

# THE VILLAGE-STAY: A NEW APPROACH FOR SUSTAINABLE AND INCLUSIVE COMMUNITY-BASED TOURISM DEVELOPMENT IN VIETNAM – PERSPECTIVES FROM THE HOST COMMUNITY

Le Tien Tung\*

*Action on Poverty in Vietnam*

\*Corresponding author: *Le Tien Tung, Tunglt@actiononpoverty.org.vn*

## GENERAL INFORMATION

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## ABSTRACT

Community-based tourism (CBT) is a form of tourism that seeks to engage the host community through tourism planning, development, and management. In Vietnam, CBT development commonly focuses on supporting some selected pioneered families in a village to renovate their existing traditional houses to offer visitors accommodation, culinary, and sightseeing services. Consequently, most benefits generated from CBT belong to those pioneered families; inequality and competition in the village are promoted; common agreement on resource management, and strategic development are neglected. This CBT model is commonly referred to as the “CBT homestay”. To mitigate the limitations of the CBT homestay, in 2021, the Action on Poverty (AOP) in Vietnam introduced an alternative CBT model called “CBT Village-stay”. The CBT village-stay focuses on transforming a village into a good place for people to live and to visit by engaging and empowering the entire community in all stages of CBT village-stay development, including planning, development, operation, management, and regulations. Several groups, including management and advisory boards, sales and marketing, accommodation, food and beverage, tour guide, transportation, etc., have been established to provide professional management and quality services to visitors and to create more employment opportunities for local people, especially women and people with disability. A Community Fund is created for donations from local service providers, philanthropists, and corporates then re-distribute to other people in the community. The study explores the perspectives of the host community and local government in a CBT village-stay supported by AOP about the transformation from a CBT homestay to a CBT village-stay. Drawing on two focus-group discussions with ten residents and one in-depth individual interview with a local government leader, the data analysis

indicated that the local people and government are satisfied with the CBT village-stay because it increases income, local ownership, social inclusion, governance, gender equality, and employment opportunities.

## 1. INTRODUCTION

Community-based tourism (CBT) is an alternative form of tourism that emphasizes the active engagement and ownership of local communities in the process of planning, design, development, operation, and management of tourist activities (Phu, 2011). CBT offers visitors a unique opportunity to meet local people and experience their traditional culture, lifestyle, and the natural world (UNWTO, 2021). Recently, CBT has grown as a new trend in the tourism market to offer travelers meaningful experiences in nature, heritage, and local culture in destinations where they visit (The Gleaner, 2015). Built around the principles of additional income generation, gender equality, social inclusion, local traditional culture preservation, and environmental protection, CBT is an effective solution to mitigate negative impacts resulting from mass tourism and has great potential to contribute to local community sustainable development, national sustainable tourism development as well as the United Nations Sustainable Development Goals (SDGs) (Pham Hong, L., Ngo, H. T., & Pham, L. T., 2021., Scheyvens, 2012; Telfer and Sharpley, 2008).

In Vietnam, community-based tourism is commonly referred to as the “CBT homestay” which often focuses on providing financial and technical support to some selected pioneered families in a village to renovate their existing traditional houses to offer visitors accommodation, traditional food, local cultural experience, and unique sightseeing services. CBT homestay is often promoted as a sustainable development strategy to reduce

poverty, protect the environment, and preserve traditional culture (Giampiccoli & Mtapuri, 2021). Therefore, it has expanded rapidly since 2000 and has become a part of the Vietnam National Target Program (NTP) and the national poverty alleviation strategies (Phi and Whitford, 2017). By 2020, hundreds of CBT sites have been operating nationwide (Vietnam National Administration of Tourism, 2020).

Numerous studies have explored the advantages and disadvantages of the CBT homestay in Vietnam, shedding light on its impacts on local communities, economies, and the environment (Giampiccoli & Mtapuri, 2021). One of the primary advantages of CBT homestay in Vietnam is its potential to create employment and generate economic benefits for local communities. By allowing residents to actively participate in tourism activities such as providing accommodation, food, cultural experiences, and selling local agricultural products, CBT creates employment opportunities and increases household incomes, particularly for marginalized groups (Peinlang, 2020). Additionally, the emphasis on utilizing local resources and showcasing traditional practices can help manage resources more effectively, recover lost traditional cultural identities, preserve cultural heritage, and foster a sense of community pride.

