



Transformative Capitals in Rural Tourism: Mediating Issues for Sustainable Livelihoods

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Abstract

The role of rural tourism in diversifying livelihood options and ensuring rural development has been widely acknowledged in the literature. In this vein, livelihood assets or community capitals evolved as pioneering elements. Although the critical impacts of the capitals on livelihoods have been explored on numerous occasions, the internal influence of these capitals remains largely unattended. Accordingly, this study aims to explore which capitals play the transformative role. From the literature, six capitals or livelihood assets (natural, human, social, built, economic, and institutional) were considered for investigation within a case context of Char Kukri Mukri, Bhola, Bangladesh. This destination is an island that also offers a rural setting. Moreover, the community's livelihood vulnerabilities at this destination provide an interesting frame of reference for exploring the research issue. In total, 27 semi-structured interviews were conducted to inform the research objectives along with observation techniques. Our observation notes and thematic analysis reveal that institutional (formal) and social (informal) capitals play a transformative role by (re)connecting the other four base capitals. A destination marked by ongoing natural disasters, a lack of skilled labour, impoverished infrastructure, and limited access to financial resources requires strengthening both formal and informal institutions to achieve the targeted livelihood objectives. The findings particularly highlight the role of non-governmental organisations (NGOs) in promoting tourism as an alternative, sustainable livelihood option. Findings of this study will be useful to place-based development planners and policymakers in understanding the role of supportive institutions on positive livelihood outcomes among rural populations.

Keywords: Rural Tourism, Livelihood Assets, Capitals, Sustainable Livelihood, Bangladesh

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INTRODUCTION

The role and importance of ‘community’ is especially highlighted in tourism studies (Gursoy et al., 2002; Murphy, 2013). It has been widely claimed that a particular form or type of tourism is only sustainable when it connects with and meets community needs (Manyara & Jones, 2007; Moscardo et al., 2013; Murphy, 2013; Rahman, 2019; Stone & Nyaupane, 2018). As a consequence, sustainable communities permeate economic security, maintain healthy ecosystems, and foster social cohesion (Flora et al., 2015). At a particular point in time, a destination’s attachment to the life cycle of a destination critically determines the engagement level and priority of destination (local) communities (Butler, 2009). For instance, destinations in the development or consolidation stages often exclude host communities from the tourism value chain (Hoque et al., 2022).

Sustainable Livelihoods (SL) literature provides an important reference for studying community aspects of tourism (Ashley, 2000; Shen et al., 2008; Tao & Wall, 2009). Research identifies the dynamic, interactive features of livelihood capitals that generate livelihood benefits through rural tourism (Emery & Flora, 2006; Shen et al., 2008; Stone & Nyaupane, 2017, 2018). As a concept, ‘rural tourism’ broadly encompasses rural development and tourism (Gao & Wu, 2017; Rahman et al., 2018). When tourism development prioritises community needs, it creates stronger alignment between tourism and rural development (Joppe, 1996; Manyara & Jones, 2007). In that, it impacts the lives and livelihoods of local communities (Su et al., 2019; Tao & Wall, 2009). However, a notable link explored in the extant literature is the geographic isolation or specialisation, and the limited or complex accumulation of livelihood capitals (Rahman et al., 2022; Stone & Nyaupane, 2017).

Existing literature labels ‘livelihood capitals’ varyingly, such as livelihood assets and community capitals, which comprise of diverse forms of capitals including natural, human, social, financial, built, cultural, political, produced,

physical, economic, and institutional, among others (Ashley, 2000; Bebbington, 1999; Emery & Flora, 2006; Flora, 2004). The critical importance and impact of these capitals are also found to differ in different contexts while catering to sustainable livelihoods for destination (local) communities (Ashley, 2000; Moscardo et al., 2013; Rahman et al., 2022). Although the process of capital transformation is well-documented (Emery & Flora, 2006; Shen et al., 2008; Stone & Nyaupane, 2017, 2018), the mediating forces driving this change remain less understood. Thus, the key question attempted in this study is: which livelihood assets are transformative for tourism development in a rural context? We explore this research question in the rural and island-destination context of Char Kukri Mukri, Bhola, Bangladesh.

LITERATURE REVIEW

Changes in rural areas and rurality, especially how people move and how money systems work, have surely been studied by scholars for a long time. Moreover, this topic continues to attract academic attention due to its importance. The ongoing movement of rural areas, driven by externalities such as globalisation, technological innovation, and policy changes, is altering demographic and economic profiles (Lane, 1994). In this context of transformation, rural tourism has become a real alternative development, in tune with localised development and the principles of inclusiveness and sustainability (Sharpley, 2002). In this regard, rural tourism serves as one of the tools for achieving the Sustainable Development Goals (SDGs) through job creation, cultural support, and environmental protection at the grassroots level (Islam et al., 2018).

