

## Rural Community Tourism and Sustainable Advantages in Nicaragua

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### Structured abstract

**Purpose** - The capacity of tourism to improve living conditions has attracted the interest of developing countries. Rural Community Tourism (RCT) represents an experience of community based tourism where local population retains control over the process, with benefits remaining within the community. The central role of the community confers a sustainable dimension to the process. In this context, the current investigation focuses on the study of successful RCT experiences in Nicaragua, proposing and testing a structural model that ensures the reproduction and extension of community life, limiting the undesired negative impacts of tourism, and providing a sustainable dimension in a wider sense.

**Design/methodology/approach** – Applying the resource-based theory of the firm to the field of tourism, the research starts defining a theoretical model with three main pieces: the community resources and capabilities, the tourism organization and strategies, and the resulting community sustainable advantages arising in the process. In an RCT setting, the model defines the linkages among these three pieces, showing how to reach a sustainable RCT practice preserving and enhancing the community life. The model is tested empirically in a SEM-PLS framework, relying on 580 structured questionnaires gathered in 19 RCT experiences in Nicaragua.

**Findings** - Main findings show the significance of the model, with the community dimension as cornerstone of RCT project. This result differs to previous literature where the resident population is key but not usually leading the tourism process. Empirical testing of the model remark how the presence of community tangible and intangible resources and capabilities are combined and exploited in tourism initiatives through organization and strategies that put the preservation of the community as the main objective. These lead to the emergence of competitive advantages that promote the sustainability of the community lifestyle, ensuring a durable approach of the rural tourism initiatives.

**Originality/value** – The investigation is novel for a developing country, focusing explicitly on how the community leadership is the key piece in the building of the

sustainable dimension of RCT initiatives. Other interesting findings include the identification of complementary issues arising in the development of RCT projects. These include the capacity of integrating weak rural collectives, like women and young people, or the pivotal cooperation emerging between public and private actors. The main value of the study is that it provides a framework to analyse rural communities engaging in tourism activities, identifying the building pieces and behaviours underlying in successful sustainable experiences.

**Keywords:** Rural Community Tourism, Developing countries, Resource-based theory, Sustainable advantages, Community life, SEM-PLS modeling, Sustainable tourism.

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## 1. Introduction

The capacity of tourism to improve the living conditions of people has resulted in the emergence of new destinations all over the world, with a number of developing countries entering the tourism market recently (UNWTO, 2018). For many of these countries, rural tourism has become an important product, allowing the local communities to share their natural environments with tourists seeking for more authentic experiences (Chin et al., 2017). Tourism initiatives help rural communities to diversify their sources of income, creating new jobs, and avoiding the flight of young people to urban areas (Mair, 2006). In this context, Central America continues to grow in popularity as a tourism destination due to cultural and natural attractions, biodiversity, and affordability (Hunt et al., 2015). Nicaragua is becoming an attractive option in the region, with 1.8 million visitors and 18% of growth rate in international arrivals in 2017 (LaVanchy, 2017; Usher and Kerstetter, 2014). Rural Community Tourism (RCT) is an experience of community based tourism present in Nicaragua since more than two decades ago (López-Guzmán and Sánchez-Cañizares, 2009). In RCT projects the local population retains substantial control and capacity of decision over the tourism planning process (Razzaq et al., 2013; Inostroza, 2008). The current investigation focuses on the study of RCT experiences in Nicaragua with the objective of better understanding how this type of projects could help to consolidate a wider notion of sustainable tourism. The contribution to the literature comes from a number of sides.

First, given the unprecedented growth of international tourism since the beginning of the century, researchers have been wondering how to limit its undesired negative effects (Boley et al., 2017). Recent studies also seek to understand how to gain increasing support for tourism by the local population (Brida et al., 2011). One important recommendation is to promote the involvement of residents in the tourism planning process and the sharing of the tourism benefits (Jurowski and Brown, 2001; Fun et al., 2014). The literature usually refers to the local community as a key stakeholder in the development process, but not as the central actor (Lee and Hsieh, 2016; Lyon et al., 2017). In the case of the RCT, the community becomes the leading actor in the development of tourism, with the help of the regional government, this being an important demonstration effect of how to reach new forms of sustainable tourism (Franzoni, 2015; Missimer, 2013).

Second, Nicaragua is an important case study because of the own characteristics of their rural communities. Capacitation and education levels of people in the West of

Nicaragua appears to be relevant, with more than 50% of them being trained in rural tourism activities, also showing secondary and university levels of education. Moreover, these communities present a great sense of identity linked to their indigenous history and heritage, being also conscious of the richness of the natural environments they live in. All this has been conferring the rural communities an idiosyncratic approach when engaging in tourism initiatives (López-Guzmán and Sánchez-Cañizares, 2009). The population feel the opportunity of accessing to new sources of income and social benefits through tourism, but preserving their cultural and natural resources. Local identity and community history are two of the key resources conforming the tourism offer. Tourism also allows to attend the necessities of some feeble collectives (women, young people), providing new services that lack at the rural areas (i.e., health and sanitary facilities), and promoting an integral development. Despite the important lessons for rural tourism initiatives that the Nicaraguan case can provide, the number of studies on the country are still scarce, with the present paper trying to start filling this gap

Third, the literature on rural tourism is mainly focused on developed countries, showing the advantages for rural environments of tourism as part of a broader regional and agriculture policy approach (see i.e., The European Network for Rural Development [https://enrd.ec.europa.eu/home-page\\_en](https://enrd.ec.europa.eu/home-page_en)). In Nicaragua, the study is for a developing country, proposing a model where the community dimension stays at the core of the tourism development process. Borrowing from the resource-based theory of the firm (Peteraf, 1993; Wernerfelt, 1984), the paper designs a model where the main outcome is the reproduction of the community life. As a result, and in line with the tourism planning literature, the research abounds in the notion that successful sustainable initiatives require from a clear engagement of local populations and the design of community based bottom-up strategies of development (Telfer and Sharpley, 2016; Twining-Ward and Butler, 2002).

