

Rural Lodges and Homestays:  
An Approach to Poverty Alleviation  
ルーラル・ロッジとホームステイ  
— 貧困削減へのアプローチ —

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**Abstract**

This paper looks at various ways in which poor communities can improve their situation through tourism. In particular, it considers clusters of opportunities centered around rural lodges and homestays.

**要 約**

本稿は、貧困なコミュニティが観光を通じて自らの状況を改善できるさまざまな方法を見てもとめることを目的にしている。とくに、ルーラルなロッジとホームステイに集中した機会に焦点を当てている。

**Key words** : poverty alleviation, community-based tourism, homestay, Ecuador, Runa Tupari

**キーワード** : 貧困削減、コミュニティに基盤を置いたツーリズム、ホームステイ、エクアドル、ルナ・トゥパリ

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**Introduction**

International tourist visits have increased by 20% over the past 3 years to a total of approximately 842 million in 2006 (UNWTO 2007). The fastest growth has occurred in visits to developing countries, where tourists are expected to spend over \$250 billion this year. However, there remain serious doubts as to

whether the tourism industry is effective in alleviating poverty. The problem of leakage is well-known: payments are made to the airline, the tour operator, the international hotel company and the suppliers of food imported for the tourists, and relatively little money is actually spent in the local community. In the case of fully-inclusive holidays and cruises, the situation is even worse, as the tourists spend almost no money during their trip. According to UNEP (2002), no more than 20% of the money a foreign tourist pays for an all-inclusive holiday in a developing country reaches workers and businesses in that country.

In many cases, tourism not only fails to relieve poverty, but actually exacerbates it, when, for example, farmers are evicted from their farms and grazing land in order to make room for a tourist resort or a wildlife park, or when their wells run dry due to demand from water for use in hotel pools and on golf courses. Smith (1997), for example, reports that after the Maasai were evicted from Amboseli National Park, an important grazing area for their cattle in the dry season, they received neither compensation nor income from tourism for two decades. Bosak (2004) reports a similar problem experienced by the Bhotiya when Nanda Devi, in the Indian Himalaya, was declared a World Heritage site and the grazing of sheep and goats was banned. More recently, the BBC reported evictions from Colombian fishing villages to make way for tourist hotels. Even when local farmers are able to gain a share of tourism revenue, it is often much less than anticipated (Koch 2002). Another problem is revealed by a case study focusing on trekking tourism in the Humla region of Nepal (Saville 2001). It was found that everything needed by the trekkers – tents, food, water, and so on – was provided by operatives in far-off Katmandu, with porters and mule drivers being the only local people benefiting economically.

Yet despite these problems, tourism does have enormous potential to alleviate poverty. The UNWTO identifies seven ways in which this may occur (2005: 21):

employment of the poor in tourism enterprises, supply of products and services by the poor to enterprises in the tourism sector, direct sale of products and services by the poor to the tourists, creation and management of tourism enterprises by the poor, tourism taxation to benefit the poor, voluntary actions by tourism enterprises and tourists, and investment in basic infrastructure to develop tourism while benefiting the poor. The same publication provides a list containing seven categories of activities from which local people could earn income from tourism: accommodation, food and beverage sales, passenger transport, travel agency, tour operator and tour guide services, cultural services, recreation and entertainment, and other kinds of service such as rental (30).

The most significant means of generating local income from tourism is through providing accommodation. While local hoteliers are hardly the poorest of the poor, they do employ receptionists, chambermaids, cleaners and other staff, and their profits are likely to be spent in the local economy, unlike those earned by international hotel chains. However, there are other types of accommodation that may benefit the poor more directly: community-owned lodges, homestays and campsites. The initial outlay is much less than for a hotel, and can easily be supported by micro-credit. Moreover, the impact on the environment is likely to be less, especially if it involves an existing structure or a temporary structure such as the gers used in Mongolia. Farm stays are another option that require little investment and have little impact on the environment, and are of great interest to tourists attracted to rural scenery, lifestyles and culture. The farmer can gain income from providing accommodation, meals, transport and even guide services, and need only pay for local laborers to build a small lodge or cabin, an annex, or just an extra room or two for visitors. It may even be possible to use existing rooms if children have grown up and left home. Running costs are minimal, and when there are no guests, the owners concentrate on their regular

work.

