Impact of Tourism Empowerment on Shared Value Creation Based on Structural Equation Modeling

Huajun Zheng[1], Hanxiang Liu[2], Yuanlin Wu[3,*]

[1]Guangzhou Vocational University of Science and Technology, Guangzhou, Guangdong, China;
[2]Guangzhou Tiancom Information Technology Co., Ltd., Guangzhou, Guangdong, China;
[3]Guangdong Mechanical and Electrical Polytechnic, Guangzhou, Guangdong, China,

*Corresponding author's email: scholars510@163.com

Abstract. As the rural revitalization strategy advances nationwide, policymakers and practitioners are actively investigating localized approaches to achieve sustainable countryside development. In this context, rural tourism has emerged as an essential instrument for creating socioeconomic synergies, giving rise to a critical research question: How can tourism empowerment frameworks enhance shared value creation between industry stakeholders and host communities, thereby harmonizing economic growth with social welfare imperatives in rural areas? This study employs a mixed-methods approach to investigate tourism empowerment mechanisms in rural China. Eight characteristic towns within Conghua District were selected as case studies. We administered structured questionnaires to local residents (n = 244) and performed quantitative analysis using structural equation modeling (SEM). Community participation was operationalized as the mediating variable to delineate the causal mechanisms through which villagers' tourism empowerment influences shared value creation dynamics. The research results show that: (1) The impact of tourism empowerment on community participation is significantly positive, and the impact of community participation on shared value creation is also significantly positive; (2) Tourism empowerment has a significant positive impact on shared value creation; (3) There is a significant mediating effect among tourism empowerment, community participation and shared value creation. The conclusion indicates that in the development process of rural tourism, shared value creation can be enhanced through tourism empowerment, with community participation playing a key role.

Keywords: Tourism empowerment; Shared value creation; Community participation; Computer network

1 Introduction

China has established comprehensive policy frameworks for rural tourism through continuous legislative and institutional innovation. Aligned with the 20th CPC National Congress Report, these policies target five quintessential revitalization domains: indus-

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trial restructuring, human capital, cultural preservation, ecological stewardship, and organizational capacity. Recent directives further accelerate this agenda, calling for the optimization of the modern tourism system and the construction of a "tourism superpower," thereby positioning tourism as a multidimensional catalyst for elevating living standards and stimulating economic and cultural vitality.

Concurrently, rural tourism has evolved into an integrated socioeconomic model synergistically combining ecological conservation, agrarian experiences, and cultural preservation. However, development faces five interconnected systemic challenges: structural disequilibrium in market supply-demand configurations, product homogenization eroding destination uniqueness, cultural erosion threatening indigenous value preservation, stakeholder interest fragmentation constraining governance, and value chain disintegration risks during commercialization.

Rural tourism's developmental efficacy is inherently predicated on community-driven institutional embeddedness. Villagers, as vital agents of rural capital regeneration, necessitate tourism-oriented capacity building through deliberative participation frameworks (Ye et al., 2025[1]). This establishes the imperative to reconcile economic vitality with cultural stewardship and ecological resilience – the triadic foundation of sustainable rural tourism regimes.

Tourism empowerment serves as a pivotal mechanism in sustainable tourism development, operationalized through the conferral of decision-making autonomy, resource governance capacity, and equitable benefit-sharing rights upon destination communities. This tripartite empowerment framework facilitates multi-dimensional capacity building, encompassing economic agency enhancement, sociocultural capital preservation, institutional restructuring, and political inclusion advancement (Khater et al., 2025[2]).

