

The Role of Community-Based Tourism in Achieving Inclusive Growth: A Pathway to Sustainable and Equitable Development

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Abstract

In an era where the negative impacts of mass tourism are increasingly evident, the quest for more sustainable and equitable tourism models has gained significant momentum. This paper posits that Community-Based Tourism (CBT) serves as a critical vehicle for achieving inclusive growth within the tourism sector and the wider local economy. Inclusive growth, defined as economic expansion that is broad-based across sectors and inclusive of the majority of a country's labor force, coupled with equality of opportunity, aligns intrinsically with the core principles of CBT. This conceptual article explores the synergies between CBT and the pillars of inclusive growth: broad-based economic participation, social equity, and environmental sustainability. It develops a multi-dimensional framework illustrating how CBT, through mechanisms such as local ownership, participatory decision-making, and benefit-sharing, can generate tangible economic benefits (income, employment), social benefits (empowerment, cultural preservation, enhanced well-being), and environmental benefits (conservation, sustainable resource use). The paper also critically examines the significant challenges that can hinder this potential, including power imbalances, limited capacity, and market access barriers. Through illustrative case studies from Cambodia, Costa Rica, and Bhutan, the paper demonstrates the practical application and outcomes of CBT initiatives. The study concludes that for CBT to fully realize its role as a catalyst for inclusive growth, it requires a supportive ecosystem involving proactive government policies, private sector partnership, and continuous capacity building. By reframing CBT not merely as an alternative niche but as a foundational strategy for inclusive development, this paper contributes to the evolving discourse on innovative and responsible tourism futures.

Keywords

Community-Based Tourism, Inclusive Growth, Sustainable Development, Local Empowerment, Participatory Planning, Benefit-Sharing, Pro-Poor Tourism, Cultural Preservation

1. Introduction

The global tourism industry stands at a crossroads. While traditionally hailed as a powerful engine for economic development, job creation, and foreign exchange earnings, conventional mass tourism models have often been criticized for their leakages, where a significant portion of revenue exits the local economy, and for their associated social and environmental costs [1]. This has led to growing inequalities, cultural commodification, and environmental degradation in many destination communities, prompting a paradigm shift towards more sustainable and responsible forms of tourism.

In this context, Community-Based Tourism (CBT) has emerged as a prominent alternative. CBT is broadly defined as tourism that is owned and/or managed by communities, for communities, with the intention of generating broader community benefits. It places local people at the center of tourism development, empowering them to exercise control over their resources and destinies. Simultaneously, the concept of "inclusive growth" has gained traction in development economics and policy circles [2]. Moving beyond mere GDP metrics, inclusive growth emphasizes the quality and distribution of economic growth, focusing on creating opportunities for all segments of society and ensuring that the benefits of growth are shared fairly.

This paper argues that CBT is not merely a sustainable tourism niche but a potent strategy for operationalizing inclusive growth within the tourism sector. The core principles of CBT—local ownership, participatory governance, and equitable benefit-sharing—directly address the key dimensions of inclusive growth: broad-based economic participation, social inclusion, and environmental sustainability. By channeling tourism revenues directly to local households, creating diverse livelihood opportunities, and fostering community pride and cultural resilience, CBT can ensure that tourism development is not only economically viable but also socially just and environmentally sound [3].

The purpose of this conceptual article is threefold: first, to construct a robust theoretical framework linking CBT to the concept of inclusive growth; second, to elucidate the mechanisms through which CBT contributes to economic, social,

and environmental inclusivity, supported by conceptual models and empirical examples; and third, to provide a critical analysis of the challenges and prerequisites for scaling CBT's impact [4]. Through this exploration, the paper aims to provide scholars, policymakers, and practitioners with a deeper understanding of how community-led approaches can redefine tourism's role in fostering equitable and resilient local economies.