The provision of meals, whether in a restaurant or a roadside stall, may also be a good source of income. A simple restaurant or juice bar consisting of a few meters of land, a canvas roof or sunshade and a few tables and chairs can be set up by anyone with access to microfinance.

Yotsumoto (2006) reports in his study of vendors in Rizal Park, Manila, on a vendor who buys chips at a nearby supermarket and sells them for more than twice the price to tourists who pass her stall in the park. While the vendors in his study suffered from extreme poverty and instability, the alternatives were even worse; and interventions such as preferential licensing arrangements and access to low-interest loans can make a significant difference.

In cities both large and small in many developing countries, transportation services are offered not only by licensed taxi drivers but also by ordinary people who have a car and a driver's license. In the case of rural home stays, transportation is often provided by a farmer on his way to and from the nearest town. The driver-guides hired by Runa Tupari, discussed below, also work as farm laborers and truck drivers. Thus, while getting a license and a vehicle can involve considerable expense, it nevertheless represents an option for many people needing to supplement their income.

The unemployed and under-employed can provide various other income-generating services, as guides, porters, entertainers, instructors (of arts and crafts, for example) and vendors of food and drink, maps, souvenirs and so on. The opportunities for vendors have already been mentioned. The DFID research in the Gambia (Goodwin et al, 2002) showed the potential for alleviating poverty through providing vendors with formal but non-intrusive access to tourists in their hotels. Tourists spend an average of about \$18 a day in the informal sector in Gambia, a sum which is multiplied as the vendors and their families spend

their earnings in the local economy.

In many cultures there is a community or group of families traditionally engaged in the entertainment profession, which could include dancing, musical and theater performance, and so on. These can be seen in various places popular with tourists, such as Bali, Cuzco, West Bengal, and elsewhere. Many such performers depend for their survival — and for the survival of their traditions — on income from such services, and tourism is obviously a major stimulus for this.

The souvenir industry also represents a significant potential source of income for both artisans and vendors. In many cases, the artisans are able to sell their own products in markets that are themselves popular tourist attractions. The weekly market in Otavalo, Ecuador, for example, was set up to enable artisans to sell their products directly to domestic and foreign tourists, and has become very popular. Even more remote regions can access the tourist market through state handicraft emporia such as those to be seen in cities such as New Delhi.

Other opportunities for earning income from tourism include visits to artisans and native healers, aromatherapy, massage, yoga, and guided walks through wilderness areas, rural communities and even urban areas.

Activities of the kind mentioned above may be initiated by an individual or family, or by a community. Many successful examples of both can be found in the responsible tourism literature, such as Buckley (2003), Mann (2002), and Pattullo and Minelli (2006), and in UNWTO publications such as *Poverty Alleviation Through Tourism* and *Sustainable Development of Ecotourism*.

## **Examples of rural lodge and homestay projects**

Poverty tends to be more extreme in rural areas of developing countries. Rural tourism involving accommodation in lodges, cabins and guesthouses may help

alleviate this. The following examples show how rural communities have managed to benefit from this kind of tourism.

Amantani is the largest island in Lake Titicaca, Peru, and is inhabited by approximately 5000 indigenous Aymara. A combination of high altitude and poor soil means that income from farming is barely enough to enable the farmers to feed their families. The islanders made an agreement with tour agencies based in nearby Puno to provide homestays on the island. With as many as 100 visitors a day during the high season, income from tourism is significant. The residents take turns to host tourists, in order to ensure a fair distribution of income. Further income is generated by performances by local musicians at a community hall. The nearby island of Taquile has more visitors than Amantani, but most come only on day trips. However, Taquile has a booming handicrafts industry.

The community of Tumani Tenda, in Gambia, could have cleared their local rainforest in order to grow more crops; instead they chose to protect it. Their restraint won them an award, and they used this to build a camp for ecotourists, consisting of traditional huts and a restaurant. It is located about 500 meters from the village, but tourists are welcome to take part in village life, farming and fishing. Profits from the community-owned ecotourism camp have paid for a school, a bakery, a chicken farm and a generator (Pattullo 2006).