After this introductory part, the rest of the paper is as follows. Section 2 reviews the literature, presents the theoretical framework, and states the research hypotheses in the model. Section 3 sets up the data set and methodology of the study. Section 4 presents and discusses the results of the investigation, while section 5 concludes and includes some implications and future extensions of the research.

## **2. Theoretical framework and research hypotheses**

### *2.1 Community based tourism and sustainability*

Despite that the community focus is present in tourism studies since a number of decades ago, only recently authors have started to highlight the central role that the host community plays in conferring a sustainable dimension to tourism (Lo et al., 2012; Falak, et al., 2014). Murphy (1985)'s book on *Tourism: A Community Approach* opened an important debate emphasising the importance of local initiative, and the need of planning tourism products in accordance with community benefits (Tolkach and King, 2015). John Urry (1995) defined different usages of the community term, including the idea of community as a place-based concept, a local social system, and the feeling of 'communitas' or togetherness, all them being present at certain extent in the RCT case. More recently, Choi and Sirakaya (2006) focused on the community dimension of tourism with regards to sustainability. The sustainable approach requires in first term that economic benefits from tourism should be fairly distributed throughout the local population (Pusiran and Xiao, 2013). The natural environment must also be protected as

a resource for present and future generations (Ghoddousiet al., 2018). Socio-cultural sustainability implies respect for the local identity, social capital, the community culture, and the local lifestyle (Manyara and Jones, 2007; Missimer, 2013). New contributions to tourism sustainability incorporate the perspective of stakeholders through a network approach (Lee and Hsieh, 2016). This approach recognises the central role of the local community and public authorities in sharing the leadership for designing and implementing sustainable strategic planning (Franzoni, 2015).

Sustainable tourism initiatives have to be attainable by the local community (Wearing and Neil, 2009). The development path followed is an important issue in this context too (Allen et al., 1988). The community based approach requires the benefits of tourism to be directly connected with the local requirements (Missimer, 2013). Those challenges include the conservation of natural, social and cultural resources, the capacity of providing an economic return to residents, employment opportunities to fragile collectives, and in general the increase of the quality of life and well-being of local communities (Mathew and Sreejesh, 2017; Telfer and Sharpley, 2016).

## *2.2 The resource-based theory of the firm and competitive sustainable advantages*

The theoretical framework of the research builds on the resource-based theory of the firm and strategic management (Peteraf, 1993). According to this theory, the strategic resources of the company, tangible and intangible, play a central role to generate sustainable competitive advantages, defined as the capacity of a firm to create more economic value than competing firms in a given product market (Barney and Clark, 2007; Peteraf and Barney, 2003). The resource-based theory is extended by introducing the knowledge process, where the company can develop new capabilities in a dynamic learning path able to sustain competitive advantages in time (Eisenhardt and Martin, 2000; Teece et al., 1997). Important features of the theory include the role played by resource interactions inside the firm resulting in higher levels of business' performance (Peteraf, 2005), or the need of adopting cooperation mechanisms with other firms to acquire lacking resources (Prahalad and Hamel, 1990). Barney and Clark (2007), building on the industrial organization postulates, identify some characteristics that the resources and capabilities should have in order to become strategic for the company, like being valuable, scarce, and non replicable. Another key issue in the theory is the need of counting on an appropriate organization structure and strategical planning to successfully combine those resources in order to develop sustainable advantages. The most important features of the organizational structure include its unity dimension (common interest, recognised authority, mutual trust, good communication, flexibility, coordination) and internal compromise (shared principles, personal efforts, long-run view, community feeling) (Helfat et al., 2007). Resources in the company include tangible (raw materials, labour force, facilities and infrastructure, financial resources) and intangible ones (managerial capabilities, human capital, technology, commercial, social and organizational capital) (Rouse and Dallenbach, 1999). Other authors emphasise how intangible resources represent the key element responsible of creating sustainable advantages (Carpenter et al., 2001).

In terms of the strategic management decisions, the main focus lies on the established corporate objectives and planning tools necessary to achieve them (Porter, 1985). According to Mintzberg et al. (2003) the firm strategy reveals the intention and general philosophy of the firm, including the values and norms of the company. The strategy also shows the internal coherence of the firm and corporate alliances (Drucker, 2006).

The type of resources owned and acquired by the firm determines its philosophy and strategic management decisions (Helfat et al., 2007). A relevant case is that of the associative companies, that share resources to pursue a common objective.

In sum, the resource-based theory of the firm highlights the relevance of resources and capabilities as the basis of the competitive sustainable advantages, that guide the organizative and strategic choices of the company. Particular benefits also arise from the associative strategy of cooperative companies. Along this study, the resource-based theory of the firm will be applied to the analysis of the RCT experiences. In this context, the community becomes the subject of the tourism development project, informing and guiding the whole process as the core underlying resource (Onitsuka and Hoshino, 2018). Dimensions of this central resource include important tangible resources such as natural and wildlife resources, existing facilities for tourism services (accommodation and food services), or manufactured and art crafts goods produced for the tourism market (Aall, 2014; Franzoni, 2015).

Further on, and in line with the theoretical framework, intangible resources and capabilities represent the key resources that while combined would become the competitive sustainable advantages of the RCT project. This set includes the local identity, history, personal skills and social and cultural resources existing in the community (Davies, 2009; Andereck et al., 2005). Indigenous cultures are carriers of values, history and social customs that rural communities share with the visitors (Maldonado, 2002). Expertise, experience and human capital add to this set of intangible resources. Working skills like organizational techniques, team work, service-oriented competences are more than necessary in rural communities engaged in tourism projects (Richards and Hall, 2003). Qualification programs for rural people have been proven pivotal (Berdegué, et al., 2015). Human capital formation becomes a key resource in the case of developing countries (Razzaq et al., 2013).

