



EMPOWERING INDIGENOUS COMMUNITIES THROUGH MICROFINANCE: A SUSTAINABLE TOURISM APPROACH



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Abstract

Microfinance is a crucial weapon in the fight against poverty and strengthening socioeconomic resilience among disadvantaged people worldwide. This study investigates microfinance in Uttarakhand's Bhotia society and sustainable tourism. The research seeks to determine how microfinance can help indigenous people manage tourism projects more financially secure and self-reliantly while adopting eco-friendly practices that will promote socio-economic stability and cultural preservation. The research strategy entails surveying 150 Bhotia tourism workers and microfinance customers. The questionnaire covers financial resilience, empowerment in sustainable tourism, and engagement in sustainable actions with 10-15 Likert scale items. This data study examines community empowerment and microfinance access using chi-square analyses, t-tests, and descriptive statistics. Critical findings show that microfinance considerably improves financial stability by helping community members survive economic shifts, seasonal adjustments, and emergency financing. Microfinance also empowers people to lead culturally aligned tourism projects. Microfinance availability also promotes sustainable development initiatives including sustainable business and community conservation, according to the study. Policymakers, NGOs, and microfinance organisations interested in sustainable tourism initiatives in indigenous communities can benefit from this paper's discussion of microfinance as a solution. Microfinance supports community-led tourist projects, respects native culture, and promotes sustainability by achieving economic, cultural, and environmental goals. The research seeks to determine how microfinance can help indigenous people manage tourism projects more financially secure and self-reliantly while adopting eco-friendly practices that will promote socio-economic stability and cultural preservation.

Keywords: *Bhotia Community; Community-Led Tourism; Cultural Preservation; Environmental Stewardship; Financial Resilience; Indigenous Empowerment*

Introduction

Microfinance has become an innovative weapon in the struggle against poverty across the world by providing individuals with access to financial resources and services that are inaccessible to those without access to conventional banking. This new strategy, which offers small loans and financial services, helps economically disadvantaged people, particularly in rural and underserved areas, to better their positions in the economy by starting businesses and community businesses. Microfinance in the past few years has shown enormous promise in facilitating sustainable tourism through providing the indigenous communities with the capabilities of building resilience and safeguarding their culture. Sustainable tourism that is concerned with the respect of local cultures, minimal environmental impact, and economic benefits to host societies is quite excellent in adhering to the values and needs of the indigenous people. Through microfinance, however, the indigenous communities can take an active part in the projects of tourism, improving their



living and creating socio-economic sustainability in the long run. Financial strain is a barrier in most indigenous societies, preventing indigenous people from protecting their culture and environment by engaging in beneficial tourism activities that could enhance their financial resources. Microfinance fills the vacancy by providing members of the indigenous community with access to inexpensive financial resources to facilitate small and medium enterprises (SMEs) and other projects that foster the development of sustainable tourism. An illustration of this case is that by funding their materials/structures through capital provision, like microfinance, local artisans, ecotourism guides, and other entrepreneurs can be empowered to give them capital that can be used in other ways to promote their services or products. Such financial assistance enables the community to enhance its self-reliance and participate in sustainable tourism activities so that they can preserve the environment as well as their cultural legacy.

Statement of Problem and Research Questions

Despite the proven benefits of microfinance in promoting economic empowerment, there is a knowledge gap regarding its direct impact on indigenous people and their involvement in sustainable tourism. The native population has distinct socio-economic and cultural needs that require specific financial services to ensure their communities become more resilient and can maintain their lifestyles. Although concern about sustainable tourism as one method of development is growing, limited studies have been done on the impacts of access to microfinance on the ability of the indigenous people to engage and take advantage of sustainable tourism.

In a bid to fill this gap, the research questions to be answered in this paper are as follows:

- What is the relationship between the financial resilience of indigenous communities engaged in tourism and access to microfinance?
- How do microfinance interventions influence empowerment and participation of indigenous people in the sustainable tourism programmes?
- How is there a connection between the activity of microfinance and the suitability of the sustainable tourism behaviour of indigenous community members?