2. Literature Review: Conceptual Foundations

2.1 The Evolution and Principles of Community-Based Tourism (CBT)

CBT has its roots in the community development and participatory approaches of the 1970s and 1980s, which challenged top-down development models. It is closely allied with concepts such as pro-poor tourism, which specifically aims to net benefits for the poor, and sustainable tourism. The defining characteristic of CBT is the central role of the community in its development and management. Key principles include:

- **Community Participation and Control:** Active involvement of community members in planning, decision-making, and management, often through representative structures like committees or cooperatives [5].
- **Local Ownership:** The tourism assets (e.g., homestays, guiding services, craft centers) are owned by community members, ensuring that capital accumulation occurs locally.
- **Equitable Benefit-Sharing:** Mechanisms are established to ensure that financial and non-financial benefits are distributed widely and fairly within the community, often supporting communal projects like schools or health clinics.
- **Cultural and Environmental Sustainability:** CBT initiatives are typically small-scale and low-impact, emphasizing the preservation of cultural heritage and the conservation of the natural environment upon which they often depend.

2.2 Understanding Inclusive Growth

Inclusive growth is a dynamic concept that has evolved from earlier ideas of pro-poor growth and equitable development. The Asian Development Bank defines it as growth that not only creates new economic opportunities but also ensures equal access to these opportunities for all, particularly the poor and marginalized. Its key dimensions are:

- **Economic Dimension:** Focus on productive employment rather than redistribution. It seeks to increase the share of labor income in national output and create opportunities across sectors and for all social groups [6].
- **Social Dimension:** Emphasis on equality of opportunity through investments in education, health, and social protection. It involves empowering marginalized groups and reducing discrimination.
- **Environmental Dimension:** Recognition that unsustainable resource use and environmental degradation disproportionately harm the poor, who often depend directly on natural resources for their livelihoods. Thus, long-term inclusivity requires environmental sustainability [7].

The convergence between CBT and inclusive growth is evident. Both prioritize process (*how* growth is achieved) as much as outcome (*what* is achieved). CBT operationalizes inclusive growth at the local level by ensuring that the process of tourism development is participatory and its outcomes are broadly shared.

3. A Framework for CBT as a Catalyst for Inclusive Growth

To systematically analyze the role of CBT in fostering inclusive growth, this paper proposes a three-dimensional framework, as illustrated in Figure 1. The framework posits that CBT acts as an integrative mechanism, translating tourism activity into outcomes across the economic, social, and environmental pillars of inclusivity, which in turn reinforce the sustainability of the CBT initiative itself.

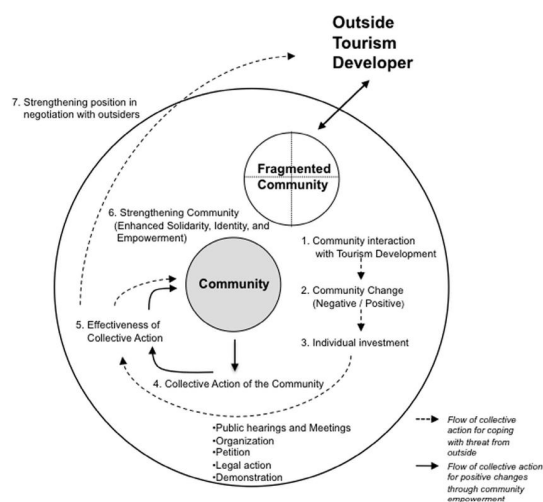


Figure 1. The CBT-Inclusive Growth Nexus: A Conceptual Framework

Figure 1 show a conceptual framework explaining how communities respond to tourism development and how collective action strengthens their ability to negotiate with external tourism developers. The process begins with community interaction with tourism development (Step 1), which leads to community change-either positive or negative (Step 2). As changes take place, individuals engage in individual investment or responses (Step 3).

These individual responses can accumulate and lead to collective action by the community (Step 4), which includes activities such as public hearings, community organization, petitions, legal action, and demonstrations. The effectiveness of collective action (Step 5) then contributes to strengthening the community, enhancing social solidarity, identity, and empowerment (Step 6).

As the community becomes stronger, its ability to negotiate with outside tourism developers improves (Step 7), closing the loop and reinforcing the community's capacity to influence future tourism development. The diagram also shows a "fragmented community," representing situations where internal divisions weaken collective action.

Two types of arrows highlight different flows:

- **Dashed lines** represent collective action used to cope with external threats.
- **Solid lines** represent collective action that leads to positive internal change and empowerment.

Overall, the framework emphasizes that collective action is essential for communities to shape tourism development and protect their interests.

