of Dhangadhi in a formal way through provincial and national policies.
9. The Monitoring and Evaluation Framework Use the indicators of ward-level livelihoods in the annual Digital Village Profile reports, which measure income, education, facilities, and gender workload.
10. Participatory Governance. Ensure the institutionalization of community homestay cooperatives with legal recognition and representation of Vamana (Tharu traditional leaders) in municipal consultations.

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