These questions are used to illuminate the possibilities of microfinance to propel sustainable development in indigenous populations and to determine whether the concept can be used to become a springboard to the sustainability of economic and cultural systems in the long run. By addressing these questions, the paper offers important information to policymakers, microfinance institutions, and tourism stakeholders, who may want to encourage the empowerment of indigenous communities through sustainable tourism.

Literature Review

Microfinance as a development instrument came about to offer financial services to low-income earners who cannot access traditional banking. This model works since marginalised groups can be empowered to start small-scale businesses through loans and other financial resources, which can help create economic self-sufficiency and strength [1]. Microfinance institutions (MFIs) target the provision of credit and other services, including savings and insurance, to low-income and underserved people and communities with the aim of lifting them out of poverty through entrepreneurship. Microfinance is also in line with the idea of economic inclusivity, which is facilitating the financial inclusion of under-represented people, including indigenous communities, in the larger economic systems. Simultaneously, sustainable tourism is meant to reduce the environmental and socio-cultural footprint of tourism and increase the economic payoffs to host communities [2]. The theory of sustainable tourism stresses that tourism must uphold local cultures, encourage environmental protection, and foster economic growth in a way that avoids diminishing the resources and undermining the welfare of future generations [3]. The concept of sustainable tourism in indigenous settings usually aims to sustain the cultural heritage, and tourism activities should be well-meaning to the host communities, meaning they must remain respectful [4].

Overview of Prior Studies on Microfinance in Rural and Indigenous Contexts

There have been several works that have examined the effects of microfinance on rural and indigenous populations. Microfinance has been observed to be a key device towards poverty reduction in rural areas, which enables the community to use money to start-up businesses, farming, and micro-enterprises within their residences [5]. For instance, in rural India, microfinance significantly contributed to the establishment of self-help groups, fostering collective entrepreneurship and promoting socio-economic resilience [6]. These self-help groups are additionally empowering people economically and strengthening them because of social integration through community-based safety nets that facilitate economic stability. Microfinance is especially useful in the indigenous setting because it gives indigenous entrepreneurs access to financial resources to pursue culturally relevant ventures, such as tourism and craft ventures [7]. Research points out that the indigenous population usually experiences difficulties when attempting to use traditional forms of banking because of geographical remoteness, insufficient collateral, and cultural diversity [8]. Microfinance bridges these issues by providing easy-to-reach financial products that suit such communities, thereby contributing to economic inclusion.

Sustainable Tourism's Role in Preserving Indigenous Cultures and Promoting Local Economies

Sustainable tourism is one of the areas that have emerged as a major source of maintenance of indigenous cultures as well as supporting the local economies. In most cases, tourism is one of the alternative methods of economic growth for many indigenous communities, besides maintaining cultural heritage [8]. Sustainable tourism in the indigenous setting is usually associated with ecotourism, cultural tourism, and heritage tourism; these enable the native communities to share their cultural knowledge with the visitors and raise funds that may be used to address the needs of the locals [4]. In the research of conservation of native cultures by tourism, the research on the same has been recorded in many studies. To illustrate, Sriyani [9] studied how community-based tourism in Sri Lanka enabled indigenous businesspersons to embrace sustainable business practices that consequently enhanced a stronger attachment to cultural heritage and environmental care. Buntun & Graburn [10] touch on this similarity by elaborating on the indigenous tourism movements that enabled communities to exercise dominance over the way their culture is portrayed and shared with tourists such that tourism does not exploit them but, on the contrary, upholds their indigenous values and lifestyles. Besides conserving cultures, sustainable tourism leads to local economic development through employment, development of community-based businesses, and so on.

According to Scheyvens et al. [11], tourism can meet the Sustainable Development Goals (SDGs) because it provides local people with an opportunity to attain economic growth based on their values and desires. They, however, also mention that absent proper management and planning, tourism can cause environmental degradation and cultural commodification, making the need to have indigenous approaches in tourism planning of utmost importance.