The central focus on the community, and the search for a limited impact of tourism on rural people, define the organizational guidelines of the project. Tourism appears as a complementary activity at rural areas, not supplanting the traditional ones. The RCT project establishes the strategic objectives of enhancing social integration, supporting and empowering weak collectives such as females and young people, and putting into action the entrepreneurial skills of some members of the community for a common cause (Onitsuka and Hoshino, 2018; Scheyvens, 1999). In this context, tourism activities are to be kept in an attainable way, where the community maintains the leadership of the process, and the scale of the projects are bounded in an acceptable level (Moscardo et al., 2013).

As the theory states, collaborative and associative networks established with neighbouring communities and other stakeholders help to provide some lacking resources. The existence of a basic transport infrastructure is key to ensure the accessibility of visitors, while the disposability of specific hospitality services also becomes necessary (Lo et al., 2012; López-Guzmán and Sánchez-Cañizares, 2009). The public authorities usually play a major role at the initial stages of development, by providing support to the local community regarding financial loans, strategic planning, promotion and communication actions, and other necessary investments in infrastructures and human capital (Lyon et al., 2017; Hunt et al., 2015).

Transplanted to the tourism context, the resource-based theory partially resembles that of the “capitals approach to sustainability”, where the sustainable focus relies in keeping or expanding the stock of community capitals, i.e., the natural capital, the human capital

and mainly the so-called social capital (Flora, 2004; Lehtonen, 2004). More generally, recent contributions in this line suggest that “from a destination perspective, sustainable tourism development is defined as tourism activities that maintain and enhance destination community well-being through net contributions to all forms of capital” (Moscardo et al., 2017, p. 287).

The final part of the theoretical model refers to the concepts of competitive advantages and firm’s performance. As stated by the resource-based theory, the combination of resources and firm strategy results in the development of competitive sustainable advantages promoting the economic performance and value creation above that of the competing firms. In this case, given that the community is the core resource in the RCT model, the competitive sustainable advantages substantiate in a number of tangible and intangible outputs reinforcing the community project itself. The higher performance of the RCT model comes from its capacity to ensure the reproduction of the rural community, in comparison with other tourism initiatives where the community well-being is clearly affected. As a result, the theoretical framework of the resource-based model to be employed in the investigation includes three main types of constructs: the community resources and capabilities, organization and strategies, and sustainable community advantages.

### *2.3 Research hypotheses*

Building on this theoretical setting, the empirical part of the investigation seeks to answer a general research question as the following one: Can the RCT experience, focused on the community resources and capabilities, develop an organizational and strategic approach that results into competitive sustainable advantages ensuring the reproduction of the community life as a primary objective, resulting in this way in a sustainable tourism process?. To test this research question, a model is proposed and outlined in figure 1, with the following three hypotheses defined:

H1: Rural populations with specific community resources and capabilities positively influence the implementation of community based organization and strategies.

H2: Rural populations with specific community resources and capabilities positively influence the emergence of sustainable community advantages helping to keep and enhance the community lifestyle.

H3: Community based organization and strategy positively influence the development of community sustainable advantages helping to keep and enhance the community lifestyle.

[Insert Figure 1 around here]

After stating the three hypotheses in the study, the following section defines the methodological issues employed in the empirical testing of the model.

### **3. Data issues and methodology**

The research study focuses on the analysis of rural community tourism projects taking place in the West of Nicaragua. Following a directory of the Nicaraguan Institute of

Tourism (INTUR), a number of communities actively engaged in this type of projects were selected in order to better understand the variables underlying these successful stories. A previous work of identification of the successful communities was carried out with the help of the governmental technicians and the community leaders. No other stakeholders participate in these RCT experiences, so these are the two main groups included in the study. Two departments were finally selected according to the relevance of their RCT projects and representativeness inside the national geography, namely León and Chinandega, as shown in Figure 2. Other communities were identified in the country, although a deficient accessibility situation prevented to include them in the study. After initial direct interviews with the key agents, a questionnaire to gather data for the analysis was designed. At a first stage, a pilot work was conducted to identify the relevant indicators for the questionnaire and conduct a pilot test about their performance. As a result, minor modifications were made by means of exploratory and confirmatory factor analysis (CFAs), removing a few redundant items based on the non significance of factor loadings.

[Insert Figure 2 around here]

The data sample in the study finally includes 580 usable questionnaires from 19 rural tourism communities, based on a non-probability convenience method, with statistical significance level of 95%, with around 30 questionnaires per locality. All them are small communities of no more that 500 residents living a rural life and engaged in tourism activities as a complement of their traditional activities. The data gathering process was carried out between November 2016 and January 2017. All interviews were focused on selected people that participates or are aware of the on-going RCT initiatives, belonging to the local community, with some understanding of these projects and its recent development. The 58% of the people interviewed were from the León Department, the bigger one with 11 selected communities, while 42% to Chinandega, with 8 communities. The 19 communities included in the study are listed in Figure 2b. These communities were selected because of their good performance in tourism at least in the last ten years, with a regular presence of the INTUR agents through RCT cooperatives. The existing tourism activities range from guided wildlife routes, volcano visits, birds' and flowers watching, art craft and traditional food experiences, intercultural encounters, as well as female-led training initiatives for tourism education and qualification of the local population. Most of these communities have been also developing agreements with regional government for improving their accessibility by road infrastructures and telephone lines, also cooperating in the preservation of their cultural and natural resources with national government offices. The building of facilities for tourism and hospitality services, like accommodations and feeding communitarian locations, has been also jointly developed by local communities and public government delegates during the last two decades. A number of legal regulations has been also arising in the country, including the recent Sustainable Rural Tourism Law 835/2013, and subsequent Administrative Decrees rigorously defining a framework that provide the limits, resources and personnel necessary to achieve sustainable initiatives in a wide sense. These include multiple dimensions, like the economic, social, productive and environmental ones for sustainable and responsible

tourism.<sup>1</sup> The 19 selected rural communities also stand out in terms of collective leadership, tourism engagement, and social empowerment, leading to a sustainable community life, as remarked by the INTUR officials in the area.