Scholars have long acknowledged the inimitable value of rural settings, as they frequently feature in numerous expressions in tourism studies. Rural tourism demand tends to increase due to psychological motives among urban residents who wish to escape urban living temporarily (Lane, 1994; Plog, 1991).

The countryside is the ideal refuge for city-dwellers to finally escape the stress of the city. This desire to retreat also further reinforces these communities as places for play, relaxation and culture in their own right. Rural tourism helps improve village economies and makes rural locations equally worthy of inclusion in tourism stories (Gao & Wu, 2017). People, place and product are important in the construal of rurality, to which lifestyle is integral (Bran et al., 1997; Rahman et al., 2018).

To understand how tourism contributes to livelihood transformation in rural areas, several studies adapt the Sustainable Livelihood Approach (SLA), originally propounded by Scoones (1998) and DFID (1999), into the context of tourism development (Ashley, 2000; Shen et al., 2008; Tao & Wall, 2009; Rahman et al., 2022). For example, Shen et al. (2008) introduced the Sustainable Livelihoods Framework for Tourism (SLFT), which presents a comprehensive tourism livelihood system with interconnected components, including livelihood assets, tourism and non-tourism activities, institutional arrangements, development outcomes, and vulnerability context. Since a livelihood has been defined as “the capabilities, assets (including both material and social resources) and activities required for a means of living” (DFID, 1999, p. 3), the SLFT provides a clear structure for how tourism affects people's livelihoods. Tourism actually shapes all the resources and activities that people need for their living. It definitely influences how communities earn money and use their social connections.

In SLA and SLFT, livelihood assets or capitals are the basic resources that determine people's well-being and their ability to adapt further. These assets themselves form the foundation for how people manage their lives. The transformation and effective utilisation of these capitals are therefore critical for achieving sustainable livelihood outcomes (Bebbington, 1999; Natarajan, 2022; Rahman et al., 2020). Nonetheless, the ‘capitals’ or ‘livelihood assets’ have been identified and labelled in diverse ways across the extant literature.

Niche categorization of capitals includes various forms such as natural, human, social, financial, built, cultural, political, produced, physical, economic, and institutional, among others (Bebbington, 1999; DFID, 1999; Emery & Flora, 2006; Flora, 2004; Flora et al., 2015; Rahman et al., 2020; Shen et al., 2008). Although previous literature has classified different forms of capital in various ways, each supported by logical reasoning and tailored to the specific focus of individual studies, this research adopts the categorisation proposed by Rahman et al. (2020) and Shen et al. (2008). Accordingly, the study examines six forms of capital within the context of an island rural tourism destination: natural, human, social, economic, built, and institutional capital.

Natural capital is the same as all the natural resources we have available. Rural areas depend heavily on natural resources for basic needs and further rely on these resources themselves for economic growth through tourism and other extractive industries (Lun et al., 2016). Such a dependence creates a contradiction. While natural resources offer economic potential, local communities often lack institutional capacity, market access, and technical expertise to develop further these opportunities, which limits their potential (Sharpley, 2002). Moreover, when people use too many natural resources without proper control, it definitely harms the environment and undermines the foundation of rural tourism. Human capital includes the knowledge, information, and skills that local people possess in their communities (Rahman et al., 2020). Social capital encompasses the dimensions of interconnectedness and networking among community members, incorporating the concepts of bonding (intra-community ties), bridging (inter-community relationships), and linking (vertical or liaison connections) (Rahman et al., 2022). Economic capital is the financial availability and accessibility for the community people (Shen et al., 2008). Built capital is also termed 'produced capital' and requires human intervention to produce (Bebbington, 1999; Rahman et al., 2020). Finally, institutional capital refers to policies and governance systems that

control how people access other types of capital (Shen et al., 2008). These structures mediate and regulate the flow of resources in society. Given the changing access to resources over time, this shows that rural communities are both weak and strong in their ability to handle difficulties.

The availability and quality of these capitals themselves are uneven, which further makes it difficult to produce sustainable outcomes.

The SLA thus stresses that these capitals are not fixed but closely linked and may be updated in response to exogenous shocks or endogenous processes (Pigg et al., 2020; Rahman et al., 2022). It has been clear that the use, conversion, and reproduction of diverse types of capital can contribute to livelihood diversification to reduce poverty (Bebbington, 1999). Arroyo et al. (2021) posit that natural, human and built capitals represent ‘backbone’ assets underpinning the resource acceleration of a destination, leading to the development of cultural and social capital, all of which in turn support financial capital and political capital. This paper adopts this framework. Liu et al. (2025) classified financial, physical, social, and human capitals as the “core” forms of capital. They also designated natural and cultural capitals as context-sensitive and acknowledged that political capital facilitates both core and contextual capitals.