Methodology

This paper is written on the Bhotia community of the Nanda Devi Biosphere Reserve, in Uttarakhand, India, a Himalayan indigenous group with a profound connection to the natural environment. The Bhotia people are traders and handicraft workers who, in the recent past, have been embracing a sustainable tourism approach that could help them sustain their culture and provision of livelihoods. The research intends to address how microfinance influences the empowerment of the Bhotia community through a process of empowerment, increasing finance, as well as participation in sustainable tourism activities in accordance with the cultural and environmental values of the Bhotia people.

Sample Size and Selection

The sample was used to statistically determine the presence or absence of tourism-related activities and the use of microfinance among 150 members of the Bhotia community who participate in tourism activities. Purpose and snowball sampling were used to identify the participants, starting with initial contacts made with community leaders and local NGOs involved in tourism and microfinance in the Nanda Devi Biosphere Reserve. Snowball sampling also enabled the respondents to give the names of other members of the community who were in the tourism or microfinance industries.

Data Collection: Survey-Based Approach

A structured survey was used to collect data on the perceptions of the Bhotia community regarding the effect of microfinance on financial resilience, empowerment, and sustainable tourism engagement. The survey was designed in physical and digital versions to be convenient to take, and answers are on a 10-15 Likert scale, with the highest response being 5 (Strongly Agree) and the lowest response being 1 (Strongly Disagree). The questions were aimed at three main variables, including financial resilience, empowerment in tourism, and communal involvement in sustainable practices. A pilot test of the community members helped update the survey for cultural and speech clarity. The questions focused on three main areas: financial resilience, empowerment in tourism, and community participation in sustainable practices.

Survey Design and Key Variables

The questions in the survey were developed to measure three key variables: financial resilience, sustainable tourism empowerment, and community involvement in the sustainable practices, since the latter are correlated with the interests of the Bhotia community in working with microfinance.

- **Financial Resilience:** This variable assesses the effects of microfinance on the community in terms of managing financial problems and meeting livelihoods as well as stabilising income in tourism activities. The sample questions consist of the following: microfinance statements, such as "Microfinance has helped me manage economic uncertainties better," and microfinance statements, such as "Access to microfinance has helped me keep my tourism business alive."
- **Empowerment in Sustainable Tourism:** The researcher posed questions about empowerment, specifically regarding whether microfinance provided community members with the confidence and capacity to undertake tourism projects that would not violate the community's cultural heritage. The statements include how microfinance has helped me develop confidence to increase my participation in the tourism sector, and how the researchers feel more empowered to engage in tourism initiatives that respect cultural values due to my access to microfinance.
- **Community involvement in Sustainable activities:** These variables measure the impact of microfinance on the integration of sustainable and culturally sensitive tourism practices among the Bhotia community members. Common statements include, 'Microfinance has enabled me to embrace eco-friendly activities in my tourism-related venture' and 'The researcher is increasingly involved in community-based sustainable tourism activities due to microfinance, which serves as a measure of involvement in sustainability-related efforts.'

These questions were aimed at holistically evaluating the role of microfinance in the Bhotia in various aspects of empowerment, resilience, and sustainable tourism participation in the Bhotia community.

Hypotheses

H₁: Microfinance access significantly enhances the financial resilience of indigenous communities involved in tourism.

H₂: Indigenous community members who utilize microfinance perceive higher empowerment in sustainable tourism initiatives.

H₃: There is a positive relationship between microfinance usage and community participation in sustainable tourism practices. There is a positive relationship between microfinance usage and community participation in sustainable tourism practices, as evidenced by increased investment in local projects and greater involvement in decision-making processes.

Tools for Analysis

- **Descriptive Statistics:** Frequencies, means, and standard deviations of respondents regarding their perception of microfinance and tourism require the calculation of descriptive statistics, which gives the demographic profile of respondents and summarises their views on microfinance and tourism.

- **Hypothesis Testing:** The hypotheses were tested, and the significant differences were determined where necessary, using inferential statistics, i.e., t-tests or ANOVA. A correlation calculation is also done to evaluate the association between microfinance access and the variables connected with financial resilience, empowerment, and sustainable tourism practices.
- **Reliability Testing:** In a bid to ascertain the reliability of the Likert scale questions, Cronbach's alpha, a statistical measure of internal consistency, was determined. A large Cronbach's alpha score ensures that the questions are always used to measure the desired variables, which is an added attraction to the results.