In terms of the questionnaires, raw descriptives show that 75% of respondents are living in their community of origin, with a mean stay of 29 years. 31% of respondents have primary schooling level, 23% secondary education, and 38% university studies. 52% are women, with a mean age of 35 years old. The 8% of the sample occupies managerial positions in the project, 40% shows some expertise or qualification in tourism, 32% are wage earners, 12% tourist guides, and 9% retailers. All of them have been working in the last three years in the community where they are living now. The questionnaire was designed using a Likert seven-point scale (with 1='totally disagree' and 7='strongly agree'). The employed methodology includes an Structural equation modelling (SEM) approach for testing the theoretical model relying on questionnaire data gathered. Particularly, PLS (Partial Least Squares) technique with the SmartPLS 3.0 software is employed here.

## 4. Results and discussion

### 4.1. Analysis of the measurement model

The measurement model shows the detail of indicators and constructs defined in the empirical model (table 1). Indicators for the three constructs in the analysis, namely resources and capabilities, organization and strategies, and community (competitive) sustainable advantages are taken from the literature on tourism sustainability and that of the resource-based theory, as detailed in section 2. Methodologically, the assessment of the outer model for reflective indicators in PLS is based as usual on individual item reliability, construct reliability, convergent validity and discriminant validity (Hair et al., 2012). Reliability and convergent validity of the reflective constructs is evaluated by checking the Dijkstra and Henseler's rho ( $\rho_A$ ), average variance extracted (AVE), factor loading values and level of significance (Henseler et al., 2016). Individual item reliability is assessed by the standardised loadings ( $\lambda$ ), and simple correlations of indicators with their latent variable (Hair et al., 2017). Individual item reliability is adequate with a  $\lambda$  greater than 0.707. Loadings ( $\lambda$ ) could be also considered if they are greater than 0.6 and significant (Benitez-Amado et al., 2015). As a general result, this appears to be the case for all indicators in the model (table 1).

Construct reliability is assessed using composite reliability ( $\rho_c$ ), Cronbach's alpha, and the Dijkstra and Henseler's rho ( $\rho_A$ ) statistic (Sarstedt et al., 2017). Cronbach's  $\alpha$ ,  $\rho_A$ , and  $\rho_c$  must be higher than 0.70, with a  $\rho_A$  value greater than 0.707 pointing to reliable construct scores (Hair et al., 2017). Table 1 shows that all constructs in the model present internal consistency. To assess convergent validity, AVE values, the share of the variance of indicators by construct, should be greater than 0.50, this being the case for all constructs in the model as shown in table 1 (Hair et al., 2017).

[Insert Table 1 around here]

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<sup>1</sup> For further details, see for example, <http://extwprlegs1.fao.org/docs/pdf/nic138499.pdf>, and <http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/laws/4829.pdf>



Table 2 also shows that discriminant validity appears to be satisfied by all constructs in the model according to Fornell and Larcker (1981). The discriminant validity of constructs is also pointed by the HTMT ratios below the 0.85 value in table 2 (Henseler et al., 2015). In sum, the model shows a good performance in term of reliability, convergent validity and discriminant validity of the constructs.

[Insert Table 2 around here]

#### *4.2. Structural model assessment*

Once the reliability and validity of the outer model established, the hypothesised relationships within the structural model is evaluated by the path coefficients ( $\beta$ ) with confidence intervals, and the coefficient of determination ( $R^2$ ) (Roldán and Sánchez-Franco, 2012). Firstly, standardised path coefficients are used to analyse the degree of support for the research hypotheses with significance shown by the confidence intervals. Chin (1998) proposed standardised path coefficients over 0.2 to be desirable, while the path coefficient is expected to be also significant when not showing a zero value in its confidence interval (Sarstedt et al., 2017). According to Hair et al. (2011), bootstrapping technique (with 5000 resamples) is used to generate standard errors, t-statistics, and confidence intervals. The statistical significance of the path coefficients is then assessed (Castro and Roldán, 2013), while the bootstrapping confidence intervals are also used to check for the validity of the hypotheses in the model (figure 3).

Secondly, the goodness of fit of the proposed model is shown by  $R^2$  values (explained variance) for the dependent latent variables. For each path between constructs, the desirable values needed to be at least equal to, or higher than, 0.1 (Falk and Miller, 1992). The  $R^2$  shows the predictive power of the model, with values of 0.75, 0.50 and 0.25 pointing to substantial, moderate or weak predictive power, respectively. Figure 3 shows important predictive power of the model, all above 0.5 value (Hair et al., 2017).

[Insert Figure 3 around here]

Additionally, an overall measure of the goodness of fit of the model is employed, the SRMR (Standardized Root Mean Square Residual), whose value should be less than 0.08 (Henseler et al., 2016) for the measurement model and the structural model, and values of around 0.10 for PLS-SEM estimates (Hair et al., 2017). The analysis also includes several methods for model fit testing, measuring the discrepancy between two matrices, namely, the geodetic discrepancy (dG) and unweighted least squares discrepancy (dULS) (Dijkstra and Henseler, 2015). dULS and dG methods are exact measures of the overall model fit, suggesting a good fit in both cases as shown in table 3.