The Model Ecologically Sustainable Community Tourism Project (MESCOT) is aimed at providing rural communities in Sabah, Malaysia, with additional income from sustainable tourism in an area where the expansion of oil palm plantations and logging operations seriously threatens the local tropical rainforest (UNDP 2004). Many tourists travel by motorized canoe up the Kinabatangan River, from which they can see proboscis monkeys, hornbills and many other unique species. Batu Putih is a community of five villages located on the banks of the river. With help from WWF, the Norwegian Government and various local government

departments, over 20 local *Orang Sungai* families in Batu Putih are now able to provide accommodation to tourists, and more than 100 people are actively involved in the tourism industry in one way or another. A part of their earnings is used to fund micro-credit loans for home improvements.

The Responsible Ecological Social Tours Project (REST) was initiated in 1994 by the Thai Volunteer Service to enable local communities to manage and benefit from tourism. They have helped set up homestays in farming and fishing villages, boat trips, nature walks, treks, handicraft demonstrations and other activities providing small groups of tourists with opportunities to get to know the local people and their culture. Mann (2002 59-61) reports on his visit, organized through REST, to Ko Yao Noi, a quiet fishing village near Phuket, one of Thailand's most popular resorts. His trip included not only visits to a rubber plantation, a fish farm and the local market, but also a discussion with his host about why the village decided to invite tourists. Karnjarya Sukrung (1997) describes some of the other REST projects and also the responses of the tourists, many of whom are domestic tourists from Bangkok and other large cities. A young banker from Bangkok, for example, is amazed at the local people's knowledge of plants used for food and medicine. Karnjarya points out that the REST projects provide communities with a supplementary income that helps pay for children's education and medical costs and also roads and wells.

Kerala, in southern India, has experienced a boom in tourism in recent years, and is facing a shortage of satisfactory accommodation. The Department of Tourism decided to meet the extra demand not by building many new hotels but instead by promoting homestays (2006). The goal is to provide an additional 5000 rooms for tourists within 5 years. One interesting feature of the project is its highly detailed classification system. Homeowners may register their rooms under one of three categories, depending on the location, ease of access, the

facilities they have to offer, and other factors. The official checklist includes requirements such as clean bed and bath linen every day, a bedside table and drawer, and round-the-clock hot and cold running water. Given that the criteria also include the home owner's educational and professional background, it would appear that the project is intended to benefit the middle classes, rather than the poor. However, the basic classification system could be applied to a much wider range of accommodations, from mud hut to former palace.

The Mountain Institute, based in Washington, has implemented a project named 'turismo vivencial' aimed at protecting mountain landscapes, culture and livelihoods in three villages in the Cordillera Blanca mountain range of Peru. In order to promote their attractions, the communities of Humacchuco, Vicos and Huaripampa have opened a travel agency in the nearby town of Huaraz, a mecca for tourists and trekkers. The Mountain Institute provides training in tourism service, guiding, cooking and other services. Prices in Vicos range from \$16-\$37 per night for a package including not only accommodation and meals but also guided treks, artisan visits, musical performances and other services. At least 10% of the money paid by tourists is contributed to a community development fund.

Costa Rica has experienced a huge boom in ecotourism over the past several decades, and with it, a similar growth in the number of rural communities offering accommodation and tour programs. In most cases, accommodation takes the form of a lodge built and managed by the community or a family. The government encouraged communities to form COVIRENAS (National Resource Vigilance Committees) to promote conservation throughout the countryside. These and other community-based organizations such as farm cooperatives subsequently received support from the UNDP Small Grants Program to establish tourism operations. Many now offer lodge-based accommodation and



walking, horse-riding and boat tours in cloud forests, rain forests, lagoons and other protected areas. Almost 70 eco-lodges are mentioned by Blake et al., many of which are community-owned.

### **Case Study: Runa Tupari**

Just in front of the market square in Otavalo, Ecuador, is the office of a travel agency named Runa Tupari. The name means ‘meeting the Indians’, and Runa Tupari’s goal is to enable tourists to experience the local culture through rural homestays and community visits. The agency was founded by UNORCAC, an organization that represents the indigenous Quichua living in the beautiful but impoverished Cotacachi region and whose goal is to “improve living conditions of its members through development projects and programs such as agro-ecological production, reforestation, environmental conservancy, legal assessment, indigenous healthcare, intercultural bilingual education, cultural revival and rural tourism” (Runa Tupari, undated). It is co-owned by UNORCAC, the Rural Lodges Association and the Native Guides Association, and was set up with approximately \$100,000 in start-up funds from Agritererra, a Dutch farmers’ organization that also provided technical and managerial support. The project began with feasibility studies and market research, after which the homestay program opened for business in 2001 (UNWTO 2006 54). By 2007, Runa Tupari had established 15 rural lodges in the communities of Morocho, La Calera, Tunibamba, Chilcapamba and Santa Barbara, with room for approximately 45 guests (van Weert, personal communication). The lodges consist of detached cabins or of home extensions. Construction of each lodge was financed by a loan from a UNORCAC-founded bank, Cooperative Santa Anita, a grant of \$500 per family from the Ministries of Tourism and Housing, and a grant of \$1500 from