Result

Demographic Table for Bhotia Community Sample

The following table shows the demographic profile of the population sampled in the study. The Bhotia are essential to educational employment level, employment and community, showing the distribution of age, gender, education level, employment and tourism (refer to Table 1). This breakdown is very important to understand the sample composition and its relevance to the study.

Table 1: Demographic Table for Bhotia Community Sample

Demographic Variable	Category	Number of Respondents	Sample Distribution (%)
Age Group	18-25	15	10%
	26-35	38	25%
	36-45	45	30%
	46-55	30	20%
	56+	22	15%
Gender	Male	69	45%
	Female	81	55%
Education Level	No formal education	8	5%
	Primary	23	15%
	Secondary	38	25%
	Higher Secondary	45	30%
	Graduate	23	15%
	Postgraduate	15	10%
Employment Status	Unemployed	15	10%
	Part-time	23	15%
	Full-time	30	20%
	Self-employed in tourism	82	55%
Tourism Involvement	Direct (Tourism Enterprise)	45	30%
	Indirect (Handicrafts)	60	40%
	No Involvement	45	30%

Source: Collected by Author

The demographic profile provides a vivid picture of the demographic profile of the Bhotia community that is participating in the study. The age distribution is even across different age groups. For example, 30% of the participants are between the ages of 36 and 45, and 25% are between the ages of 26 and 35. This shows that these age groups are well represented. This data suggests a wide range of visualisations of different stages of life. The sample size is balanced in respect to gender, with a little more female (55%) as compared to males (45%). The level of education is diverse, with the largest percentage (30) of the respondents being higher secondary schools, with 10 per cent having postgraduate education. rate. This implies that there was a variation in the level of formal education of the sample people, which could have impacted on their handling of tourism and microfinance. The rate of employment indicates that more than half of the respondents are self-employed in tourism (55%), and the rest are in the categories of part-time employees, full-time employees, and unemployed employees. Lastly, it is evident that there exists a big section in the community

that participates directly or indirectly in tourism (70%), making the community highly dependent on tourism for its economy.

Survey Responses Table (Likert Scale Analysis)

This table summarises the community responses using the Likert scale, which illustrates the community's perceptions of the impact of microfinance on different aspects linked to financial resilience, empowerment, and sustainable tourism participation (refer to Table 2).

Table 2: Survey Responses Table (Likert Scale Analysis)

Question	Strongly Disagree (Count, %)	Disagree (Count, %)	Neutral (Count, %)	Agree (Count, %)	Strongly Agree (Count, %)
Q1. Microfinance has enabled me to better manage economic fluctuations.	10 (6.7%)	15 (10.0%)	30 (20.0%)	50 (33.3%)	45 (30.0%)
Q2. Access to microfinance has strengthened my ability to sustain my tourism business.	5 (3.3%)	10 (6.7%)	32 (21.3%)	55 (36.7%)	48 (32.0%)
Q3. The researcher feels financially secure due to the support of microfinance.	8 (5.3%)	12 (8.0%)	25 (16.7%)	58 (38.7%)	47 (31.3%)
Q4. Microfinance helps me plan for future expenses related to my business.	12 (8.0%)	15 (10.0%)	20 (13.3%)	53 (35.3%)	50 (33.3%)
Q5. Microfinance has improved my capacity to save for emergencies.	7 (4.7%)	12 (8.0%)	26 (17.3%)	50 (33.3%)	55 (36.7%)
Q6. Microfinance has given me the confidence to expand my involvement in tourism.	9 (6.0%)	14 (9.3%)	28 (18.7%)	49 (32.7%)	50 (33.3%)
Q7. The researcher feels more empowered to participate in tourism initiatives that respect our cultural values due to microfinance.	4 (2.7%)	10 (6.7%)	20 (13.3%)	55 (36.7%)	61 (40.7%)
Q8. Microfinance has helped me develop skills that are beneficial for tourism activities.	6 (4.0%)	12 (8.0%)	25 (16.7%)	58 (38.7%)	49 (32.7%)
Q9. The researcher is more likely to take on leadership roles in community tourism due to microfinance support.	10 (6.7%)	13 (8.7%)	24 (16.0%)	50 (33.3%)	53 (35.3%)
Q10. Microfinance has increased my willingness to invest in tourism ventures aligned with our heritage.	3 (2.0%)	10 (6.7%)	28 (18.7%)	60 (40.0%)	49 (32.7%)
Q11. Microfinance has allowed me to adopt environmentally sustainable practices in my tourism-related business.	11 (7.3%)	9 (6.0%)	30 (20.0%)	53 (35.3%)	47 (31.3%)
Q12. The researcher is more engaged in community-driven sustainable tourism initiatives because of microfinance.	8 (5.3%)	11 (7.3%)	25 (16.7%)	55 (36.7%)	51 (34.0%)
Q13. Microfinance has enabled me to offer products or services that promote local culture and traditions.	7 (4.7%)	15 (10.0%)	28 (18.7%)	53 (35.3%)	47 (31.3%)