[Insert Table 3 around here]

#### *4.3. Mediating effect*

Total effects (direct and indirect) arising in the model appear to be relevant and significant, as reflected in table 4. Moreover, the relationship between Community Resources and Capabilities (CRC) and Sustainable Community Advantages (SCA) could be mediated by the Organization and Strategies (OS) applied. It seems to be the case, as shown by the increase of the  $\beta$  coefficient from 0.286 to 0.693 when including this mediating variable in the model, with this relationship appearing significant for  $p \leq 0.001$ . Mediation occurs when a third variable influences the relationship between two observed constructs, with direct, indirect and total effects arising in the model (Sarstedt et al., 2017). Computed total effects seem to point that the latent variable OS could be mediating the relationship between the other two, CRC and SCA. Results in table 4 show that, first, significance level of specific indirect effects point to an existing mediation effect in the model. The significance assessment builds on their (bias-corrected and accelerated bootstrap) confidence intervals (Hair et al., 2017). And second, if indirect effects are significant, then could be a partial mediation effect (complementary or competitive) when variance (VAF) is among 0.20 and 0.80 (Hair et al., 2017; Vinzi et al., 2010). The VAF value is of 0.585 in this case, what according to Nitzl et al. (2016), would be suggesting that the construct OS partially and complementarily mediates the relationship between CRC and SCA constructs, this being an interesting result of the empirical model. In this way, not only resources and capabilities are important pieces in the model, but the need of defining community based ways of organization and strategies to combine them in the search for sustainable community advantages that support and reinforce the whole community life.

[Insert Table 4 around here]

#### *4.4. Discussion of results*

The previous sections confirm the validity of the proposed model in conceptual and empirical terms. The community dimension becomes the cornerstone of the model, informing all constructs and relationships among them. Once this concept occupies a central position of the tourism development process, it allows to achieve a sustainable project. The members of the local society and other stakeholders, like the regional/national administrations, directly perceive the benefits of rural tourism for the progress of the community, reinforcing their initial support. When testing for the three hypotheses in the model, results in table 4 and figure 3 show the acceptance of all them. H1 shows that an existing stock of resources and capabilities related to tangible and intangible assets and abilities of the community is a necessary condition to define community based organization and strategies. H2 validates the necessity of existing community resources and capabilities, like identity or cultural consciousness of rich natural environments surrounding the rural communities, to influence the emergence of sustainable community advantages that support the community lifestyle. Finally, H3 shows that well-designed strategies and organization result in community focused advantages providing a sustainable framework for the rural community life.

All this self-sustaining process provides a clear benefit to the community, reinforcing their positive perception and support to tourism as a desirable activity in the rural environment. These positive outcomes include a higher local cohesion, better performance in the social, economic and cultural spheres, and the surge of new social and personal services. All in all, the model shows a robust relationship in all stages,

beginning with the objective of starting a new community tourism initiative, and achieving a beneficial and locally perceived rewarding and sustainable RCT project.

The key condition for success refers to the role played by the community in the design and implementation of the rural tourism project. The process initially requires a local consciousness on the intrinsic value of existing resources and capabilities, what would later help to promote their preservation. The existence of intangible resources to be marketed in the tourism experience, able to reflect the value of the community construct to the new visitors, and mainly focusing on the local identity, local history, and social and cultural heritage stock is key. It is also important to count on a set of local skills and capabilities, including a level of expertise in service providing, qualification of local people, and some personal skills and experience, in order to ensure the success of tourism initiatives from the very beginning. In a second stage, as the model has shown, one central issue is the capacity of collaboration of the community with the regional and national administrations, as a qualified provider of financial aid, strategic planning vision, promotion and communication tools, and other necessary instruments of development, as the key stakeholders recognise along the questionnaire and personal interviews carried out along the study. The strategical vision applied in Nicaragua also includes the capacity of empowering women as an important pillar in the process, which complements the role of men at rural spaces. Other related strategical lines include the explicit determination of enhancing the integration of the community through tourism actions, while formulating attainable and realistic objectives in the planning stage of the process, as the tourism project is not the centre of the rural community life, but a partial complement of that. This is a noticeable outcome of the present study.

In what regards to the sustainable competitive advantages arising from the RCT experience, once more they are basically focused on improving the living conditions of people through the reinforcement of the community dimension at rural places. In fact, the main outcomes of the process are twofold. As shown in the model, first they allow to keep and enhance the community resources, both intangible, like culture and traditions, and tangible such as heritage and natural resources or education and health facilities. Second, the RCT initiatives brings new advantages for the community, like the empowerment of weak collectives, increases of the women and young people self-esteem, responsible tourism, employment opportunities, or new income. Third, the RCT community focus keeps and fosters the rural community system as a whole, leading to improvements of the community performance, quality of life, integral development, and reduction of the poverty levels in the society.

The efforts of launching and sustaining successful RCT initiatives also requires the implication of the different levels of government, that given the peculiarities of the Nicaraguan administration, provided a great support to rural communities in the beginning of the process and all along its development, including a focus on non-exploiting human relationships, and more recently on sustainable tourism legislation and practices. Since the times of Sandinista revolution in the 1980s, rural communities have received education and support from the regional and national governments as a shared vision of the country development process. This situation improved the education level of females and in general of the rural population, with rural cooperatives and other socialist-flavoured initiatives, allowing them to better succeed in future RCT projects. The sustainable dimension of RCT also includes some collateral outcomes such as the reinforcement of the environmental consciousness of people, with recycling activities, the capacity of the community to appropriate from main tourism rents appearing in the process, and other cultural and social rewards, as the great degree of

involvement and participation of the community, as well as the closer and honest cooperation between public authorities and local communities.

The proposed theoretical model has also shown its capacity to trace an effective way of achieving sustainable rural tourism initiatives, reinforcing the social, cultural and environmental dimensions of the community. This is a relevant demonstrating effect that transcends developing countries and rural communities, particularly in times of “tourismphobia” episodes at crowded destinations. The empirical results also point to the enhancing mediating effect of the community based organization and strategies in the development of a sustainable community life, where the followed path clearly appear to matter in order to limit the undesired tourism impacts on resident population.