3.1 The Economic Dimension: Broad-Based Local Economic Participation

CBT directly counters the leakage problem of mass tourism by design. The economic mechanisms for fostering inclusivity are:

- **Direct Revenue Generation:** Income from homestays, guided tours, local crafts, and food services flows directly to households, increasing disposable income and reducing poverty [8].
- **Diversified Livelihoods:** CBT creates employment and entrepreneurial opportunities beyond traditional sectors like agriculture. This is crucial for rural communities, providing a buffer against economic shocks and seasonal unemployment. Jobs can range from guides and cooks to cultural performers and artisans.
- **Local Enterprise Development:** The demand generated by tourism can stimulate local supply chains, benefiting farmers, builders, and other small and medium-sized enterprises (SMEs). This creates a multiplier effect within the local economy [9].
- **Community Funds:** Many CBT initiatives pool a percentage of their revenue into a community fund. This fund is then used for public goods-such as improving school facilities, healthcare, or clean water infrastructure-that benefit the entire community, including those not directly involved in tourism [10].

Table 1. Potential Economic Benefits and Leakage Reduction in CBT vs. Conventional Tourism

Feature	Conventional Mass Tourism	Community-Based Tourism
Accommodation Revenue	Leaks to international hotel chains	Retained by local homestay families & community fund
Food & Beverage	Imported supplies; revenue to large caterers	Sourced locally; revenue to local farmers & cooks
Tour Guides	Often external, non-local guides	Employ local guides with deep knowledge of the area
Souvenirs	Mass-produced, imported goods	Locally made crafts, supporting artisanship
Overall Economic Linkage	Weak, high import propensity	Strong, encourages local multiplier effect

Table 1 compares the differences between ****Conventional Mass Tourism**** and Community-Based Tourism (CBT) in terms of economic benefits and leakage. Generally, conventional tourism revenue flows largely outward, to international hotel chains, out-of-town tour guides, and suppliers of imported goods, resulting in limited local economic gains. Community-based tourism, on the other hand, keeps revenue within the local community, for example, through local families providing accommodation, local farmers and chefs supplying ingredients, the use of local guides, and the sale of local handicrafts, strengthening community economic ties and generating a stronger local multiplier effect. In other words, CBT effectively reduces economic leakage, allowing tourism revenue to truly return to the community and promoting sustainable and inclusive local development.

3.2 The Social Dimension: Empowerment and Equity

The social contributions of CBT to inclusive growth are perhaps its most transformative aspect.

- **Empowerment and Agency:** Participatory decision-making processes give community members, including often-marginalized groups like women and youth, a voice and a sense of control over their development trajectory. This enhances individual and collective self-efficacy [11].
- **Enhanced Social Cohesion:** Working collaboratively towards a common goal can strengthen community bonds and social capital. Managing a collective resource (the CBT venture) requires negotiation, conflict resolution, and trust-building.
- **Cultural Preservation and Pride:** Rather than leading to cultural commodification, well-managed CBT can incentivize the revitalization of traditional knowledge, languages, crafts, and performing arts. Communities begin to see their culture as a valued asset, fostering pride and intergenerational transmission [12].
- **Improved Well-being:** The combination of increased income, investment in community infrastructure (from the community fund), and a renewed sense of pride and purpose contributes significantly to overall community well-being.

A critical aspect of social inclusion is gender equity. CBT can create unique opportunities for women by valuing their domains of knowledge (e.g., culinary traditions, handicrafts, herbal medicine) and providing flexible employment that can be balanced with domestic responsibilities.

3.3 The Environmental Dimension: Stewardship and Sustainable Resource Use

The long-term viability of many CBT initiatives, especially those in or near protected areas, is intrinsically linked to the health of the local environment.

- **Incentive for Conservation:** When a community derives economic benefits from tourists who come to see pristine forests, wildlife, or clean rivers, they have a direct economic incentive to protect those resources. This can lead to community-led anti-poaching patrols, reforestation projects, and waste management systems [13].
- **Promotion of Sustainable Practices:** CBT typically involves small numbers of visitors and low-impact activities (e.g., hiking, wildlife watching, cultural immersion), which have a lower environmental footprint than large-scale resort tourism. Furthermore, communities are often motivated to adopt sustainable practices, such as organic farming or renewable energy, as these can become additional points of interest for tourists.
- **Valuation of Ecosystem Services:** CBT helps communities, and the tourists they host, recognize the tangible economic value of ecosystem services, moving beyond seeing nature merely as a source of extraction.