If certain forms of capital, for example, social or institutional capital, decline, then this can lead to community disempowerment and loss of collective resilience (Rahman et al., 2022). Emery and Flora (2006) concluded that declines in social capital also affect other forms of capital. That creates a chain reaction that weakens the overall community’s ability to continue. In rural tourism communities, degradation of this kind may lead to social fragmentation and reduced cooperation. According to Moscardo (2014), resident involvement and awareness are the two most important factors for rural tourism success. Moreover, when local communities are informed about tourism and have a say in participation, they do more to help visitors and collaborate to solve issues,

resulting in a tourism system that's both more sustainable and more inclusive.

Therefore, the process of changing livelihood resources and community assets is already becoming an essential element in the development of rural tourism at a conceptual level. Also, the SLFT framework allows us to examine how tourism impacts rural people's livelihoods in a similarly detailed manner by comparing different components. However, the relationships and interconnections among various capital forms are/were complex and varied across locations, including rural spaces (Arroyo et al., 2021; Ashley, 2000; Liu et al., 2025; Rahman et al., 2022). It is these context-specific differences which ultimately determine the degree of sustainability impacts, and thus further research examining the mediating relationships amongst these capitals is needed.

RESEARCH METHODOLOGY

Study Setting

Data were collected from the case study area of Char Kukri Mukri Island, located in the southern part of Char Fasson Upazila in Bhola District, Barishal, Bangladesh. Bounded by the Bay of Bengal, the island has an area of around 40 km² and a rich biodiversity (Uddin & Abiabdullah, 2016). This case study was selected based on two main considerations regarding the research objective. First, the island, which is home to mangrove forests and beaches, has seen growing interest from tourists (Shipon, 2013; The Daily Observer, 2020). The second reason has to do with the rural context of the area in question, which is rich in capital forms, and situates tourism as a potential source of livelihood.

In the past, the place was dependent on fishing and farming. However, some government and non-government organisations, such as Palli Karma-Sahayak Foundations (PKSF), Poribar Unnayan Songstha (Family Development Association: FDA), and Grameen Jano Unnayan Sangsthas

(GJUS), have made efforts to diversify the community's livelihood. In 2019, PKSf introduced homestay tourism as an alternative source of income. In 2024, a total of 28 families were involved in the homestay tourism operated by PKSf and managed by FDA. The growth of the tourist industry led to an increase in businesses associated with tourism, such as camping services, tour companies, and guiding services. Thus, tourism has improved local people's livelihoods due to revenue diversification and enhanced rural development.

Data Collection

The research adopts a social constructionist frame, rooted in the assumption that reality is socially constructed and therefore makes sense when analysed through individuals' shared knowledge and lived experiences (Neuman, 2014, p. 103).⁴⁹ This epistemological perspective is appropriate for a qualitative study seeking insight into participants' lived experiences and views. This study seeks to understand participants' perspectives in the natural context by attending to subjective definitions, rather than generalising findings across contexts.

This qualitative approach was chosen because it should provide detailed, descriptive narratives of how participants experience something, which quantitative methods cannot. This qualitative study endeavours to unravel social phenomena as they occur and provide a thick description of them. Methods of data collection were semi-structured interviews and participant observations. It was a non-probability, purposive sample using the snowball method (Patton, 2014). First, purposive sampling was adopted, and participants were deliberately selected who had adequate information on the research topic to ensure they had experiences and views relevant to the research questions. Snowball sampling was then used, as participants referred others who could offer more insights, thereby expanding the pool of subjects and yielding rich information. Saturation was achieved when no new information was generated through interviews. All participants were generally categorised into two groups

according to the heuristic logic of stakeholder theory: community residents and institutional representatives (Rahman, 2019). Table 1 summarises the research participants.

Table 1: Profiling participants

Category	Focus/Type	Particulars	Coding information	Number (n)
Community Residents	Tourism as livelihood	— Home stay owners — Tour guides	CRHS_01 CRHS_07, CRTRG_01, CRTRG_02	9
	Other livelihoods	— Transportation — Fisherman — Shop operator — Journalist	CRT_01, CRT_02, CRF_01, CRF_02, CRSM_01, CRSM_02, CRDBC_01	7
Institutional Representatives	Local/Central Government	— Upazila Office — Union Office — PKSFBangladesh Tourism Board	Nirbahi IRLG_01, IRLG_02, Parishad IRLG_03, IRCG_01	4
	Non-government	— FDA — GJUS	IRNGO_01, IRNGO_02, IRNGO_03	3
	Business (Tourism-related)	— Tour operators — Camping service provider — Lodging	IRTO_01, IRCSP_01, IRCSP_02, IRLD_01	4
Total number of participants (n)				27

Source: Authors' Own

Under the community category, residents were grouped depending on whether their main occupation was tourism, other life options, or both. Institutional participants were sub-categorised as: government, non-government, and business organisations. For the record, all institutional representatives, except camping service providers, were non-local residents of Char Kukri Mukri. The findings consequently incorporate both insiders' and outsiders' views within the case context. A total of 27 interviews were

completed, averaging 50 minutes each.