In sum, all these findings become aligned with the main recommendations of the literature as shown in section 2, highlighting once more the importance of consciousness and leadership of the local population in the raise of a sustainable and durable tourism project. The most relevant features emerging from the analysis reflect the key issue of local people leadership with huge involvement of key stakeholders, sharing rewards, fostering social integration, and public-private cooperation. In rural environments is essential the awareness of resident population on the on-going project to increase participation opportunities, as well as reaching complementary benefits like the empowerment of more displaced collectives. It also becomes necessary to pursue attainable objectives as defined by the local community, while promoting an integral development of the community while enforcing the attraction of responsible tourists.

Finally, it is worth noting that negative outcomes also appeared along the selected RCT projects in Nicaragua, despite they were ruled out in this study for two main reasons: the first one is theoretical and refers to the design of the study, mainly focusing on understanding the “key pieces” conforming the most successful cases under study. The second one is empirical, given that along the testing process of the model, all negative indicators did not pass the reliability tests and had to be eliminated in a first stage. In this way, the model shows high levels of consistency between the theoretical design and the empirical performance of its components, this being another important contribution of the research.

## **5. Conclusions and implications**

Finding a framework in the literature exploring sustainability issues at rural tourism environments is not a difficult task. Developing and testing a model on that issue showing a good performance for rural environments at developing countries is a more difficult task. This paper has followed this path. With this aim, the research has focused on better understanding the key pieces necessary to attain a tourism sustainable process. Rural Community Tourism is a type of experience where the community detents the leading role on planning and executing the tourism project, while receiving the bulk of the benefits. Accounting for the central role of the community along the process is one of the contributions of the research. Searching for the reproduction conditions of the project is another one. Main findings of the study have shown how the community dimension should be present all along the stages of the rural tourism project in order to become a really self-sustained and durable one. By following this path, the rural development process reinforces the cultural, economic and environmental dimensions of the local society, also promoting additional community goals. Relevant outcomes in this respect include higher levels of social cohesion of the population, the capacity of offering a working and living environment for all of its members, and the promotion of

a responsible type of tourism with an integral development of the local community. In this way, the defined notion of sustainability of the community life transcends the tourism discipline, embracing the reflections of the sustainable development paradigm for developing countries and the idiosyncratic way to achieve it historically characterising the indigenous rural communities in Latin America.

In regards to the previous literature, the research has shown a path to achieve most of the findings in the community based tourism and sustainability paradigm, resulting in important implications. These include the need of building strong cooperation and trust links among the implied stakeholders, mostly the local population and public administration, the leading role of the residents in the definition and implementation of the tourism project, and the design of attainable initiatives limiting the impact of tourism activities. The need of involving resident population in the planning of tourism as the best way of gaining their support for tourism development is another key recommendation, together with the need of training and counting on well educated local leaders as a way of succeeding in the rural environment initiatives, with particular relevance for developing countries. The main recommendation comes from the capacity of articulating rural life and tourism initiatives in a sustainable way when putting the community concept and its reproducibility in the centre of the process.

In contrast, some departures from the prescriptions of the main stream literature come from the fact that RCT projects analysed in Nicaragua engage in tourism activities as a complementary activity, not as the central one, what allows to limit the interference of tourism on traditional rural lifestyles. The community sense and the local resources awareness, including identity, natural richness and customs, is also a required characteristic for success in reaching sustainable initiatives, this being the case of the present area as a result of its recent historical circumstances. Finally, the application of the resource based theory of the firm to the tourism analysis is also a quite novel contribution of the study. It appears to be well suited to characterise intangible existing resources, applied development strategies and arising competitive advantages in a sustainable rural tourism framework.

A limitation of the study arises because of the small size of the communities analysed, although these type of rural societies are highly present in many developing countries of Latin America and Asia, making the study an important contribution in this type of contexts. Future extensions of the study include rising the complexity of the theoretical model, to allow for a higher number of constructs pointed by the community based tourism literature. New qualitative analyses would also allow to enrich the understanding of the role played by community actors in the process, the role of additional stakeholders, or the inter-relationships arising among rural communities in the area. The role of the public administration should also be analysed in a deeper detail, as pointed out by the literature. However, these issues will become the content of further researches, transcending the scope of the present analysis.