**Photo 1 Family-owned lodge, Santa Barbara, Ecuador.**

Agriterra. In order to keep down costs, the owners did much of the work themselves.

According to van Weert (personal communication), in the year 2006, 2400 overnight stays were recorded. Each tourist pays Runa Rupari on average approximately \$20 a night for accommodation and meals, of which \$8 is paid to the hosts, \$3 to the tour operator, \$3 to the transport provider, \$2.60 to Runa Tupari, and 50 cents to the community. In addition \$2.40 is deducted for tax and 50 cents is spent on communications. Typically, a host receives two guests per night, and thus earns around \$16, of which about \$10 is net profit, a very significant sum in rural Ecuador. Guests generally stay no longer than 2 nights. On average, each family earns about \$100 a month from tourism. Thanks to this income and to earnings from part-time bricklaying jobs, hosts have generally been able to pay off their loans within a few years.



**Photo 2 A market in Otavalo, Ecuador.**

One of the 15 lodges is owned by Ernesto and Digna, residents of Santa Barbara community. Ernesto is a bricklayer and built both his own house and the lodge some twenty meters away, which has 3 beds and a small but elegant bathroom. Once they have paid back the loan for the lodge, Ernesto intends to build a second, which will enable him to host a total of 6 tourists per night. The existence of people such as Ernesto and Digna suggest that the Runa Tupari model can succeed in overcoming dependency on outside organizations and fostering an entrepreneurial spirit.

In addition to its rural homestay program, Runa Tupari offers a number of guided tours. In 2004, they handled 308 tours, of which 186 were described as nature tours, 87 as community tours and 35 as adventure tours. Their more popular tours include climbing local peaks, trekking around local lakes, horse riding and cycling expeditions, tours of artisan villages where straw mats,



**Photo 3 Poncho maker on Runa Tupari artisan tour.**

ponchos and musical instruments are made, and an intriguing tour called Explore Agricultural and Culinary Traditions. The artisan tours invariably result in purchases of local handicrafts, in addition to generating interest and pride in local cottage industries. The agricultural tour, however, has a different goal. One of UNORCAC's objectives, in partnership with the National Institute of Agricultural Research, is to revive and disseminate traditional crops (Ramirez 2005). As many as 100 different kinds of edible and medicinal plants, crops and trees are grown by the local Quichua in their home gardens and small farms. This is contributing not only to local incomes and diets but also to regional biodiversity, besides functioning as a tourist attraction.

In addition to the two company employees and the fifteen host families, there are other beneficiaries from the activities of Runa Tupari. According to van Weert (personal communication), the organization employs eight indigenous

guides, earning from \$10-\$15 a day. One works for Runa Tupari full-time, three are usually available for work if called on, two work only at weekends, and two others work only during the peak season of July and August. This kind of flexibility is essential, owing to the irregularity of tourist arrivals. Most of the guides obtained a driver's license, enabling them to do various jobs related to tourism and produce delivery, both within and outside the Runa Tupari program. However, Runa Tupari only owns two cars, so when more are needed, they have to hire taxis. One local taxi driver has apparently earned so much from his work for Runa Tupari that he has been able to buy a second car and rent it out to another driver. Other beneficiaries include the local farmers who provide the program with food, the local artisans who sell handicrafts to the tourists, and the horse owners in Morochos, who are paid \$10 for each horse they provide for Runa Tupari's riding trips (UNWTO 2006 p. 55).