Data Analysis

Qualitative data were analysed using a systematic thematic analysis to establish, review, and report patterns or themes in the data. The analysis proceeded through several phases. To begin with, the researcher read and re-read the interview transcripts and field observation notes to immerse themselves within the data and form initial impressions or insights. Subsequent: open coding that led to provisional labelling of certain data sections in relation to specific research questions (Saldaña, 2016). The initial codes were then grouped into larger classifications based on recurrent themes, similarities, and relationships. These categories were further elaborated through constant comparative analysis to identify major themes (themes that capture the important concerns and concepts of this study)—inductively derived analysis. Analyses were performed to verify coherence, internal consistency and alignment with the aims of this research. The third and final level of superordinate themes provided explicit comprehension and the overall figure of the data, according to the most elementary aspects of participants' perceptions, experiences, and interpretations.

FINDINGS AND DISCUSSION

In the findings section, external shocks and internal factors affecting different forms of community capital are discussed, with tourism as a sustainable livelihood strategy under investigation.

Natural capital

Topographically, Char Kukri Mukri is an island, and the livelihood options there are highly susceptible to climate-related risks, which cast significant uncertainty on their traditional occupations. From the community perspective (CRHS_03, CRF_02, CRSM_01, CRDBC_01), there is a long history of struggle to farm in these island environments. The regular occurrence of

disasters threatens crops and HFP, generating concerns about a food crisis. The community has depended heavily on imported food from nearby regions in order to survive. Furthermore, as farmers (CRHS_01, CRHS_04, IRNGO_01) highlighted, rice cultivation can only be carried out on a one-year basis, and threats such as flash floods and salinity have consistently affected the crop, hindering farmers' potential income and broader livelihoods. For some participants (CRHS_03, CRHS_02, CRT_02, CRF_01, IRLG_01, IRNGO_03, and IRTO_01), the negative impacts and suffering caused by recurrent natural disasters, such as floods, were also emphasised.

However, some of these threats have been reduced by embankments that were built in recent years. An institutional representative (IRNGO_01) also emphasised why the projects aim to diversify livelihoods by engaging local people in tourism. The rural landscape adds to the attractiveness of this region as a tourist area, mainly for urban tourists. Emphasising the natural landscape of touristic value, an institutional participant (IRNGO_01) stated:

It is an island region, and the future of tourism here is very bright. Here, one can enjoy both the sea and the forest.

In a coastal area where most residents rely on fishing for their livelihoods, traditional fishing practices remain widespread. However, some unscrupulous ones resort to chemicals and drugs to lure fish, something which poisons the river's fauna and is absolutely illegal. They get more (fish) than they are supposed to through those illegal means (CRF_01). In this line, a local government official (IRLG_02) reported that natural resources are protected through the combined efforts of the union administration, coast guard, tourist police, and forest department, all of whom are engaged in addressing and preventing any illegal use of natural resources.

Human capital

Char Kukri Mukri's traditional livelihood primarily relied on fishing, with farming as a secondary activity. Several community and institutional

participants (CRF_01, CRHS_02, IRNGO_02, CRDBC_01) confirmed that these two occupations were the main sources of income in the past. However, population growth, climate change, geographical vulnerability, and recurring natural disasters have significantly reduced household income from these activities. To address this, the FDA initiated efforts to help communities diversify their income sources through alternative livelihood options. Under these fragile livelihood conditions, community involvement in tourism has provided new income-generation opportunities, resulting in higher standards of living, as is often the case when people rely solely on fishing or farming.

Most locals, however, are illiterate and lack prior experience in tourism-related businesses. Owing to limited literacy and skill levels, local tourism enterprises, particularly homestays, rely extensively on promotional efforts by relevant governmental and non-governmental organisations (IRNGO_03). To address this situation, government and nongovernment organisations, such as PKSF, FDA, and the Bangladesh Tourism Board, have introduced training and knowledge-transfer programs. For example, the FDA provides financial incentives and capacity-building support to enhance community skills in tourism, agriculture, and other economic ventures. Consequently, locals are now engaged in various tourism-related activities, including tour operations, transportation, camping, and homestay services. They continue fishing and farming during the off-peak season and participate in tourism during the peak season. Active community engagement is evident in the provision of hospitality services at homestays, drawing on traditional skills. As such, one participant (CRHS_07) stated that "...our community women are increasingly involved in tourism activities. They cook a meal for the tourists and sometimes show them the surrounding area."

