

# Rethinking Homestays: Navigating Policy Pathways

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## Rethinking Homestays: Navigating Policy Pathways - NITI Aayog Report

### Context

Tourism has become a **key driver of India's economic growth**, generating employment, enhancing foreign exchange earnings, and promoting cultural heritage. With the rising demand for **alternative accommodations**, particularly in rural and semi-urban areas, **NITI Aayog released a report titled "Rethinking Homestays: Navigating Policy Pathways"**. This report seeks to provide **States with a model policy framework** to harmonise regulations and create an inclusive homestay ecosystem that supports **sustainable and community-based tourism**.

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### State of Travel and Tourism in India

- The sector has shown a **remarkable post-pandemic recovery**, led primarily by **domestic tourism**.
- According to **WTTC's 2024 Economic Impact Research**:
  - The sector contributed **₹21.15 lakh crore** to India's economy in 2024, marking a **21% increase over 2019**.
  - Contribution is projected to rise to **₹43.25 lakh crore by 2034**, forming **7.6% of GDP**.
  - The sector currently employs **4.325 crore people** (1 in every 11 jobs) and is projected to reach **6.3 crore jobs by 2034**.
  - **Domestic tourist spending** in 2024 stood at **₹16 lakh crore** (25% higher than 2019) and may nearly double by 2034.

- **International tourist spending** reached **₹2.85 lakh crore** in 2024 and is expected to grow to **₹4.07 lakh crore** by 2034.
  - The **Draft National Tourism Policy 2022** aims to position India among the **top five global destinations by 2030**, targeting growth in arrivals, foreign exchange earnings, and employment.
  - To support this vision, the government has:
    - Raised the **Ministry of Tourism budget to ₹2,541 crore**.
    - Identified and prioritised the development of **50 top destinations**.
    - Promoted **PPP projects and hotel investments** under the **Harmonised Master List**.
    - Supported **homestays through MUDRA loans**.
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## NITI Aayog's Report on Homestays

The report recognises that **homestays and Bed & Breakfast (BnB) units** are not just accommodation options but instruments of **inclusive growth and cultural preservation**. It recommends a **model policy framework** for States to unlock the sector's full potential.

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## Key Insights and Objectives

- **Economic Potential:** Homestays can promote **sustainable growth**, generate **local employment**, and encourage **entrepreneurship**, especially in **rural and semi-urban regions**.
  - **Cultural Value:** They provide **authentic, culturally immersive experiences** for travellers while protecting local traditions and heritage.
  - **Policy Goal:** To integrate homestays into **India's mainstream tourism strategy**, strengthening both the economy and communities.
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## Core Recommendations

### 1. Light-Touch Regulatory Framework

- Policies should remain **simple, transparent, and flexible**.
- Emphasis on **safety, inclusivity, and heritage protection**.
- Avoid excessive regulation that discourages participation.

### 2. Digital Empowerment

- Creation of a **centralised digital portal** for registration, compliance, renewals, and updates.
- Enhances **ease of doing business** for hosts.
- Builds **consumer trust** through transparent processes.

### 3. Capacity Building and Local Empowerment

- Provide **training, certification, and skill development** for hosts.
- Use **digital platforms** for outreach, marketing, and strengthening credibility.

### 4. Financial Incentives

- Move from individual-level support to **destination-based incentives**.
- Encourage tourism in **underserved and remote regions** through **tiered incentive structures**.

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## Strategic Roadmap

- **Simplify processes** to expand participation in the homestay sector.

- **Integrate technology** to make systems efficient and transparent.
  - **Preserve cultural authenticity** while promoting sustainable tourism practices.
  - **Position homestays** as a tool of **regional development, livelihood generation, and community empowerment**.
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## Conclusion

The **NITI Aayog report** highlights the potential of **homestays and BnBs** to drive **inclusive growth, cultural preservation, and sustainable tourism** in India. By recommending **harmonised regulations, digital integration, and destination-focused incentives**, the report envisions homestays as a **strategic pillar of India's tourism sector**, ensuring both **economic prosperity and community well-being**.

Source : Indian Express



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