Another advantage of CBT homestay in Vietnam is its potential to promote gender equality, social inclusion, and locally-led development. The participation of the local community in the process of CBT development allows more women and disadvantaged members of the community to

participate in controlling CBT homestay and benefit from its development (Nguyen et al., 2021). Consequently, the local community's business knowledge and skills have increased. Furthermore, CBT homestay has been recognized as a valuable tool in poverty alleviation with the participation of the community influencing decisions about tourism programs and policies. Currently, some CBT homestay projects have reported initial success, and opportunities exist in the broader environment to replicate these successes in other locations.

However, the CBT homestay also faces a wide range of limitations and challenges to achieving short and long-term sustainability, self-reliance, and inclusion. The primary challenge is limited and short-term financial investment in CBT homestay from the local government and community. The local government is a key player in CBT development. However, the investment in CBT homestay from the state budget is often limited, dispersed, and short-term due to heavy dependence on the local government's annual development plan and the budget allocation from the central government. Such an investment mechanism resulted in ineffective and unsustainable CBT development (Andrea Giampiccoli., 2021). The limited, unequal, and short-term funding from the government has resulted in inadequate government and community support, poor infrastructure, insecurity, and even resistance from other households in the village (Pham Hong, L., Ngo, H. T., & Pham, L. T., 2021).

Another issue of the current CBT homestay is the lack of market research to identify the market segment and potential customers for specific CBT products and services which can be designed and developed based on the community's traditional cultural values, and unique natural resources. Most of

the CBT services and products are developed by the local governments, communities, and people based on available resources in the community. This has resulted in the similarity of CBT services and products offered by various communities in a region. Consequently, many CBT homestays operated ineffectively and were closed after a short operation period due to low or zero income from tourism (Tamir, M., 2020).

Inequal financial investment from local government in some selected pioneered households in a village is another issue with CBT homestay. Most financial resources from the local governments are prioritized for some selected families in the village. In many cases, the selected families are the government officers' households or their family members. Consequently, many other households in the village who are willing to engage in tourism development were prevented from accessing financial support. The benefit from tourism belongs to those selected families, widening income inequality among community residents.

The lack of knowledge, interest, and perception of the local community towards CBT, a low level of attitude of the community towards CBT, the conflicts over resource ownership, capacity problems of the direct CBT participants, incompatibility of policies and legislations, and weak cooperation among stakeholders exacerbate the limitations of the CBT homestay model (Tamir, M., 2020). The absence of an equitable benefit-sharing mechanism potentially leads to splinter groups, disagreements in the village, and finally the collapse of the CBT homestay (Pham Hong, L., Ngo, H. T., & Pham, L. T., 2021). Insufficient investment in branding, sales, and marketing campaigns for CBT services and products are the other disadvantages of the

CBT homestay model (Phat, N. V., Dat, N. T. T., & Luong, N. V., 2012).

The sustainability and self-reliance of CBT homestay is also a major concern. Only a few among many CBT homestays in Vietnam have collaborated with businesses such as tourism companies, and social enterprises to advertise their CBT services and reach the potential domestic and foreign visitors. Consequently, many CBT homestays in Vietnam operate ineffectively or close down after a short operation. Those CBT homestays that have collaborated with tourism companies or social enterprises operate more effectively and sustainably thanks to regular visitors referred by those companies. However, the overdependence of these CBT homestays on tourism companies and social enterprises has prevented them from becoming self-reliant. Most CBT homestays do not have their own capacity for sales and marketing activities, or these teams do not operate effectively (Pham Hong, L., Ngo, H. T., & Pham, L. T., 2021).

Another disadvantage of the CBT homestay model is the lack of rejuvenation after several years of operation and reaching stagnation point in its life cycle. The CBT homestay services developed and relied on traditional culture, food and beverage, lifestyle, and surrounding unique landscapes which are hardly changed or renewed within a short operation time.

Another major issue related to CBT homestay in Vietnam is ethnic minority groups' lives in remote mountainous regions. Many of the ethnic minority communities live in rural and mountainous villages, and their livelihoods rely on natural resources. They have been affected the most by forest closures and exploitation, including "land disputes involving tribal minorities, and the state and private logging interests which have become

frequent and intense" (Pham et al, 2022). While they have not experienced the full benefits of the country's development and modernization, ecotourism has become an important means for them to diversify their income sources away from agriculture. While it is important to develop ecotourism in remote areas with biodiversity or unique landscapes (Pham et al, 2022), there are often gaps between planning for sustainable tourism and the reality.