Shared value creation transcends traditional CSR paradigms by embodying an integrative governance model wherein private enterprises and civil society co-construct synergistic partnerships (Bagheri et al., 2023[3]). This approach resolves developmental bottlenecks and unmet social demands while generating competitive economic advantages, thereby reconceptualizing social problem-solving as a value co-creation process rather than a cost burden. Foundational synergies exist between sustainable tourism and shared value frameworks. Aligning commercial priorities with environmental stewardship constitutes an operationalization of shared value, providing a pathway for sustainable development through multi-stakeholder engagement (Iqbal et al., 2025[4]). Within ecotourism, value co-creation remains underexplored. Ecological value co-creation behavior manifests across four dimensions—environmental citizenship, dialogue, knowledge sharing, and competition—effectively predicting interactive relationships among governments, communities, and tourism enterprises (Nie and Tang, 2022[5]). Based on the existing empirical literature, this study postulates the following hypotheses:

Hypothesis 1: Tourism empowerment has a positive effect on shared value creation.

Community participation has evolved from a strategic planning tool to a process integrating empowerment theory, recognizing that social, cultural, and economic empowerment is fundamental to sustainable outcomes. Recent scholarship identifies three critical success factors for community-led tourism: destination competitiveness, local

empowerment, and participation. Frameworks demonstrate that community-driven initiatives enhance competitiveness by retaining economic benefits and preserving heritage (Turčinović et al., 2025[6]). Building on Scheyvens' seminal framework—encompassing psychological, social, economic, and political dimensions—recent refinements advocate incorporating environmental and cultural dimensions (Scheyvens and van der Watt, 2021[7]). This expanded model establishes a comprehensive Empowerment and Sustainable Development Analysis Framework, positing that empowering communities to co-create authentic cultural experiences ensures genuine, community-led sustainability. Accordingly, this study advances the following research hypotheses:

Hypothesis 2: Tourism empowerment has a positive effect on community participation.

Residents constitute the principal stakeholders in community tourism, and their spontaneous participation serves as the fundamental catalyst for development. Beyond mere involvement, such engagement fosters shared values, stimulates innovation, and generates new growth trajectories amid social transformation. Concurrently, the role of consumers has shifted from passive recipients to active co-producers across various sectors. In healthcare, participation—driven by individual, interactional, and technological factors—enhances positive health outcomes through information seeking and sharing. While corporate strategies, such as online community development and economic incentives, bolster engagement, research indicates an inverted U-shaped relationship between economic incentives and value co-creation, necessitating calibrated implementation (Wu et al., 2024[8]). In the digital economy, consumer participation is pivotal for brand building. Motivations rooted in communal identity and emotional attachment positively promote knowledge sharing and brand promotion. Here, information technology functions as a critical enabler, embedded within social interactions and resource integration processes to facilitate practical value co-creation (Wang et al., 2024[9]). Informed by these theoretical foundations, this study presents the following hypotheses:

Hypothesis 3: Community participation has a positive effect on shared value creation.

Existing research reveals limited systematic analysis of village participation levels and insufficient investigation into the relationships between community participation and shared value creation, as well as between tourism empowerment and shared value co-production. Consequently, this study empirically examines the connections among tourism empowerment, community participation, and shared value co-creation, alongside their underlying mechanisms in rural tourism development. This study adopts a systematic three-phase approach: first, delineating the conceptual dimensions of tourism empowerment, community participation, and shared value creation to formulate research hypotheses; second, developing measurement instruments and constructing structural models to empirically test these hypotheses; third, deriving policy implications to inform tourism development strategies for characteristic towns and analogous contexts.

This study addresses two critical theoretical gaps. First, while tourism empowerment, community participation, and shared value creation are often examined in isolation, the mediating mechanism through which empowerment translates into co-created

outcomes remains underexplored. This research unpacks this "black box" by positioning community participation as the central conduit. Second, prevailing models are predominantly derived from Western contexts, leaving their applicability to rural China—particularly under the Rural Revitalization Strategy and the "characteristic town" model—largely untested. Accordingly, this study makes a twofold theoretical contribution: it develops and validates an integrated structural model delineating these pathways, and it contextualizes empowerment and value co-creation theories within China's unique policy-driven rural tourism landscape. Building upon Hypotheses 2 and 3, the following research hypotheses are derived:

Hypothesis 4: Community participation plays a mediating role between tourism empowerment and shared value creation.