The literacy rate in the vicinity of the village is low, and some schools go only up to the 10th class. A community stakeholder (CRDBC_01) highlighted that "limited capacity and financial solvency hindered the potential of the

community to enhance income and livelihood”. Nevertheless, despite these adversities, many local people, particularly former fishermen, expressed a strong desire to educate their children and, in the future, migrate to an urban area for an improved lifestyle (CRF_01; CRF_02; CRDBC_01). While some students go on to seek education elsewhere and change their lives, the vast majority of young people would rather live in a city than in the place they are from, for the sake of the ruins (CRHS_02, CRHS_04, IRCSP_01). Local senses of place ownership remain underdeveloped, with implications for the longer-term sustainability of livelihood gains. Such trends risk eroding local capacity and may have long-term implications for maintaining local businesses and livelihoods.

Social capital

A moderately higher level of social capital is evident in the study destination, particularly among tourism groups and community residents directly engaged in tourism (e.g., homestay owners). The components of social capital, bonding, bridging, and linking, along with findings related to trust, norms, and reciprocity, are presented in the next sub-sections.

Bonding and bridging social capital

Regarding intra-community cooperation, several participants (CRHS_01, CRHS_04, CRSM_02, IRTO_01) observed that residents are increasingly involved in conflicts and, in many instances, exhibit an arrogant attitude. For example, one participant (CRSM_02) highlighted that.

In earlier times, people surely helped each other during difficult situations by sharing rice when food was scarce. These helpful practices have become less common in recent years. If someone actually starts fish farming, others may try to harm their work.

Nonetheless, individuals actively engaged in tourism constitute a distinct subcommunity characterised by strong cooperation (CRHS_02, CRHS_03, CRHS_06, CRF_01, IRNGO_02, IRCSP_01). As one community member

(CRHS_06) explained:

We, homestay owners, have good relations with each other, and this cooperation further strengthens our business itself. We surely face shortages of various items at times, which we can easily borrow from fellow homestay owners. Moreover, this practice helps us manage our resources better without additional costs. We also prioritise guest satisfaction, as we believe a happy guest will bring more guests.

The findings thus indicate that tourism activities have strengthened intra-group solidarity among those directly involved in the sector, even though overall intra-community cooperation remains comparatively limited.

Beyond intra-community relations, many participants (CRHS_02, CRDBC_01, IRCSP_01) reported cohesive inter-community or inter-group relationships. One institutional representative (IRCSP_01) highlighted this cooperation, stating:

We actually work closely with homestay owners, fishermen, boatmen, local grocery stores, and business people in Char Fasson (Upazila). We collaborate with all these local partners for our work.

This illustrates that tourism activities have fostered interconnectedness and collaboration across diverse community groups and neighbouring areas.

Linking social capital

Community relations with institutional representatives and people in power are generally satisfactory. Several participants (CRHS_01, CRHS_05, CRT_02, IRLG_01, IRNGO_03, IRCSP_02) reported strong cooperative relationships between community residents and institutional representatives, including local government and NGOs, indicating that community concerns are valued. A community resident (CRT_02) confirmed that new plans or projects are typically discussed with residents. An institutional representative (IRCSP_01) likewise observed that local government officials are supportive,

saying:

The union chairman organises and distributes dry food and clothing to all during cyclones, and to guests staying in shelters for their safety.

Community residents (CRHS_03, CRHS_06) also mentioned that local government leaders promote discipline and encourage tourist-friendly behaviour through awareness campaigns highlighting the benefits of tourism. However, some participants reported instances of politically motivated extortion. As one homestay owner (CRHS_03) recounted:

There are some political people with ill motives. Once, they demanded money from me. I talked to the NGO (FDA) staff, who later managed the situation and protected my business.

Another participant (CRHS_05) emphasised the need for tourism enterprises to maintain good communication with local institutions, such as the police and the union council. Taken together, these demonstrate both the enabling and disabling aspects of local political engagement with community-based tourism management in a rural area.

Other relevant aspects

Even those with cultural differences, the local people are proving to be receptive to tourists and have embraced them, all of which is due to consciousness programs organised by the government and NGOs. In terms of women's role in the tourism business, one participant (IRNGO_01) mentioned that "Women can definitely run their activity without any problem as they get good support from institutes". Furthermore, it is this institutional support that also ensures their safe involvement in the tourism experiences.

There is no problem for women here. A Security Committee and Tourist Safety Committee, involving local dignitaries and police, hold regular seminars. Legal and administrative measures are taken if any issues arise.

Moreover, increased tourism has generated improved reciprocity within the community and throughout its sites. For instance, one homestay owner (CRHS_05) also noted this.