4. Challenges and Critical Perspectives

Despite its potential, the pathway from CBT to inclusive growth is not automatic. Numerous challenges can undermine its success.

- **Internal Power Dynamics:** The term "community" is not homogeneous. Existing social hierarchies based on gender, ethnicity, caste, or wealth can be replicated within CBT structures, leading to the elite capture of benefits, where a small, powerful group monopolizes the opportunities. Ensuring genuine participation of all subgroups is a constant challenge [14].
- **Limited Capacity and Resources:** Communities often lack the business acumen, marketing skills, financial management expertise, and language skills needed to compete effectively in the global tourism market. This can lead to dependency on external NGOs or operators.
- **Market Access and Competition:** Connecting with tourists in a crowded marketplace is difficult and expensive for small, remote CBT initiatives. They often struggle with visibility and compete with well-funded commercial tour operators.
- **Managing Tourism Impacts:** Even small-scale tourism can bring social changes, such as altered value systems, conflicts over resource distribution, and visitor expectations that may pressure communities to perform their "authenticity." Managing these impacts requires strong governance and continuous dialogue.
- **Financial Sustainability:** Achieving a sufficient and steady stream of visitors to cover operational costs and provide meaningful benefits can be a protracted struggle, making some CBT projects vulnerable to failure [15].

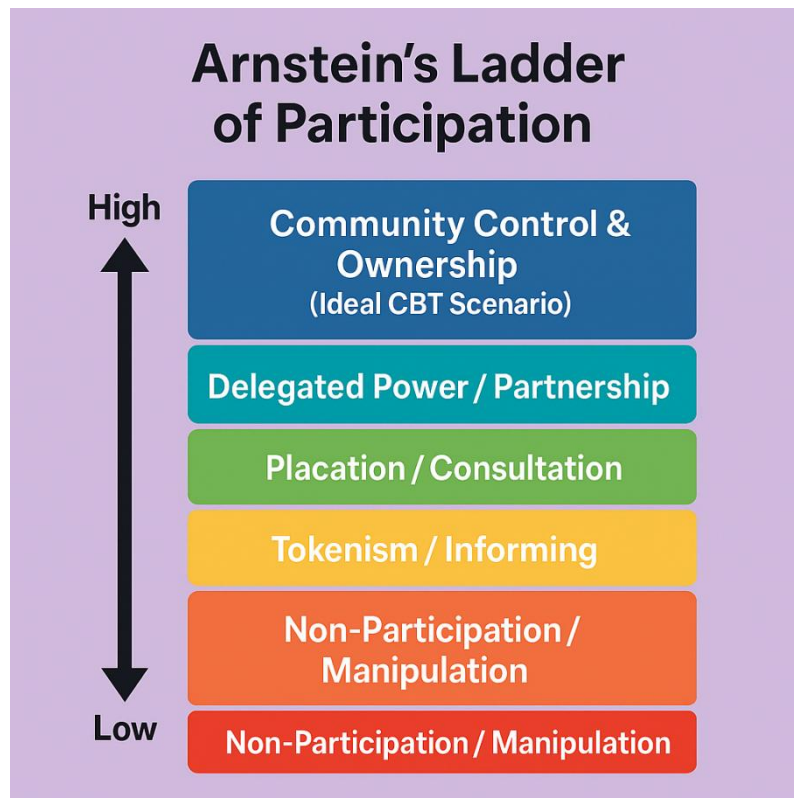


Figure 2. The Community Participation Ladder in CBT

Figure 2 shows Arnstein's Ladder of Participation, a widely used framework for evaluating the degree of public involvement in decision-making processes. The ladder shows a progression from low to high levels of community empowerment.

At the bottom levels - Non-Participation / Manipulation - communities have little to no real influence and are merely informed or controlled without meaningful involvement. The middle levels - Tokenism / Informing and Placation / Consultation - involve limited participation in which people may be asked for opinions but still lack actual decision-making authority.

