
EXPLORING AN EMERGING TOURISM DESTINATION USING CLUSTER THEORY

DAVID INGELMAN & TORD VALENTINSON, LUNDS TEKNISKA HÖGSKOLA

What will you get if you take some dedicated entrepreneurs and put them in a rural area in a developing country? Probably something, but what if you also make sure it is easy starting and doing business? Probably something more, but what if the location also happens to have close access to a tropical paradise island, declared a UNESCO world heritage site? Well, in the case of the surf and dive destination Santa Catalina, Panama, this meant entrepreneurs are coming voluntarily instead of having to be put there. By escaping political instability or by pursuing a lifestyle focused on their passions rather than maximizing monetary wealth, these entrepreneurs act within their environment in what could be called a *cluster*. Coordinated by a local development entrepreneur along with shared similar values, this project explores how a rural coastal village emerges to a vibrant tourism destination.

After 6 weeks of meetings with several interesting characters based in Santa Catalina, we identified the relation between tourism destination development and spontaneous cluster formation. The history of development of Santa Catalina is quite amazing. Starting with local farmers discovering a surfable wave, we follow the location's development influenced by an armed conflict and the closure of a federal prison. These and many more interesting events have affected the cluster formation into the vibrant tourism destination of today. At the heart of the cluster we observed the individual entrepreneurs, attracting people to the location, finding new business opportunities, and developing the location while maintaining the location's attractiveness.

When looking at theory and frameworks of business clusters, one can easily get the impression that these are designed for high-tech industrial clusters. Therefore, it could seem like a crazy idea to apply these theories on a rural village in a developing country. This is something that few people have tried to do, considering that academic business research of today tends to focus on larger industries in highly developed countries. Nevertheless, with a large portion of enthusiasm from our side, combined with the energy and positiveness from the people of Santa Catalina, it showed to not only be possible, but also insightful.

We hope that this study will be inspiring for anyone interested in business development in rural villages, especially emerging tourist destinations in developing countries, as it provides insights about the applicability and relevance of available academical frameworks.

This project points out the importance of firms and especially the individual entrepreneur when analyzing the business environment and trying to define and describe a cluster. We consider that the role of the individual entrepreneur risk being somewhat overlooked when addressing clusters as entities in themselves rather than emerging from the actors within them. Future works on developing local business environments might benefit from focusing more on the empowering of individual entrepreneurs instead of creating policies for further regulations.