I had one of my tourists with diarrhoea a few days ago. He wanted to see a doctor, or so he said. Since he was alone, I drove him there and helped with the treatment until she got better in 24 hours. He still calls me now and says he will never forget this care. No matter what, I feel that it is my responsibility to look after a guest.

In fact, tourism interactions help people build mutual care and responsibility, which form the basis of important social values. These are events which undoubtedly build a community linked through common experiences.

Economic capital

With the initiation of organised and institutionalised tourism, both economic benefits and costs became evident. For instance, one institutional representative (IRNGO_01) noted:

...local communities do not have a favourable attitude towards tourism because of religious conservative beliefs. A handful of people who first embraced tourism as a way of life. Subsequently, the increase in their income has encouraged others to recognise the economic impact of tourism, with communities developing a degree of awareness and participation over time.

As tourism expanded, residents began experiencing inflation. A participant (CRDBC_01) stated:

We used to get the duck for 300–350 BDT, but now, with so many tourists here, it costs 800 BDT. With a fixed income, we cannot keep up with that.

Although the influx of tourism has been problematic, it has been embraced for the most part. However, a small number of participants (CRHS_02, CRHS_05, CRDBC_01, IRT01, and IRCSP 02) noted that although local

hospitality and tourism are friendly, they are financially constrained, leading to low engagement from locals. These barriers are associated with the reach and mobilisation of funding sources. Three sources of funds for households were described: informal person-to-person loans, micro-credit and capital through aid.

Informal loans, 'Dadon', are easy to get as wealthier members of the community handle them. This type of credit is mainly common among fishermen (CRHS_06, CRF_02). Low financial literacy and limited access to formal financial service providers can, meanwhile, lead poor residents to rely on wealthy locals for high-interest loans (CRHS_01, CRTRG_02, CRF_01, IRCSP_02). These arrangements often lack a written contract and are based on personal associations, with conditions that may be restrictive. As one study participant stated (CRHS_06), "If the fisherfolk borrow informally, they are not free to sell their catch, as they have to sell it at fixed prices to the lender". This was later confirmed by another participant (CRF_02).

The second source, microcredit, was initiated by NGOs like FDA and GJUS. Access to microloans and savings schemes has helped decrease reliance on informal borrowing, according to several respondents (CRHS_01, CRT_02, IRNGO_01, IRNGO_02, IRCSP_02). An institutional respondent (IRNGO_02) described how micro-loans are designed to meet specific needs, such as agriculture, livestock, dairy, and tourism, thereby enabling livelihood generation.

We have many who borrow from us to establish businesses, such as tent setups and other tourism activities.

Finally, aid-based funding typically comes from national and international agencies aimed at sectoral or targeted objectives. For instance, rural tourism development in Char Kukri Mukri has been supported by PKSf funding, sourced from the International Fund for Agricultural Development (IFAD). This funding is attractive as it carries little or no interest. However, one

participant (IRCSP_02) noted that access to such funds is highly competitive and often influenced by social relationships and connections. This is further evidence of how economic capital relates to social capital: with higher levels of social capital, greater access to economic capital can be expected.

Built capital

Local infrastructure has also been enhanced by local government administration (CRDBC_01, IRLG_01). That said, in tourism-friendly infrastructure development, the PKSF intermediary had a few projects with NGOs, but most were considerably below the FDA. “A nego-betweenen has emerged,” he agrees.” The place is now spilling over with projects that draw p” on the loca’ “imaginary, and in so doi, corporatiseze it.” It is here that his case study takes form because within this “corporately imaginary” several “tourist themes reconfigure key spoken elements for tourist consumption. For example, constructed facilities such as homestays, hanging bridges, es not to mention eco-parks have been massively used destination-wise.” Furthermore, one of the local government representatives (IRLG_02) brought to the fore several government projects which are building rest houses for tourists. Together, coordinated funding, engagement and institutional facilitation are, for the first time, nurturing debt-free livelihoods from tourism income. At the same time, oversight has ensured timely support to fledgling community tourism enterprises.

Most tourist-operated businesses are locally owned, but some, such as Chinese restaurants and a few construction works, are run by outsiders due to an inadequate local labour force. Although it has been increasingly crowded, tourism has continued to enhance local livelihoods by providing more stable, sustainable year-round income (CRHS_01, CRHS_02, CRHS_07, CRSM_02, IRCG_01, IRLD_01). However, most respondents still reported that the area's geography and limited transportation infrastructure were barriers to accessing services.

Institutional capital

The livelihood of the rural community was initially entirely dependent on natural resources, primarily fishing and farming. Although natural resources remain the same, and in some cases are depleting, livelihoods are now generated by leveraging these resources through tourism. This transformation was achieved through initiatives by NGOs funded by national and international organisations, which raised community awareness and facilitated tourism development. A participant (CRHS_03) reflected on this transformation:

The community benefited from tourism, and now people are in better condition... The FDA provides support to the local community, which has improved their livelihoods. Before the FDA's involvement, community livelihoods were not as strong as they are today.