In 2021, AOP in Vietnam introduced an alternative model called CBT village-stay to mitigate these limitations and disadvantages of the CBT homestay. The CBT village-stay emphasizes the role and ownership of the host community in the process of design, development, operation, and management of CBT products and services; the change from project to product approach highlights the importance of the market segment and potential visitors in CBT products and services development. More importantly, the CBT village-stay helps mitigate the negative impacts of the CBT homestay model and sustains the self-reliant and inclusive CBT in the community.

The study aims to explore the perspectives of the host community and local government in a CBT village-stay supported by AOP about the transformation from a CBT homestay to a CBT village-stay model.

## 2. METHODOLOGY

This study aims to explore the experiences and perspectives of the host local community and government leader at one of many locations supported by AOP regarding the CBT transformation from homestay to village-stay model. The qualitative approach was employed in this study because it allows the participants to freely express their personal experiences, perceptions, and opinions about

the social phenomenon (Creswell, J. W., 2015). Purposive and convenient sampling was used to select the research participants. One online in-depth individual interview with a local government leader who is the manager of the CBT village-stay project in the local community and is directly involved in CBT village-stay activities management. The individual interview aimed to explore the perception of the transformation from CBT homestay into CBT village-stay through the lens of the local government. Two online focus group discussions were conducted with ten residents. Of that, eight people who involved in CBT village-stay development and providing services to the visitors to explore their experiences and perspectives on the advantages and disadvantages of the CBT homestay and the CBT village-stay models. Two residents who do not engage in any tourism activities in the community were invited to attend the focus group discussion to investigate their perspectives on the CBT village-stay and the tourism benefits they received as community members. The open-ended, semi-structured interview questions were used for the thirty-minute individual interview and focus group discussions. Thematic analysis was used to analyze collected qualitative data. The participants were explained about the purpose of the study, and the confidentiality of the personal and interview information. The consent forms were disseminated, read, agreed and signed by the participants prior to the interview and discussions.

### 3. FINDINGS AND DISCUSSION

The CBT village-stay emphasizes the engagement, empowerment, and ownership of the host community in the CBT services design, development, operation, and management; market segment, and potential customers' expectations research while

promoting gender equality, social and disability inclusion, environment protection, and traditional culture preservation.

The Design Thinking process which is often used by the business sector to develop new products was adopted in the process of CBT village-stay development to ensure the tourism services offered to the market are unique, competitive, and meet the expectations of the visitors. The steps of the Design Thinking process help: (1) identify the "pain points" of the local people, and the tourism potentials in the community; (2) define the tourism services which will be developed based on the potential of the community, the market segment, and potential visitors; (3) Ideate a suitable CBT village-stay model with unique and market-centric tourism services; (4) Design and develop new CBT village-stay with marketable services based on the available resources in the community; and (5) test the new CBT village-stay services and adjust until the tourism services satisfy the expectation of the market. The host community was encouraged to engage in the whole CBT village-stay development process to build capacity, own the process, and manage the CBT village-stay operation in the future.



**Figure 1.** Design Thinking Process

*Source: AOP Unpublished CBT Handbook*

Feedback from the local government leader and the host community indicated the



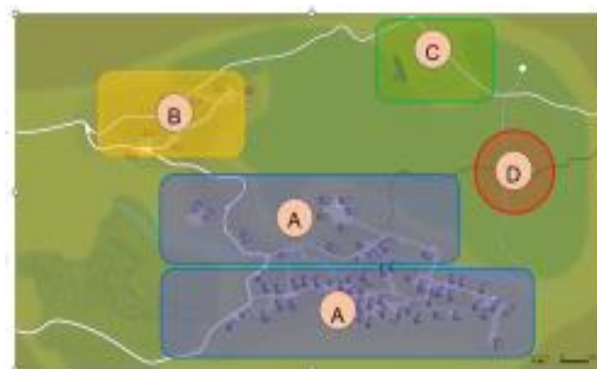
adoption of the Design Thinking Process in modifying the current CBT homestay services and products to be more marketable and meet the needs of the visitors. The host community was invited and engaged in the tourism services modification and improvement process. As a result, they learned new knowledge about how to identify the market demands and to adjust and develop tourism services to satisfy visitors' expectations.