In summary, the conceptual model of this study is shown in Figure 1:

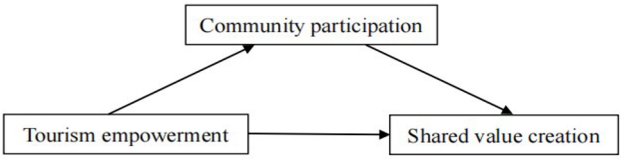


Fig. 1. Conceptual model

2 Methods

2.1 Variable Selection

Tourism empowerment: Empowerment constitutes a process of enhancing individual capabilities and rights awareness through external intervention and support, thereby mitigating individual powerlessness. Its ultimate objective centers on acquiring power to drive social change (Dushkova and Ivlieva, 2024[10]). In tourism contexts, empowerment prioritizes cultivating residents' sense of personal agency and self-efficacy. Individual empowerment underpins and propels community-level empowerment, serving as its prerequisite and fundamental catalyst. Effective constraint of coercive power structures is contingent upon residents' capacity to protect entitlements through practical action (Park et al., 2024[11]). This study operationalizes tourism empowerment through four evaluative dimensions: economic empowerment, psychological empowerment, social empowerment, and political empowerment.

Community participation: In tourism development contexts, this concept denotes the diligent integration of community needs within governance, operational management, and monitoring systems, coupled with substantive respect for local priorities (Purnomo and Purwandari, 2025[12]). Communities are positioned as central development stakeholders to advance holistic community development across economic, social, and cultural dimensions through sustainable tourism frameworks (Brooks et al., 2023[13]). This study employs inclusion, effectiveness, and level of participation as core evaluation metrics.

Shared value creation: Scholars establish that shared value creation constitutes a corporate policy framework whereby enterprises enhance competitive advantage while optimizing the socio-economic conditions of host communities (Vasil et al., 2024[14]). This approach resolves enterprise-society tensions through three distinct pathways: re-conceiving products and markets, redefining productivity in the value chain, and enabling local cluster development. Consequently, enterprises achieve integrated economic, environmental, and social performance improvements that foster healthy economic ecosystems (Rialti et al., 2022[15]). This study employs re-conceiving products and markets, redefining productivity in the value chain, and enabling local cluster development as core assessment metrics.

2.2 Model Settings

Based on the proposed hypotheses, conceptual framework, and variable specifications, Figure 2 illustrates this study's structural equation model. Tourism empowerment serves as the independent variable, community participation as the mediating variable, and shared value creation as the dependent variable. These three latent variables are operationalized as follows:

(1) Tourism empowerment comprises four dimensions: economic empowerment, psychological empowerment, social empowerment, and political empowerment.

(2) Community participation encompasses three measurement indicators: inclusion, effectiveness, and level of participation.

(3) Shared value creation is measured through: re-conceiving products and markets, redefining productivity in the value chain, and enabling local cluster development.

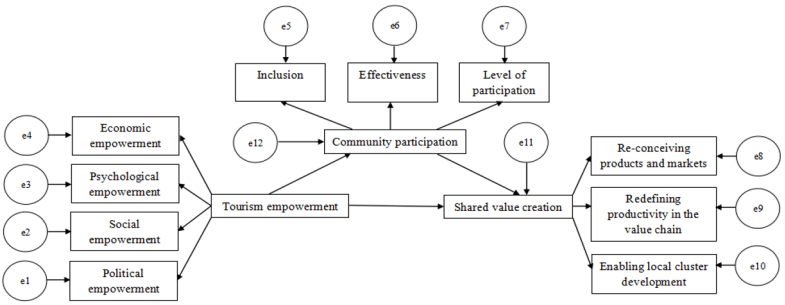


Fig. 2. Model settings

2.3 Questionnaire Design

This study collected measurement variable data through structured questionnaires. Three latent variables encompass ten measurement indicators captured through 45 questionnaire items using a five-point Likert scale. The measurement items for tourism empowerment, community participation, and shared value creation are presented in Tables 1, 2, and 3, respectively.