Tourism adoption in the study area is actively supported and enabled at the institutional level (IRNGO_01, CRDBC_01, IRNGO_02, CRC_01, CRTG_02). Institutional representatives (IRNGO_01, IRNGO_02) stressed that regular information sharing with the community and the provision of necessary support serve as a conduit for both government institutions and communities to reach each other, when they were previously disconnected. In the community interviews (CRC_01, CRSM_01, CRTO_01, CRTG_01, CRTG_02, CRHS_02, CRHS_03), informants agreed that the FDA supports decision-making and interaction among institutional agencies, which helps tourism infrastructure receive aid/grants and offers new sources of income.

Representatives of institutions (IRNGO_01, IRLG_02) also indicated a plan to diversify community income sources through tourism-linked activities such as homestays and camping services, tourist support work, local training, and marketing, with strong monitoring, facilitation, and coordination with the local government. In this sense, some members of the community (CRHS_01, CRHS_06) and the organisation (IRNGO_01, IRLG_02) confirmed that state coordination and monitoring have created an environment favourable to visits.

There is an oversight mechanism in place to coordinate NGOs and government, as described by a representative of the government (IRLG_02): “The Upazila administration has close watch over NGO activities, which have to be subject to an operational orientation before programs can be implemented at the community level.”

DISCUSSION AND POLICY IMPLICATIONS

Tourism as a sustainable livelihood is a far more recent concept in Char Kukri Mukri. It can be said to fall within the “involvement” stage, with evidence of active participation among the villagers (Butler, 2009). With tourism showing promising returns, more locals were induced to participate. However, the community does not yet have sufficient technical skills or financial resources to operate a tourism business successfully. The roles of NGOs and government agencies in this regard have been commendable, with the provision of the necessary training and funding to get tourism off the ground. Both initiatives have also improved social capital through increased networking and collaboration, thereby bolstering the capacity of local institutions.

An island space with abundant natural resources, disaster-borne geography is a major issue for its citizenry. The risk this rural, isolated setting faces is natural disasters like floods and storms, which damage ecosystems, disrupt the community’s usual lifestyle, and accelerate the erosion of food security. Some of these risks are to some extent offset by local people's engagement in tourism, thereby reducing poverty and insecurity (Hoque et al., 2022). However, the community's future competitiveness, as in Butler’s (2009), remains unclear, suggesting that it may decline in the long term due to over-reliance on finite resources and fatigue or socio-economic inertia. From a sustainability standpoint, these susceptibilities to change pose significant risks to the continuation of local activities and could have significant negative effects on future generations. Therefore, working with and against these threats is the key to ensuring that something like sustainable development can succeed by

integrating short-term rewards into a future that bridges a community's or ecosystem's immediate realism.

Trust in the relationship between political leaders and the community is important for successful cooperation and policy acceptance, and it varies with prior interactions and openness. Trusted sources in the community were generally perceived as highly trustworthy, whereas high-level government officials were mistrusted. Some politicians allegedly misappropriate resources in bad faith, which affects social capital. Contrast between NGOs and private organisations, the community is a strong link of social capital. The main reason is that NGOs used to contribute to real livelihood development by assisting communities in financial, technical, and capacity-building aspects, according to their abilities and expertise. However, the fragmented pattern of place ownership, as expressed by villagers, also indicates a normative deficit that could be problematic for the long-term sustainable growth of rural tourism. Fieldwork showed that very few who have received an education return to their communities, creating a form of skilled out-migration that erodes local development.

As far as built capital is concerned, it is the infrastructure for livelihoods and tourist accommodation available during peak seasons. Tourism expansion makes a destination more visible, prompting local or regional authorities to support it. Sufficient, good accommodation is available to provide not just a better holiday experience for visitors; it can also help prevent overcrowding and support the local economy with more revenue and employment. In unison, these components of built capital help create an environment conducive to sustainable tourism and community development in the long term.

Limited economic capital, an informal loans-and-liabilities system, low financial literacy, and inadequate access to finance are some challenges. When they borrow from the moneylenders, they fall into a debt spiral and never get out. Constrained financial literacy also limits long-term development prospects.

Improving local resilience, entrepreneurship and economic development in rural tourism destinations. Non-formal credit, grant funding, ds, and investment are key factors in reducing the vulnerability of grassroots communities.

In general, all aspects are positively significant, indicating that development activities are primarily initiated, safeguarded, and promoted by governmental and non-governmental organisations. Conceptually, the analysis emphasises the interdependence among various forms of capital, wherein one type of capital reinforces or reinvests in another, a process observable in Stone & Nyaupane's (2017) reflection. This linkage is reminiscent of synergy transformation and interlocking of livelihood assets in ensuring sustainable rural livelihoods.