*The Design Thinking Process was new to us but was very helpful in adjusting current CBT services to fit with the market segments and potential customers. Consequently, we could provide marketable and quality tourism services based on our resources (LG, FG1 and FG2).*

In contrast to the CBT homestay model which focuses on some selected households in the village to design the concept and development, the CBT village-stay aims at developing the Concept and Master Plan for the whole village based on the current tourism potentials such as geography, environment, living area, camping area, playground, natural landscapes of the village to provide a clear vision and function of each zone in the village to design and develop a more comprehensive CBT services. The Village Concept and Master Plan will serve as instruction and guidance for all tourism activities such as traditional house renovation, playground, sightseeing locations, and cultural center and help synchronise all CBT development activities in the village and contribute to the conservation of the traditional culture and other hidden values of the host community.

The Village Concept and Master Plan also provide a medium and long-term tourism development of a village with specific activities to be completed and estimated budget annually. Therefore, it enables the local

government, the host community, and the households in the village to have a good plan for finance mobilization and effective investment in the CBT village-stay services.



**Figure 2.** A Concept and Master Plan for a CBT Village-stay

*Source: AOP Unpublished CBT Handbook*

The results of the individual interview and focus group discussions showed that the Concept and Master Plan of the CBT village-stay help the community visualize and imagine their village landscape in the future. Hence, obtain the consensus of the local government and community members on CBT village-stay development and prepare for finance and investment.

*The Concept and Master Plan helped us imagine the landscape of the whole village and have a plan to mobilize finance for investment in a longer time (FG2).*

To overcome the limitation of the CBT homestay model in providing and managing tourism activities and quality in the villages, a new management mechanism was introduced to the village. The new mechanism includes an Advisory Board, a Management Board, and Service Groups. The members of the Advisory Board are the leaders of the village, commune who have knowledge of tourism, market, and governance. This Advisory Board advises the Management Board about the tourism short-, medium-, and long-term development plan.

The members of the Management Board consist of village leaders, influencers, and tourism pioneered members who are familiar with tourism business, operation, sales and marketing, and coordination to prepare a tourism development plan and implementation. The service groups comprise accommodation, food and beverage, tour guide, transportation, cleaning, cooking, and security. Training, coaching, and visiting other CBT locations have been organized to build capacity for the members of these groups. The focus group discussion results indicated that such training and on-the-job coaching were helpful and increased the capacity of the group members.

*The training and learning visits to other CBT locations help increase our understanding more about community-based tourism and how to provide quality services to the visitors. We observed and simply imitated what we saw in our work (FG1, FG2).*

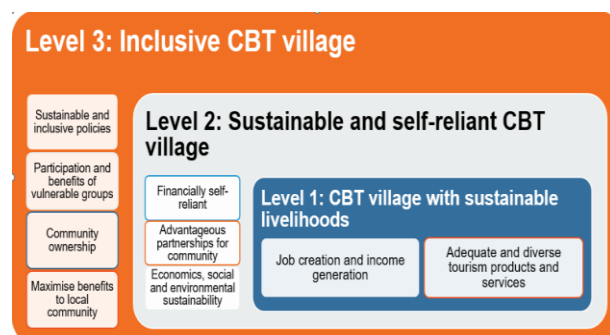
In addition to the establishment of functional groups in the community, a Community Fund was also created to receive donations from different stakeholders and contributions from households and individuals who directly provide tourism services and benefit from their businesses. The Community Fund is managed by Advisory and Management Boards and is used for common community works and redistribute the tourism benefits to ensure equal benefit sharing among the community members who did not engage in tourism service provision but contributed to tourism development in some ways such as environment and traditional cultural protection, securities, and other common works of the villages. The Community Fund is also used to support old people, people with disability, the poor families in the village. The Community Fund on one hand helps eliminate negative competition and unequal benefit

sharing and promotes cooperation and relationships between community members and families in the village on the other hand. The results of the focus group discussion with two residents who do not provide any tourism service showed that they benefit from the Community Fund in some ways such as getting paid for inner road cleaning, and children receiving small gifts on some occasions.