Table 1. Measurement variables and measurement questions of tourism empowerment

Measured variables	Measurement problem
Economic empowerment	1. Tourism brings sustained economic benefits to the village.
	2. The benefits of tourism are shared by the majority of households in the village.
	3. The development of tourism has contributed to a significant improvement in the living standards of the villagers (e.g., construction of more beautiful houses, new housing water and electricity systems, etc.).
Psychological empowerment	1. Many villagers feel proud of the fact that the development of tourism has enhanced external recognition of the uniqueness and value of their traditional culture and natural resources.
	2. With tourism development villagers have more confidence to learn and accept new things (e.g. to receive training and re-education).
	3. Increased availability of employment opportunities has led to a significant improvement in the social status of traditionally disadvantaged groups (e.g., young people, women, etc.).
Social empowerment	1. Tourism development contributes to the balance of relationships and cohesion within the village.
	2. When individuals and families work together to build a successful tourism enterprise, the integration of the village is significantly enhanced.
	3. part of the proceeds from tourism are used to promote the development of the village and its appearance is optimised (e.g. improvement of road traffic, sanitary conditions, construction of schools, etc.).
Political empowerment	1. The village committee's decisions on tourism development genuinely represent the demands and interests of the villagers.
	2. The VC has set up a platform for villagers to communicate with each other on tourism development issues and solutions.
	3. Villagers have a meaningful say in tourism development decisions that affect our community.
	4. The village committee seriously considers and incorporates villagers' opinions and suggestions when making tourism development plans.

Table 2. Measurement variables and measurement topics included in community participation

Measured variables	Measurement problem
Inclusion	1. Relevant departments have formulated a series of systems and policies to encourage all sectors of the community to contribute to the innovative development of tourism in the village.
	2. Tourism enterprises actively provide more jobs for the village and actively carry out public welfare activities such as poverty alleviation and relief in the villages.
	3. In the process of tourism development, villagers enjoy the right to start their own business, defend their rights and complaints, and supervise their own activities.
	4. legal institutions, associations and other organisations actively provide assistance for tourism development in this village (e.g. legal advice, training in tourism service skills, maintenance of tourism market order, etc.).
	5. The village pays attention to the satisfaction of tourists, establishes a good relationship between host and guest, and promotes the sustainable development of tourism.
	6. The village has formulated scientific and reasonable rules and regulations to protect the natural environment and maintain public safety.

Effectiveness	1. High number of people participating in tourism in this village.
	2. High proportion of family members participating in tourism in the village.
	3. High level of participation in tourism decision-making in the village.
	4. The village's participation in tourism operation and management is highly effective.
	5. The rights and interests of villagers in the process of developing tourism are fully protected.
	6. Traditional culture is effectively protected and inherited due to the development of tourism.
	7. The per capita tourism income of the village families has been improved.
	8. Villagers' cultural and recreational activities are enriched by the development of tourism.
	9. The living environment of the villagers has been improved due to the development of tourism.
Level of participation	1. Villagers can participate in decision-making on benefit distribution and tourism construction and development in many ways.
	2. A significant number of villagers are involved in tourism reception, homestay operations, or selling local products.
	3. Villagers invest considerable time and effort in tourism-related activities (e.g., service provision, cultural performances, environmental maintenance.)
	4. Villagers actively participate in the training and supervision of eco-environmental protection.