In a rural and island tourism context such as Char Kukri Mukri, formal (institutional) and informal (social) capitals act as vehicles that transform other forms to facilitate sustainable livelihood outcomes through tourism. This is the relationship represented in Figure 1.

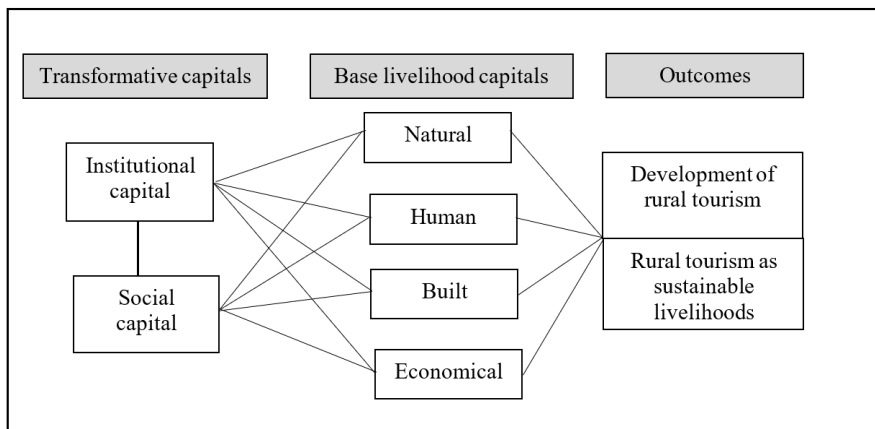


Figure 1: Transformative capitals in rural tourism for sustainable livelihoods

Source: Authors' Own

Obviously, institutional capital functions as a catalyst by creating access to resources and policy support, as well as by coordinating among the state, the non-state sector, and communitarian actors. Institutional players promote

sustainable livelihood alternatives among excluded rural communities by integrating tourism into their formal plans and by monitoring and involving them in financial decisions. At the same time, social capital is a bridging mechanism that nurtures trust, mutual assistance and collaboration between communities. High social cohesion and networked working together make institutional interventions more effective, ensuring that tourism development is an inclusive, locally embedded process.

The dynamics of feedback are also revealed in the relations between transformation and base capitals. For instance, stronger institutions lead to greater human capital in the form of training and social cohesion, resulting in more equally distributed natural resources or economic access. Thus, rural tourism appears as an economic alternative, a social innovation that modifies the traditional way of life. The process also serves to move rural economies from the exploitation of natural resources to more expanded, service-based, and sustainable livelihoods.

I.e., in light of the above challenges, policy attention should be directed towards reinforcing the local institutional basis by improving coordination at both levels of government and non-governmental agencies. We should also develop other local tools for the government to build social capital. These arrangements need to be combined with processes that enable proper monitoring and learning to develop a livelihood model for sustainable rural tourism.

CONCLUSION AND FUTURE DIRECTIONS

This study empirically conceptualises the transformative role of institutional and social capital in promoting sustainable rural livelihoods through tourism. The findings reveal that the foundational livelihood capitals (natural, human, built, and economic) underpin rural development. The capitals may develop into sustainable tourism livelihoods, but only if there are strong

institutional processes and good social capital. The former is institutional capital, which ensures that resources are managed and used efficiently; the latter is social capital, which encourages partnership working and mutual responsibility.

Together, when exposed to and acknowledged simultaneously, these two creative capitals establish a catalytic space in which tourism is not just an economic task but also a multi-faceted tool for diversifying livelihoods and building resilience. Several underlying factors, including poverty, lack of access to resources or skills, isolation, and deprivation, influence the long-term sustainability of livelihood options. Therefore, the development of intensive local institutions and participatory self-management mechanisms that coordinate tourism development is crucial to long-term livelihood security and to reducing susceptibility to external shocks.

Theoretically, this study contributes to the sustainable livelihoods literature by addressing the transformative role of different forms of capital accumulation within a rural tourism setting, in line with the SLA. The study reasserts that resource endowment alone is not enough to ensure sustainability; rather, the dynamic interplay, transformation, and reinvestment of different kinds of capital are inevitable.

While this study adds important insights to the SL literature, it is not without limitations and opportunities for further research. Since the research takes a purely qualitative perspective, future investigations are suggested to develop quantitative models to explore the relationships among capitals to enhance applicability. Moreover, since this study is a single-case study, a comparative case study could add depth and strength to future studies by involving different stakeholders. Future studies might examine issues of leadership and power relations, as well as gender and inclusivity dimensions, to further complement the picture of sustainable rural livelihoods through tourism.

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