Q14. Access to microfinance has made it possible for me to collaborate with other community members in sustainable tourism.	10 (6.7%)	9 (6.0%)	30 (20.0%)	58 (38.7%)	43 (28.7%)
Q15. The researchers actively promote sustainable tourism practices because of receiving microfinance.	5 (3.3%)	8 (5.3%)	26 (17.3%)	55 (36.7%)	56 (37.3%)

Source: Collected by Author

Based on the reactions in the survey, microfinance is significantly influencing the elements of tourism business management in an excellent manner. Most of the participants consider that microfinance leads to stabilising financial changes (63.3%), sustaining tourism enterprises (68.7%), and improving financial stability (70%). It also assists in future planning (68.6%); it becomes easier to save money in case of certain emergencies (70%), which allows tourism businesses to better manage unexpected costs and invest in growth opportunities. Development is also enhanced, as 66 per cent of the microfinancing initiatives lead to an increase in the frequentation of the culturally respectful tourist ventures (77.4 per cent) and the transformation of skills to engage in tourist ventures (71.4 per cent). It also encourages community-based leadership in the field of tourism (68.6 per cent) and investment in business dealings that are within the heritage spirit (72.7 per cent), environmentally friendly practices (66.6 per cent) and involvement in community-related projects (70.7 per cent). Also, microfinance involves culture promotion (66.6%) and co-operation in sustainable tourism (67.4%), and 73.9 per cent of the respondents have reported microfinance has positive impacts in promoting sustainable culture, environmental and community-based tourism practices, and this shows the strong role played by microfinance in promoting cultural, environmental and community-based tourism practices. Additionally, microfinance promotes cultural initiatives (66.6%) and fosters cooperation in sustainable tourism (67.4%). Furthermore, 73.9 per cent of respondents reported that microfinance positively impacts the promotion of sustainable cultural, environmental, and community-based tourism practices, highlighting the significant role of microfinance in these areas.

Hypothesis 1: Financial Resilience (H_1)

- **Null Hypothesis (H_0):** Microfinance access does not enhance the financial resilience of indigenous communities involved in tourism.
- **Alternate Hypothesis (H_1):** Microfinance access significantly enhances the financial resilience of indigenous communities involved in tourism.

Table 3: Statistics for Financial Resilience Metrics

Financial Resilience Metric	Microfinance Users (Mean)	Non-Microfinance Users (Mean)	Microfinance Users (SD)	Non-Microfinance Users (SD)
Ability to Manage Financial Challenges	4.2	3.5	0.6	0.8
Income Stability Across Seasons	4.1	3.4	0.7	0.9
Access to Emergency Funds	4.0	3.2	0.5	0.7
Confidence in Long-term Financial Planning	4.4	3.5	0.6	0.8

Source: Collected by Author

The following table gives a summary of the financial resilience indicator, comparing non-users with microfinance users. On average, microfinance users registered a higher score on all metrics. Indicatively, the average score of responding to financial challenges in users of microfinance is 4.2 (SD=0.6), and the average score in non-users is 3.5 (SD=0.8) (refer to Table 3). This trend is similar in measures like stability of income, availability of emergency funds and trust in financial planning, and it is observed that users of microfinance are more stable financially. The study's findings suggest that microfinance can enhance financial resilience by providing a safety net and increasing the community's capacity to manage financial challenges and fluctuations in income. Increased mean scores for access to emergency funds and stable

income during different seasons indicate that microfinance may act as a buffer against sudden economic shocks, which is especially beneficial for communities that rely on seasonal tourism for their livelihoods.