Table 3. Measurement variables and measurement topics included in shared value creation

Measured variables	Measurement problem
Re-conceiving products and markets	1. The Village is able to provide tourism products or tourism services in response to changes in visitor demand.
	2. The village is able to provide tourism products or tourism services to marginal markets in response to market changes.
Redefining productivity in the value chain	1. This village can develop tourism products taking into account social and environmental benefits.
	2. The village has improved the efficiency of tourism services through skill innovation or management innovation in the service process.
	3. The village has actively carried out training in tourism service skills to improve the level of tourism services.
	4. The village has implemented incentives to encourage villagers to combine their individual interests with collective interests.
	5. The village provides value-added services for tourists, increasing the rate of tourists' visits or repeat visits.
	6. The village has promoted the reputation of the village through public welfare activities when promoting tourism products or services.
Enabling local cluster development	1. The village co-operates with colleges and universities to train tourism professionals, contributing to the development of colleges and universities and social employment.
	2. The village has cooperated with scientific research institutions and universities in the field of production, learning and research, which has improved the social service capacity.

	3. The village participates in the formulation of tourism-related industry standards and promotes industrial upgrading.
	4. The village regularly organises social training, helping tourism enterprises to improve their service level or management ability.
	5. Actively cooperating with neighbouring villages and driving the development of neighbouring industries.

All latent construct items were adapted from prior literature and refined via a pilot study to ensure validity. Items for multidimensional constructs (e.g., political empowerment) captured distinct facets to ensure comprehensive measurement. Rigorous tests confirmed strong internal consistency and unidimensionality, supporting the scales' application in structural equation modeling.

2.4 Data Sources and Processing

Conghua represents a quintessential model of rural tourism development in Guangzhou. This study selected eight distinctive tourism towns as research sites: Xitang "Fairy Tale Town", Xihe "Fengqing Town", Lianma Town, Wenquan Wealth Town, Nanping Jingxiu Town, Mibu Town, Lianxi "Hiking and Leisure Town", Ecological Design Town. The research subjects comprised residents of these eight designated towns. This research employed a sequential survey design comprising pilot and main phases. During the pilot phase (February 2023), 30 questionnaires were administered to assess reliability and validity. The formal survey was conducted from March to May 2023 via on-site and online channels, utilizing random sampling of residents across the eight distinctive towns. Survey distribution yielded 270 administered questionnaires, with 250 collected and 244 validated as effective (97.6% validity rate). The demographic characteristics of the valid sample are presented in Table 4.

Table 4. Statistical table of demographic characteristics of the sample

Basic information	**Options and percentages**				
Age	18-24 years (15.6%)	25-34 years (11.9%)	35-44 years (25.4%)	45-54 years (27.9%)	55 years and over (19.3%)
Educational attainment	Primary and below (16.8%)	Junior high school (22.1%)	Secondary or high school (15.2%)	Junior college (28.3%)	Bachelor degree or above (17.6%)
Main source of family finances	Farming (19.7%)	Go away to work (19.3%)	Travel trade (23.4%)	Go into business (13.9%)	The rest (23.8%)
Annual per capita household income	Less than 5,000 yuan (23.4%)	5,001-10,000 yuan (30.3%)	10,001-15,000 yuan (19.3%)	15,001-20,000 yuan (13.5%)	Over 200,001 yuan (13.5%)

Raw questionnaire data were processed by calculating the mean score for each measurement variable. For instance, economic empowerment—comprising three questionnaire items—was evaluated by averaging responses across these items. This scoring methodology was uniformly applied to all measurement variables. Resultant data subsequently underwent reliability assessment, validity testing, descriptive statistics, correlation analysis, structural equation modeling, and related statistical procedures.

While the sample (n=244) provides sufficient statistical power for the structural equation modeling and offers valuable insights into the dynamics of Conghua's characteristic towns, it is acknowledged that the geographic focus on a single district within Guangzhou, China, inherently limits the generalizability of findings to other rural tourism contexts with different institutional, cultural, or developmental profiles. This specificity, however, allows for a deep, contextualized examination of the research phenomena under the unified framework of China's Rural Revitalization Strategy, which is a core contextual factor this study seeks to foreground.