As mentioned above, Runa Tupari spends 50 cents per tourist on community improvements. The local communities have also benefited from the development of local enterprises, not least of which is Runa Tupari itself, which has been able to wean itself off the subsidies it received from Agriterro and has paid its own way since January 2004 (UNWTO 2006 p.56). In addition to the benefits already mentioned, UNWTO (2006) mentions the following: heightened self-esteem in the communities (traditionally looked down on by urban residents), reduced migration from rural communities, and increased status for women (who generally run the homestay programs and are gradually developing the potential to run other small enterprises). A further benefit is the revival of traditional crops, resulting in a richer diet, greater food security and the potential for increased income from the sale of specialty foods.

Concerning future expansion, this is very difficult under the present circumstances, because the number of arrivals at any time is so unpredictable.

There are times, during the busiest months of July and August, when there is a surplus of visitors who have to be accommodated elsewhere by special arrangement. Normally, however, the program operates well below capacity. There are also times when large groups request a facility at which they can all stay together. The community of Tunibamba proposed to reconstruct their old hacienda, a kind of inn. This would enable them to accommodate such groups. However, a source of funding has not yet been found. In any case, it is not clear that sufficient demand exists for such an expensive facility to be profitable.

This brings us to the issue of marketing. According to van Weert (personal communication), while Runa Tupari has been marketed extensively in the Netherlands, it is not well-known elsewhere in Europe, nor in North America or Japan. Moreover, it depends primarily on three main sources to supply it with clients: tour operators, volunteer organizations that send students, and the Lonely Planet Guide to Ecuador, which includes a brief description of Runa Tupari. The tour operators and volunteer organizations demand significant discounts that reduce the amount of money available to the community. In order to diversify its market and reduce its reliance on tour operators, Runa Tupari needs to reach a wider public. This, however, requires a bigger marketing budget than the organization can afford. Under the present circumstances, expansion is therefore somewhat limited.

Van Weert (personal communication) expressed an interest in eco-certification, which would be an additional selling point for the Runa Tupari program. However, after looking into the system, currently operated by Rainforest Alliance, he found it to be prohibitively expensive, both in terms of the fees and the improvements that lodge owners would be required to pay for. His response echoed that of many small operators: the concept of eco-certification is good, but it is too costly for small community-based tourism

projects.

## Conclusions

A number of lessons may be learned from the experience of Runa Tupari and other rural homestay programs. First, it is important to recognize that community homestays provide a supplementary, rather than alternative, source of income (UNWTO 2006). Programs are by nature small-scale and, like most tourism business, prone to seasonal fluctuation.

Second, each project needs to be seen as a cluster of income-generating activities centered around, but not limited to, homestay and tour programs. In the case of Runa Tupari, for example, other beneficiaries include local farmers and artisans, and providers of transportation.

Third, it is important to provide access to micro-credit through secure financial institutions, preferably local banks, at reasonable interest rates. Without this, efforts to build and equip extra rooms for tourists are likely to lead to a heavy, long-term debt burden.

Fourth, when tourists opt for a rural homestay, it is because they are eager to have an authentic cultural experience. Any effort to modernize or westernize the accommodation therefore risks not only wasting money but also disappointing the tourists. As one visitor to a poor rural community in Thailand commented “I loved showering under the stars” (Karnjarya Sukrung 1997).

Fifth, the success of a rural community tourism project depends to a great extent on the competence of the organization that helps set it up and maintain it. The expertise of organizations such as UNORCAC and Agriterria, and of management teams such as the one that guided Runa Tupari through its infancy should be made available to other projects elsewhere, through live and recorded

workshops and internships.

Finally, no matter how attractive and well-organized a community tourism program may be, it will not succeed without effective marketing. Small programs like Runa Tupari need to be able to promote themselves in the global market. This may seem difficult, but thanks to the Internet and the responsible tourism movement, it is becoming easier. Popular guidebooks now mention sustainable and responsible tour destinations and operators. Publications like Ethical Tourism and the Good Alternative Travel Guide have also increased public exposure, as well as raising awareness. Internet search engines such as Google and portals such as [responsibletravel.com](http://responsibletravel.com) make it easy for a tourist or tour operator to find a worthwhile project in any country and view its home page. Daily newspapers such as the Guardian and the Times now feature sustainable and community tourism products and destinations. If anything, the problem soon may be one of attracting attention among hundreds of similar ethical products (some, of course, less ethical than they claim to be). Hopefully, the competition for a share of the rapidly growing responsible tourism market will lead not to the cutting of prices and corners but to increasing ecological and social responsibility.

### Note

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