Table 4: *t*-Test for Financial Resilience Metrics

Financial Resilience Metric	Test Statistic (t)	<i>p</i> -value
Ability to Manage Financial Challenges	3.52	0.001
Income Stability Across Seasons	3.10	0.002
Access to Emergency Funds	2.90	0.005
Confidence in Long-term Financial Planning	3.20	0.003

Source: Collected by Author

The *t*-test outcome of financial resilience measures indicates that there are statistically significant differences in the financial resilience metrics among users of microfinance (refer to Table 4). As an example, the test value on the ability to manage the financial challenges is 3.52 ($p = 0.001$), which shows that there was a significant difference between the two groups. Similarly, stable income during different seasons, access to emergency financing, and trust in long-term fiscal optimisation all have substantial *p*-values (all < 0.05). With such outcomes, the alternative hypothesis (H_1) is correct because microfinance positively influences financial resiliency to some degree. The high *p*-values suggest the differences found are poorly based on pseudolus chance, supporting the role of microfinance in improving the community's economic stability, especially in dealing with financial risks and managing future costs.

Hypothesis 2: Empowerment in Sustainable Tourism (H_2)

- **Null Hypothesis (H_0):** Microfinance access does not affect the perceived empowerment of indigenous communities in sustainable tourism initiatives.
- **Alternate Hypothesis (H_1):** Indigenous community members who utilize microfinance perceive higher empowerment in sustainable tourism initiatives.

Table 5: Statistics for Empowerment Metrics

Empowerment Metric	Microfinance Users (Mean)	Non-Microfinance Users (Mean)	Microfinance Users (SD)	Non-Microfinance Users (SD)
Confidence to Start/Expand Tourism Business	4.3	3.7	0.7	0.9
Perception of Community Leadership	4.0	3.6	0.6	0.8
Decision-making in Tourism Ventures	4.2	3.8	0.5	0.7
Involvement in Tourism Planning	4.1	3.5	0.7	0.9

Source: Collected by Author

The empowerment metrics table points out the perceived empowerment of the users of microfinance in the tourism sector (refer to Table 5). Microfinance users always have significantly increased average scores in such dimensions as confidence to develop tourism businesses (mean = 4.3, SD = 0.7) and decision-making in tourism businesses (mean = 4.2, SD = 0.5). This information confirms the notion that microfinance users consider themselves more empowered to engage in tourism activities than the non-users. To indigenous people, empowerment through tourism does not necessarily mean financial benefit but cultural conservation and leadership in the community. The greater levels of community leadership and engagement in tourism planning indicate that access to microfinance facilitates greater expression in tourism development, as it allows community members to invest in their cultural heritage and participate actively in decision-making processes.

Table 6: Chi-Square Test for Empowerment Metrics

Empowerment Metric	Test Statistic (χ^2)	p-value
Confidence to Start/Expand Tourism Business	8.32	0.004
Perception of Community Leadership	7.10	0.006
Decision-making in Tourism Ventures	6.78	0.005
Involvement in Tourism Planning	5.25	0.012

Source: Collected by Author

The result of the chi-square test on the measurement of empowerment indicates that there are high differences between the users of microfinance and non-users of microfinance (refer to Table 6). For example, there are two statistics related to the confidence to start or expand businesses in the tourism industry: 8.32 ($p = 0.004$), which indicates a significant difference in empowerment. The other metrics, including decision-making in tourism businesses and participation in tourism planning, also have statistically significant present findings, which confirm the hypothesis that microfinance has a positive influence on perceived empowerment. These findings indicate that microfinance is indeed not just a support in terms of finance, but that it also provides the community members with an opportunity to take up leadership and decision-making roles. This observation conforms to available literature that recognises microfinance as a means of community empowerment, which is critical to sustainable tourism in the indigenous setting, because it provides a means of ensuring the tourism development becomes reliant on the local values and objectives.