Higher on the ladder, Delegated Power / Partnership represents shared decision-making between authorities and communities, offering genuine influence. At the top level, Community Control & Ownership reflects the ideal scenario in which communities have full authority, ownership, and decision-making power-an outcome often described as the goal of community-based transformation (CBT).

Overall, the image emphasizes how different levels of participation range from symbolic involvement to full empowerment, highlighting the importance of inclusive and community-led governance.

5. Case Studies: Lessons from the Field

5.1 The Chambok Community-Based Ecotourism, Cambodia

Located near Kirirom National Park, the Chambok initiative was established to provide an alternative livelihood to illegal logging. The community manages a range of activities, including a waterfall hike, homestays, and ox-cart rides. A portion of the revenue goes into a community fund, which has financed a school, a water reservoir, and a rice bank for the poor [16]. This case demonstrates a clear link between environmental conservation (protecting the forest) and inclusive economic and social benefits (diversified incomes, community fund projects) (CBET Cambodia, n.d.).

5.2 The ASTRA Network of Rural Tourism, Costa Rica

The Asociación de Turismo Rural Comunitario (ASTRA) is a network of over 30 small, community-run tourism enterprises across Costa Rica. By banding together under a single brand, these communities overcome the challenge of market access. ASTRA handles national and international marketing, provides training, and ensures quality standards, while each member community retains its autonomy and local character. This model showcases how collaboration and federation can enhance the viability and inclusivity of CBT.

5.3 Bhutan's High-Value, Low-Volume Tourism Policy

While not a single CBT project, Bhutan's national tourism policy is a macro-level example of enforcing inclusivity principles. The government mandates that all tourists must travel on a pre-paid package with a licensed tour operator. A significant portion of the daily tariff goes towards government revenues that fund free education and healthcare for all

citizens. Furthermore, the policy encourages tours that include community visits and homestays, ensuring that benefits percolate beyond the capital. This top-down support for a value-driven tourism model creates an enabling environment for inclusive growth [17].

6. Conclusion and Recommendations

This paper has articulated a robust argument for reconceptualizing Community-Based Tourism as a strategic tool for achieving inclusive growth. The theoretical framework and case evidence demonstrate that when implemented effectively, CBT can simultaneously deliver broad-based economic participation, foster social empowerment and equity, and incentivize environmental stewardship. It aligns the economic incentives of tourism development with the social and environmental priorities of local communities, creating a virtuous cycle of sustainability and resilience.

However, realizing this potential is contingent upon navigating significant challenges. The journey from a well-intentioned project to a genuinely inclusive and sustainable enterprise requires more than just community enthusiasm. It demands a supportive ecosystem.

To this end, the following recommendations are proposed for various stakeholders:

• For Governments and Policymakers:

- Integrate CBT into national and regional tourism and rural development strategies.
- Provide targeted support for capacity building, business skills training, and access to microfinance.
- Develop legal frameworks that recognize and support community ownership and management of tourism resources.
- Invest in necessary infrastructure (e.g., roads, telecommunications) without which remote CBT initiatives cannot thrive.

• For NGOs and Development Agencies:

- Act as facilitators and capacity-builders rather than directors, avoiding creating dependency.
- Prioritize processes that ensure equitable participation and benefit-sharing, paying special attention to gender and other social dimensions of inclusion.
- Assist communities with market linkages and digital marketing strategies.

• For the Private Tourism Sector:

- Form genuine partnerships with CBT initiatives, treating them as equals and ensuring fair contractual terms.
- Integrate community experiences into their product offerings, marketing them responsibly and accurately.
- Provide training and knowledge transfer in areas like customer service and quality standards.

• For Academia and Researchers:

- Conduct longitudinal studies to track the long-term impacts of CBT on inclusive growth indicators.
- Develop more nuanced tools for measuring the non-economic (social and environmental) returns of CBT.
- Critically analyze power dynamics and governance models within CBT to identify best practices.

In conclusion, Community-Based Tourism represents a profound innovation in the tourism landscape. It is a model that dares to ask not just how much growth tourism can generate, but *what kind* of growth and *for whom*. By placing inclusivity at its core, CBT offers a viable and ethical pathway towards a tourism future that is not only innovative but also just, resilient, and truly sustainable.

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