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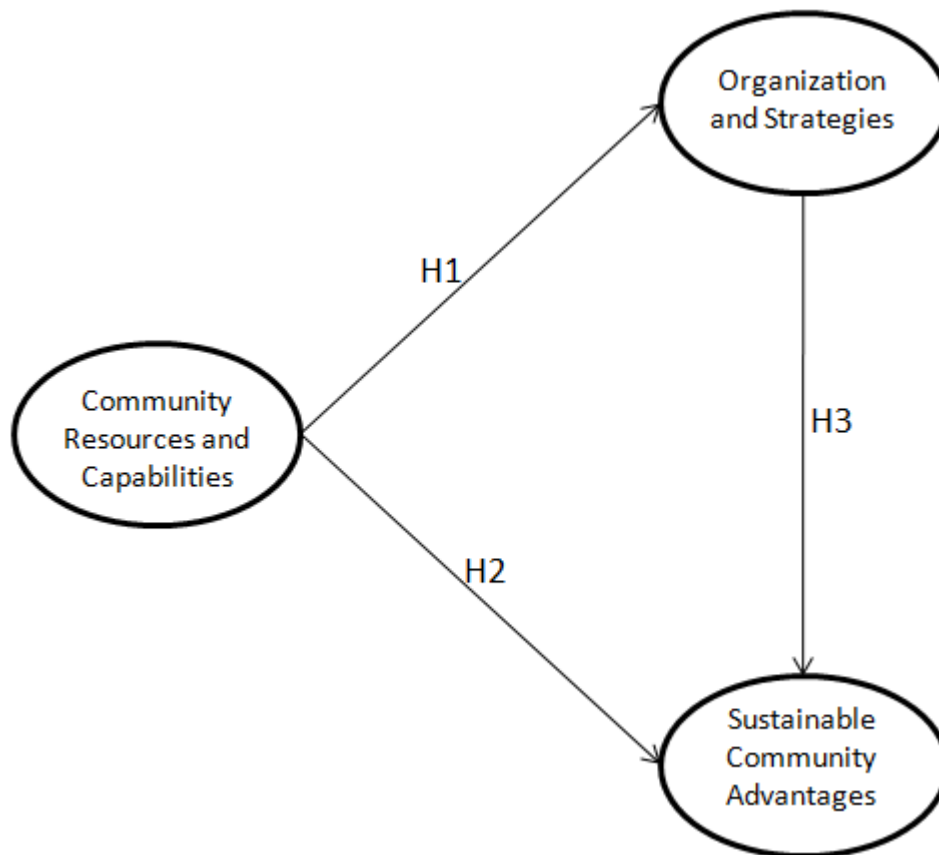
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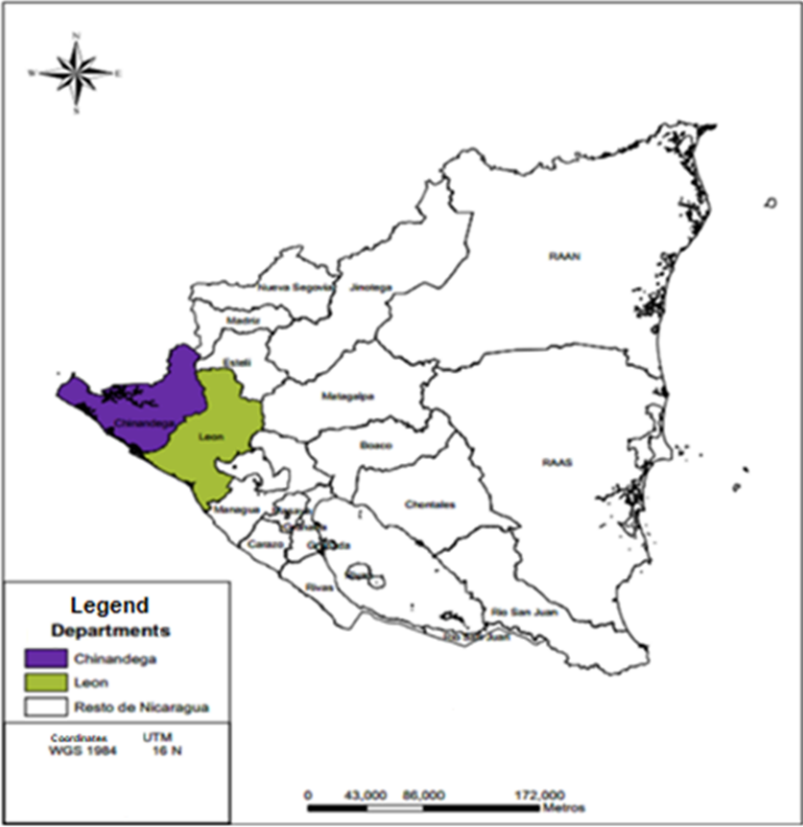
## Tables and Figures

Figure 1. Research Model

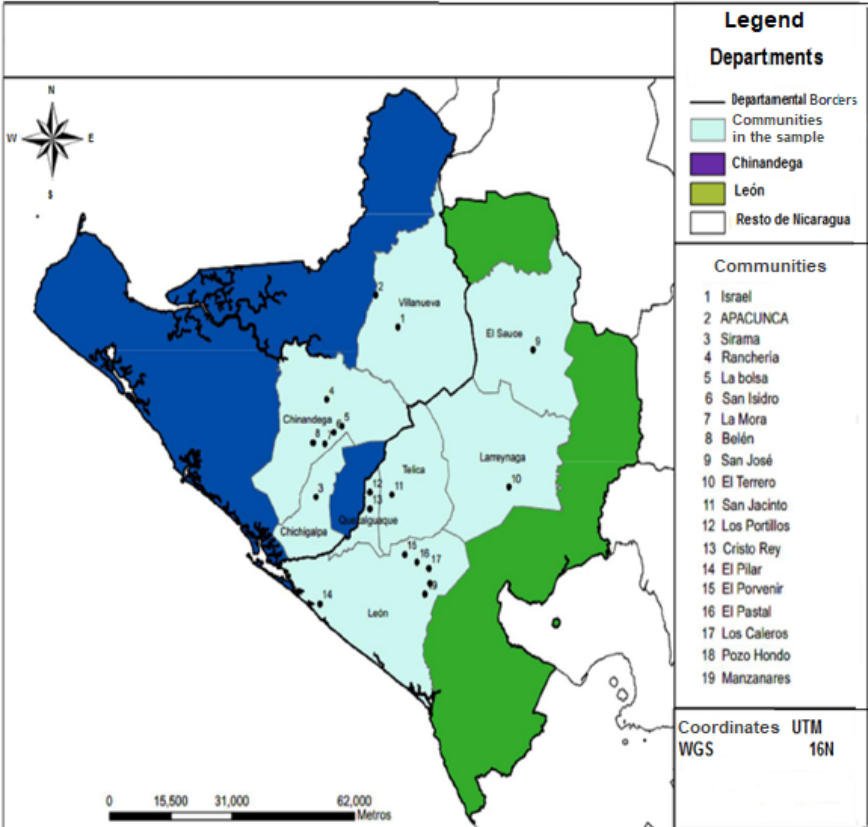


**Figure 2. Location of selected Rural Community Tourism initiatives in Nicaragua**

a) Western Communities



b) Detail of communities in the sample



Source: Own elaboration from Nicaraguan Institute of Tourism (INTUR).