Hypothesis 3: Sustainable Tourism Practices (H_3)

- **Null Hypothesis (H_0):** There is no relationship between microfinance usage and community participation in sustainable tourism practices.
- **Alternate Hypothesis (H_1):** There is a positive relationship between microfinance usage and community participation in sustainable tourism practices.

Table 7: Statistics for Sustainable Tourism Practices

Sustainable Tourism Practice	Microfinance Users (Mean)	Non-Microfinance Users (Mean)	Microfinance Users (SD)	Non-Microfinance Users (SD)
Adoption of Eco-Friendly Practices	4.4	3.6	0.6	0.7
Participation in Community Conservation	4.2	3.5	0.5	0.8
Use of Sustainable Resources	4.3	3.7	0.6	0.6
Training in Sustainable Practices	4.1	3.4	0.7	0.9

Source: Collected by Author

The Sustainable Tourism Practices tabular measures the participation of microfinance users as compared to non-users in environmentally friendly tourism practices (refer to Table 7). Users of microfinance score better regarding such practices as the use of environmentally friendly practices (mean = 4.4, SD = 0.6) and community conservation (mean = 4.2, SD = 0.5). This information helps sustain the idea that microfinance empowers community members to engage more in the practice of sustainable tourism. The trend is especially applicable to communities, such as the Bhotia, that depend on natural resources and cultural heritage as a source of tourism. Microfinance accessibility appears to empower these communities to incorporate sustainability by using local resources responsibly and minimising waste, which in turn enhances their ability to attract eco-conscious tourists and preserve their cultural heritage.

Table 8: Correlation Analysis for Sustainable Tourism Practices

Sustainable Tourism Practice	Correlation Coefficient (r)	p-value
Adoption of Eco-Friendly Practices	0.47	0.002
Participation in Community Conservation	0.45	0.003
Use of Sustainable Resources	0.49	0.001
Training in Sustainable Practices	0.42	0.004

Source: Collected by Author

The adoption of eco-friendly practices has a correlation coefficient of 0.47 ($p = 0.002$), and this means that there is a moderate positive relationship between the two variables (refer to Table 8). On the same note, community conservation and sustainable practice training also correlate with the use of microfinance, meaning that it facilitates the ability to engage in environmentally sustainable tourism. These results confirm the significance of microfinance with respect to sustainable tourism in the sense that microfinance institutions can offer community members resources to participate in environmentally friendly activities and those aimed at conserving their communities. The sustainable practices are also justified because they do not only strengthen tourism but are also used in ensuring that tourism activities do not affect environmental and cultural values. These findings, in accordance with the hypothesis, raise the significant role of such financial support systems as microfinance in developing sustainable tourism that should consider the environment and the native culture as well.

The results of the current research indicate the importance of microfinance in enabling indigenous people, such as the Bhotia, to be more financially self-reliant, act as leaders in the tourism sector, and practice communities. sustainability. This discussion integrates existing literature to place the study's findings within the broader context of research on tourism and indigenous communities. These findings aim to strengthen tourism and ensure that tourism activities preserve the environment and local cultures.

Discussion

Microfinance as a Catalyst for Financial Resilience

The findings support the argument that access to microfinance contributes greatly to improving the financial stability of local communities who participate in tourism. The increased ratings on dealing with economic fluctuations, access to emergency finance and faith in long-term planning among microfinance users are indicators that microfinance offers some sort of financial buffer that enables members of the community to overcome seasonal fluctuations in incomes and an unforeseen amount of expenditure. This confirms the idea that microfinance has the power of reducing economic vulnerability, which is also aligned with researchers Arora & Sharma [1], who held the opinion that microfinance is a significant solution to the lack of poverty and income constancy in vulnerable communities. In the tourism industry, where income can be very unpredictable because of seasonality, it is especially important to deal with income instability and plan for future expenses. Microfinance can be a reliable source of funds and can allow the members of the Bhotia community to keep their cash flow stable and have some source of funds available when the tourist seasons become unpredictable.