*We recently returned to the village from work in an industrial zone in a neighbouring province. We do not provide any tourism service, but we get paid for cleaning roads in the village (FG2).*

The aims of AOP's CBT village-stay development are to turn a village into a good place for local people to live and for tourists to visit and to make the CBT village-stay become sustainable, self-reliant, and inclusive. To provide a clear direction and target for each stage, a three-level CBT village-stay development model was designed. The first level focuses on designing tourism services and products based on existing tourism potentials in the villages including human capital, social capital, natural capital (landscape and culture), economic capital, and institutional capital. In this stage, more employments are created through providing tourism services and products to the visitors, therefore, increasing the income for the community. The target of the second level is to turn the CBT village-stay into a sustainable and self-reliant model by focusing on capacity building, sales and marketing, networking, and cooperating with businesses to attract more visitors to the village. At this level, the CBT village-stay becomes independent and least relies on external support. The final level of the three-level model is to make the CBT village-stay become sustainable, self-reliant, and inclusive. At this stage, the operation,

policies, and regulations are completed, the participation and benefit of vulnerable groups in the community are encouraged, and community ownership of the CBT village-stay is promoted to maximize the benefit for the host community.



**Figure 3.** A Three-level CBT Village-stay

*Source: AOP Unpublished CBT Handbook*

Feedback from an individual interview with the local government leader indicated that the classification of the CBT village-stay into different levels helped the local government and community have a clear vision and facilitated resource mobilization for the CBT village development.

*It was easier for the local government and the host community to understand the roadmap of the CBT village development, hence facilitating us in resource mobilization and development (LG).*

To design and provide the best tourism services and products to the specific group of visitors, the CBT village-stay model classified the visitors into three main groups depending on their expectations, including Travel to enjoy/chill, travel to learn/ experience, and travel to give/share.



**Figure 4.** Three groups of CBT Village-stay visitors

*Source: AOP Unpublished CBT Handbook*

The classification of the groups of visitors supports the service providers in the community to prepare and provide the type of services which best fit the needs and expectations of the visitors. The comments from the service providers during the focus group discussions highlighted the importance of visitor classification and the ease and effectiveness of service provision.

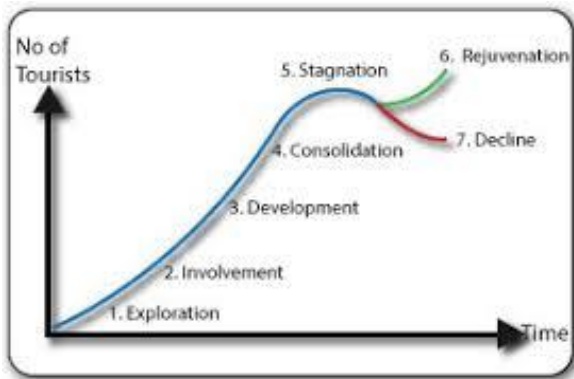
*It was easier and more effective to prepare and provide suitable services to the specific group of visitors. This is because we had limited resources and the tourist' demand is huge and diversified (FG1).*

The community has limited capacity and resources for CBT services sales and marketing. Therefore, good cooperation between the CBT village-stay and tourism companies and other businesses is important. The results of the focus group discussions showed that tourism companies are important to CBT development and sustainability. The stable and continually referred visitors from the partnered tourism companies have much contributed to the CBT village-stay development.

*Tourism companies are important to us. Currently, around 65% of the visitors are referred by our partnered tourism companies (FG1, FG2).*



To avoid the tourism service stagnation of the CBT homestay model after several years of operation as indicated by Butlers R.W., (1980), the CBT village-stay focuses on renewing and designing new services and products. Instead of providing tourists with accommodation in a common room, the private rooms with more comfortable accommodation have been supplemented to diversify choices and better respond to the increasing needs of the visitors.



**Figure 5.** Butler. R.W., 1980 Tourism Life cycle model.

The focus group discussion result indicated that new services are needed for the CBT village-stay development and the community strongly supports this innovation because new services help retain existing visitors while attracting more new visitors to the community.

*Several visitors felt bored when they came back to the village because there was not anything new to their last visit. New services provide more choices to the visitors (LG, FG1, FG2).*

#### 4. CONCLUSION

The CBT village stay has proved its effectiveness and contributions to mitigate the limitations of the traditional CBT homestay model. It aims to promote sustainable, self-reliant, and inclusive CBT to create more employment and income for the host community while promoting

community values and contributing to nature and traditional culture protection. The CBT village-stay is an alternative and replicable model for CBT development in Vietnam and other countries.

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