**Table 1. Indicators, loadings ( $\lambda$ ) and measurement model assessment**

Indicators	Description	$\lambda$	Confidence intervals		Measurement model assessment			
			2.5%	97.5%	Cronbach's $\alpha$	$\rho_A$	$\rho_c$	AVE
<b>Community Resources and Capabilities</b>					0.900	0.917	0.912	0.509
CRC01	Local identity	0.659	0.585	0.717				
CRC02	Community history	0.755	0.692	0.801				
CRC03	Craftworks and handicraft markets	0.739	0.680	0.785				
CRC04	Accommodation facilities	0.675	0.605	0.731				
CRC05	Food related facilities	0.682	0.616	0.737				
CRC06	Natural resources of the community	0.695	0.656	0.733				
CRC07	Social and cultural resources of the community	0.719	0.682	0.755				
CRC08	Expertise in rural tourism services	0.766	0.704	0.811				
CRC09	Training and labour force availability	0.658	0.585	0.718				
CRC10	Personal skills and experience of the community	0.772	0.744	0.802				
<b>Organization and Strategies</b>					0.940	0.941	0.950	0.705
OS01	Getting financial support by regional/national administrations	0.854	0.828	0.877				
OS02	Getting strategic planning support by regional/national administrations	0.855	0.825	0.881				
OS03	Getting marketing and promotion support by regional/national administrations	0.832	0.800	0.860				
OS04	Defining attainable objectives	0.756	0.712	0.793				
OS05	Fostering social integration	0.831	0.801	0.857				
OS06	Developing entrepreneurship skills	0.833	0.796	0.863				
OS07	Putting women as a socio-economic pillar of the rural society	0.873	0.848	0.894				
OS08	Putting women as a force in the modernization process of rural	0.877	0.853	0.898				

	societies							
<b>Sustainable Community Advantages</b>					0.966	0.966	0.969	0.692
SCA01	RCT improves the performance of the local community	0.864	0.838	0.886				
SCA02	RCT confers value to culture and traditions of the community	0.841	0.810	0.868				
SCA03	RCT stimulates responsible tourism	0.866	0.838	0.890				
SCA04	RCT improves the quality of life in rural areas	0.833	0.800	0.864				
SCA05	RCT promotes an integral development of the community	0.877	0.855	0.896				
SCA06	RCT allows women to reach more employment opportunities	0.802	0.761	0.836				
SCA07	RCT allows women to obtain higher economic independence	0.842	0.815	0.866				
SCA08	RCT increases the well-being and self-esteem of women	0.828	0.799	0.853				
SCA09	RCT allows to restore the community heritage	0.816	0.777	0.850				
SCA10	RCT provides revenues for education and health facilities	0.845	0.815	0.870				
SCA11	RCT generates employment for disadvantaged groups	0.792	0.754	0.827				
SCA12	RCT provides additional sources of income to the community	0.819	0.787	0.848				
SCA13	RCT promotes the conservation of natural resources	0.838	0.806	0.864				
SCA14	RCT reduces the poverty level	0.775	0.737	0.808				

**Table 2. Discriminant validity analysis and HTMT values**

	<b>Sustainable Community Advantages</b>	<b>Organization Strategies</b>	<b>Community Resources &amp; Capabilities</b>
<b>Sustainable Community Advantages</b>	<b>0.832</b>		
<b>Organization and Strategies</b>	0.754	<b>0.840</b>	
<b>Community Resources and Capabilities</b>	0.693	0.756	<b>0.713</b>

Note: Diagonal elements (bold) are the square root of the variance shared between the constructs and their measures (Average Variance Extracted). Off-diagonal elements are the correlations among constructs. For discriminant validity, diagonal elements should be larger than off-diagonal elements.

<b>HTMT values</b>			
	<b>Community Resources &amp; Capabilities</b>	<b>Organization Strategies</b>	<b>Sustainable Community Advantages</b>
<b>Community Resources and Capabilities</b>			
<b>Organization and Strategies</b>	0.721		
<b>Sustainable Community Advantages</b>	0.668	0.790	

**Table 3. Goodness of fit of the model**

	<b>Measurement model</b>			<b>Structural model</b>		
	Value	Confidence intervals		Value	Confidence intervals	
		2.5%	97.5%		2.5%	97.5%
SRMR	0.10	0.028	0.034	0.10	0.028	0.035
dULS	6.162	0.381	0.580	6.162	0.381	0.574
dG <sub>2</sub>	1.174	0.182	0.267	1.174	0.183	0.266

**Table 4. Total and indirect effects in the model**

<b>Total effects</b>					
	<b>β</b>	<b>t-values</b>	<b>p-values</b>	<b>2.5%</b>	<b>97.5%</b>
<b>H1: Community Resources and Capabilities -&gt; Organization and Strategies</b>	0.756	55.633	0.000	0.729	0.783
<b>H2: Community Resources and Capabilities -&gt; Sustainable Community Advantages</b>	0.693	34.683	0.000	0.654	0.732
<b>H3: Organization and Strategies -&gt; Sustainable Community Advantages</b>	0.537	13.608	0.000	0.460	0.612

<b>Specific indirect effects</b>					
	<b>value</b>	<b>t-values</b>	<b>p-values</b>	<b>2.5%</b>	<b>97.5%</b>
<b>Community Resources and Capabilities -&gt; Organization and Strategies -&gt; Sustainable Community Advantages</b>	0.406	12.425	0.000	0.344	0.471
<b>Total indirect effect</b>					
	<b>value</b>	<b>t-values</b>	<b>p-values</b>	<b>2.5%</b>	<b>97.5%</b>
<b>Community Resources and Capabilities -&gt; Sustainable Community Advantages</b>	0.406	12.425	0.000	0.344	0.471



**Figure 3. Hypotheses testing**