3 Results and discussion

3.1 Descriptive Statistics

Table 5 demonstrates high reliability coefficients across measured variables and aggregate scales ($\alpha = 0.955$), confirming robust internal consistency. Validity assessment in Table 6 reveals a KMO sampling adequacy value of 0.942 (Sig. = 0.000), indicating excellent factorability. This table further presents descriptive statistics—including mean, median, and standard deviation values—for all variables alongside effective sample sizes. As shown in Table 7, measured variables exhibit consistent central tendency metrics:

(1) Mean values range from 2.80 to 3.00;
(2) Medians fall between 2.80 and 3.00;
(3) Standard deviations span 0.40 to 0.55.

These collective psychometric and distributional properties confirm the dataset's validity for subsequent structural equation modeling.

Table 5. Sample reliability coefficient

Latent variables	Number	Sample size	Reliability
Tourism empowerment	4	244	0.861
Community participation	3	244	0..894
Shared value creation	3	244	0.848
Totality	10	244	0.955

Table 6. Sample KMO and Bartlett test

Kaiser-Meyer-Olkin metric of sampling adequacy	0.942	
Bartlett's sphericity test	Approximate chi-square	2238.663
	df	45
	Sig.	0.000

Table 7. Sample descriptive statistics

Latent variables	Measured variables	Mean	Median	Std. Dev	Effective sample
Tourism empowerment	Economic empowerment	2.944	3.000	0.535	244
	Psychological empowerment	2.913	3.000	0.508	244

Community participation	Social empowerment	2.935	3.000	0.480	244
	Political empowerment	2.864	3.000	0.451	244
	Inclusion	2.905	3.000	0.453	244
	Effectiveness	2.885	2.890	0.408	244
	Level of participation	2.897	3.000	0.434	244
Shared value creation	Re-conceiving products and markets	2.898	3.000	0.497	244
	Redefining productivity in the value chain	2.839	2.830	0.440	244
	Enabling local cluster development	2.860	3.000	0.441	244

3.2 Structural Equation Modeling Analysis

Structural equation modeling was performed using AMOS software, yielding a chi-square value of $\chi^2 = 54.408$ ($df = 32$, $p = 0.008$). As presented in Table 8, the model fit indices demonstrate acceptable alignment with established thresholds: the χ^2/df ratio of 1.70 falls below the recommended value of 3, and all additional fit metrics satisfy conventional SEM requirements. These results collectively indicate an acceptable model fit.

Table 8. Model fit test

Absolute fit			Parsimony fit		Value added fit		
X^2/df	GFI	RMSEA	PGFI	PNFI	CFI	NFI	IFI
1.70025	0.963	0.050	0.560	0.694	0.990	0.976	0.990

Path coefficients derived from the structural equation model (Table 9 and Figure 3) demonstrate statistical significance at $p < .01$ for all hypothesized relationships. Specifically:

(1) Hypothesis 2 is supported: Tourism empowerment exerts a positively significant influence on community participation;

(2) Hypothesis 3 is confirmed: Community participation shows a positively significant impact on shared value creation;

(3) Hypothesis 1 is validated: Tourism empowerment significantly enhances shared value creation;

(4) Figure 3 comprehensively illustrates the fitted model's pathways with standardized coefficients.

Table 9. Table of path coefficients for structural equations

Trails		Estimate	S.E.	C.R.	P	Label
Tourism empowerment	Social participation	1.135	0.067	16.957	0.002	Significant
Social participation	Shared value creation	0.507	0.163	3.115	0.002	Significant
Tourism empowerment	Shared value creation	0.544	0.178	3.061	0.002	Significant

Analysis of Table 9 and Figure 3 reveals tourism empowerment demonstrates a stronger influence on community participation (β = 1.135) compared to other modeled relationships. The impact of community participation on shared value creation (β = 0.507) and tourism empowerment on shared value creation (β = 0.544) show negligible difference in effect magnitude.