Empowerment and Leadership Through Microfinance

The research shows that the users of microfinance have an increased sense of empowerment, particularly the tourism projects that are in harmony with cultural preservation and involve the community. This empowerment has been manifested by the fact that the respondents are confident in widening their engagement in tourism and taking up administration positions. This sentiment is echoed by Koppenhafer et al. [7], who stated that microfinance will empower one, especially by enabling him/her to have financial resources and social capital to be the initiator of the tourism practice and shape the tourism practices to honour the local culture. Additionally, empowerment is crucial for indigenous

communities, as it allows community members to have control over tourism projects that impact their heritage and resources, leading to more sustainable practices that respect and preserve their cultural identity.

Sustainable Tourism Practices Supported by Microfinance

One of the most notable results is the positive influence of microfinance and community involvement in sustainable tourism practices. The users of microfinance say that they are more involved in environmentally friendly activities, community preservation, and training on sustainable resource use, which are required to promote ecologically sustainable tourism [12]. This result is consistent with what Movono, Dahls, & Becken [13] noted: that Aboriginal people are likely to follow sustainable ways of doing things when they have access to the financial funds needed to do so. Another interesting thing is the participation of the Bhotia community in environmentally friendly activities, which indicates that microfinance is contributing to economic growth and helping them take better care of the environment. Implementation of sustainable practices can lessen the impact of tourism on the ecology, which has been a hot issue in the research of indigenous tourism [4]. Microfinance access therefore creates the financial flexibility needed to invest in sustainable practices such as reducing resource waste, which is crucial in speaking about the viability of tourism activities in the long term in geographical areas like the Indian Himalayas [14].

The Role of Microfinance in Cultural Preservation

Economic empowerment introduced through microfinance is not the only benefit; it also enables the Bhotia community to promote and preserve their culture within the tourism sector. Most of the respondents were found to be providing tourism products and services because of financial access that supports local culture and traditions, indicating that if people have access to finance, they can defend and demonstrate their cultural identity. This phenomenon is especially significant to the case of indigenous tourism, where cultural commodification is possible when the conduct of foreign developers dominates the narrative of tourism, leading to a potential loss of authentic cultural representation and identity among indigenous communities [15]. Microfinance enables indigenous communities to take charge of tourism projects by giving them financial empowerment to honour and glorify their heritage [16]. This approach conforms to the literature of Bunten & Graburn [10], who suggest that culture is preserved through indigenous-led tourism activities. The Bhotia community's increased capability to engage in tourism-related activities that reflect their cultural ideals shows the potential of microfinance to help communities guard their heritage against the adverse effects of mass tourism.

Conclusion

This research paper has identified how microfinance has helped the Bhotia community of Uttarakhand, India, to participate in sustainable tourism, as it also helped them to strengthen their finances and culture and gain autonomy. Microfinance provides an opportunity for the members of the Bhotia community to deal with the economic volatility of tourism and establish a financial cushion as well as help people to maintain their income through small, easy-to-access loans. This type of financial strength is important in regions that are dependent on income from tourism that is usually seasonal. In addition, microfinance contributes to the issue of empowerment, as it allows people the confidence and resources to use in a cultural context, which the researcher believes can be related to microfinance by looking at the case of microfinance leading to the creation of community leaders such as Koppenhafer. The paper also finds that microfinance users have a high propensity to practise sustainable activities such as environmental practices and conservation activities. These advantages can be optimised by ensuring working in collaboration to increase financial services that are sensitive to the special needs of the indigenous communities that engage in tourism, policymakers, NGOs and micro financial institutions. Such institutions can further boost the potential of indigenous people to organise sustainable tourism projects through specific funding, financial literacy, and entrepreneurial training. Overall, the article highlights the potential of microfinance to foster the development of equitable community-based tourism that honours cultural heritage and encourages environmental sustainability, thereby serving as a strong example of sustainable development in indigenous contexts.

Conflict of Interest

The authors declare that they have no conflict of interests.

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