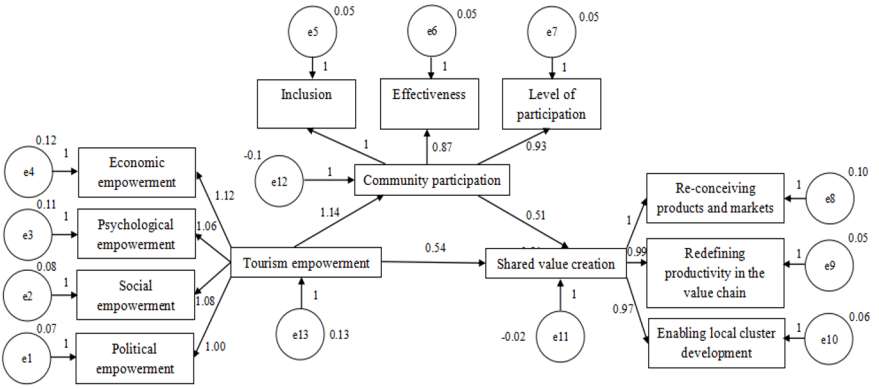


Fig. 3. Model results

3.3 Mediation Effect Test

Mediation analysis was implemented via AMOS Bootstrap estimation with 95% confidence intervals using both Bias-Corrected and Percentile methods. As presented in Table 10, the model demonstrates:

(1) Total effect = 1.072

(2) Direct effect = 0.521 (48.60% of total effect)

(3) Indirect effect = 0.551 (51.40% of total effect)

The relative contributions of direct and indirect pathways show minimal discrepancy. Crucially, zero exclusion in the 95% CIs for all effects confirms significant mediation. These results validate Hypothesis 4, establishing empirical support for all four research hypotheses.

Table 10. Model mediation effect test

Effect type	Trails	Efficacy value	Std. Dev	Bias-corrected 95% CI		Percentile 95% CI		Efficiency ratio
				Lower	Upper	Lower	Upper	
Total effect	Tourism empowerment → Shared value creation	1.072	0.024	1.013	1.276	1.042	1.131	100%
Direct effect	Tourism empowerment → Shared value creation	0.521	0.251	0.113	0.938	0.154	0.991	48.60%
Indirect effect	Tourism empowerment → Social participation → Shared value creation	0.551	0.255	0.094	0.952	0.072	0.943	51.40%

3.4 Discussion and Analysis

Tourism empowerment emerges as a pivotal mechanism for equitable and sustainable rural development, with community participation serving as its critical conduit. This study moves beyond merely validating these links by uncovering nuanced, context-specific pathways relevant to China's policy-driven "characteristic towns."

First, the dominance of economic empowerment underscores a unique developmental logic. In the revitalization context, where livelihood improvement is paramount, tangible economic benefits act as the most potent catalyst for mobilization. This contrasts with Western-centric models (e.g., Scheyvens, 1999) that privilege political empowerment as the foundational step. Our findings suggest a sequencing effect: economic gains may build the trust and capacity necessary for substantive political empowerment over time, thereby refining the boundary conditions of existing theories.

Second, the nuanced role of political empowerment reveals a gap between procedural inclusion and substantive influence. The lower path coefficient for political empowerment suggests that formal structures may not equate to perceived power. This highlights the critical distinction between procedural and substantive empowerment, urging caution against assuming that institutional presence guarantees effective participation.

Third, the empirical documentation of intra-community heterogeneity challenges the monolithic "community" construct. Significant variances in villager perceptions confirm that empowerment outcomes are uneven, necessitating a move away from "one-size-fits-all" interventions toward differentiated strategies that account for varied resources.

Finally, the robust mediation of community participation validates it as the core engine of shared value creation. Empowerment primarily operates through participation rather than directly. Among shared value pathways, re-conceiving products and markets proved more effective than optimizing value chains or clusters. Crucially, our model demonstrates that sustainable rural value creation is not merely a corporate strategy but a process of activated community agency. By deepening participation, villagers enhance their political, economic, and social efficacy, which in turn catalyzes integrated and innovative tourism systems.

4 Conclusion

Empirical findings demonstrate that rural characteristic towns exhibit predominantly positive shared value creation under rural revitalization, yet significant individual heterogeneity persists among villagers. These disparities reflect divergent perceptions of tourism value co-creation across individuals, while robust community participation consistently enhances tourism empowerment and shared value creation. This analysis indicates that during industrial transformation, elevated community participation—characterized by heightened inclusion, effectiveness, and level of participation—correlates with stronger villager endorsement of tourism development. This correlation stems from community historical exclusion from decision-making and power-sharing in conventional tourism frameworks. Only through innovative community participation

models and tourism empowerment mechanisms can inclusive systems emerge to stimulate community agency, advancing sustainable rural tourism.

4.1 Theoretical Implications

This study makes three primary contributions to the literature on tourism empowerment and shared value creation. First, it moves beyond establishing bivariate relationships by proposing and validating an integrated framework that positions community participation as a pivotal mediating mechanism. This clarifies the process through which empowerment translates into co-created value, addressing a gap in understanding the sequential linkages between these core constructs. Second, it provides a contextualized theoretical test within the under-researched setting of China's policy-driven rural tourism (“characteristic towns”). Specifically, the dominant role of economic empowerment and the nuanced function of political empowerment reveal that the salience of empowerment dimensions is contingent on developmental stages and institutional environments, thereby refining theoretical boundary conditions. Third, by empirically documenting significant heterogeneity in villager perceptions, the study challenges the monolithic treatment of “community” and introduces intra-community variance as a critical theoretical factor that future models should account for to better predict and explain differential empowerment outcomes.

4.2 Practical Implications

Grounded in our empirical findings, we offer targeted recommendations for policymakers and destination managers:

First, prioritize economic empowerment as catalytic investment. Interventions must extend beyond generic job creation to yield tangible, inclusive returns. We recommend establishing micro-grants or preferential loans for villager-led micro-enterprises, alongside implementing transparent revenue-sharing models for community assets. Earmarking tourism revenues for visible local public goods directly aligns individual gains with collective development.

Second, bridge procedural and substantive political empowerment. Institutional design must shift from merely offering participation opportunities to ensuring impactful influence. This requires deliberative mechanisms, such as community review boards endowed with veto or co-decision power over project specifics. Representation must be diversified to include marginalized groups, including youth, women, and small business owners.

Third, adopt differentiated strategies for intra-community heterogeneity. Move beyond uniform programs by conducting periodic "empowerment perception audits" to identify disengaged subgroups. Tailor support accordingly: provide skill development for youth, business training for entrepreneurs, and alternative benefits for non-participants. Foster horizontal empowerment diffusion through internal peer-learning networks.

Fourth, leverage participation as the engine for shared value. Enhance engagement quality and breadth by co-designing tourism products with communities to ensure authenticity and distribute value across the local supply chain. Establish joint community-enterprise task forces aimed at "redefining productivity" to align participation with shared value outcomes, and formally recognize community contributions to reinforce this nexus.

4.3 Limitations and Future Research

This study is limited by its geographic focus (Conghua District), which may restrict generalizability; future research should validate the model in diverse regional. The cross-sectional design limits causal inference; thus, longitudinal or experimental designs are recommended to confirm the temporal sequence of empowerment, participation, and value creation. Additionally, reliance on self-reported resident data may introduce bias; multi-source triangulation (e.g., interviews, archival data) is advised. Finally, future studies should expand beyond the community perspective to include multi-stakeholder views (governments, enterprises, tourists) for a holistic view of value creation.

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