Journal in Urban and Regional Planning

UP School of Urban and Regional Planning
http://journals.upd.edu.ph/

Analysis and Operationalization of Tourism Cluster Planning: A Case Study on the Agusan River Basin

Kevin Jay R. Hinaloc, EnP
Butuan City Tourism and Cultural Affairs Department, Brgy. Doongan, Butuan City, Philippines
kevinhinaloc@gmail.com

Abstract

A tourism cluster, as a framework for tourism development, has long been a subject of research studies. However, while many models have been created to outline systematic approaches for the development of tourism clusters, there remains an apparent gap in knowledge to guide destination managers in their practical application, especially in spatial planning and policy-making aspects.

This study introduced a tourism cluster development planning process based on a framework that merged theories of tourism cluster competitiveness with concepts of spatial planning. Drawing inspiration from cluster-related concepts found in the literature and cluster development strategies incorporated into the Philippines' National Tourism Development Plans (NTDPs), this framework also presents a spatial configuration that suggests the distinctiveness of cluster development as a tourism development strategy.

Through a mixed research method, this framework was applied to the Agusan River Basin cluster − one of the identified clusters in the Philippine NTDP − to formulate a spatial plan and policy and development recommendations that may form part of a tourism cluster development plan.

This study revealed the suitability of developing the Agusan River Basin cluster into an adventure-histo-cultural destination. Based on the identified cluster elements, such as gateways, service centers, corridors, and flagship sites, following the three planning levels − cluster destination, circuit, and site, it likewise proposed the successive implementation of the linear cluster strategy and semi-closed loop cluster strategy. Moreover, the study suggested institutional and marketing mechanisms to support the operationalization of tourism cluster development in the Agusan River Basin cluster.

Keywords: tourism cluster planning, cluster spatial strategies, cluster development policies

1. Introduction

Tourism represents a distinct area of activity and a segment of essential importance in the socio-economic life of the majority of countries; and the diversity of activities incorporated in it, as well as the overlapping character with other economic branches, make tourism highly based on association and interconnectivity (Bunghez, 2016). As noted by Peric (2005), "the fragmented and interdependent nature of the tourism product means that various agents with influence on the product offered must coordinate their operations to provide the overall experience." Because of this inherent quality, the concept of cluster is deemed suited for tourism as it looks into agglomerations, functional complementarity, cooperative relationships, and competition among actors (Cunha & Cunha, 2005).

According to Boiko et al (2017), cluster systems in tourism are seen to provide high performance and consolidate the efforts of tourism businesses and government authorities to create a high-quality tourism product; however, it must be admitted that in theoretical developments, there is no comprehensive approach to study tourism cluster formation and to evaluate their functioning efficiency.

With this context, this study aimed to contribute to the field of tourism cluster development by studying the process of operationalizing tourism cluster planning by taking the historical, cultural, and ecotourism sites-rich

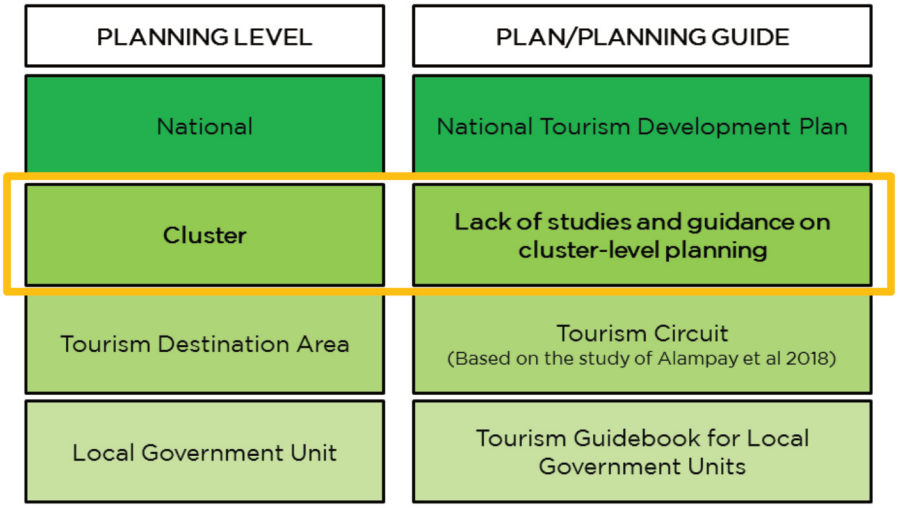
Agusan River Basin Cluster, which is one of the identified tourism clusters in the Philippines, as case study area, with a greater goal of providing guidance to other tourism cluster developments in the country, particularly in determining spatial strategies and supporting policies.

According to Fundeanu (2015), a tourism cluster is composed of "a group of resources and attractions, business, and institutions directly or indirectly involved in tourism, concentrated in a particular geographic area."

Over recent years, clusters have been gaining prominence due to the generally presumed impact of clusters on firm performance, regional economic development, and country competitiveness (Rocha, 2004).

Meanwhile, to Miller & Gibson (2005), while cluster theory is perhaps the leading model for economic development today, academic literature has paid relatively little attention to the tourism industry. Though practitioners of tourism development are experimenting with the cluster concept around the world, this is done in innovative but generally isolated and unsystematic applications. The same authors said that the development of emerging or 'immature' tourism clusters merits particular research attention. Likewise, in the study of tourism clusters, it is observed that much of the discussion on competitiveness is focused on the economic, market, and institutional aspects; often neglecting the crucial aspects of a cluster – the geographic or spatial aspect and the environmental aspect, such as vulnerabilities of regions to natural hazards. This is particularly ironic since geography or location is among the hallmarks of cluster theory.

In the Philippines, the tourism cluster concept has been embraced since 1992 in the Philippine Tourism Master Plan until the National Tourism Development Plan (NTDP) 2016-2022. But while tourism clusters have been incorporated into the country's tourism plans, there is a dearth on the study of how cluster development is being operationalized within the clusters themselves. This presented a gap in tourism planning guidance at the intermediate level – that being the cluster level – between national tourism planning and tourism destination area (TDA) planning.



Source: Researcher's illustration

Figure 1. Research Gap of Tourism Planning in the Philippines

In this light, this research endeavored to analyze the operationalization of tourism cluster planning by using the Agusan River Basin Cluster – one of the twenty identified clusters in the NTDP – as the case study area, which comprises the Agusan provinces and Butuan City in the Caraga Region. Despite the richness of ecotourism and cultural sites, data from the Department of Tourism's Tourism Demand Statitics show that tourism arrivals in this cluster pale in comparison to those in other tourism clusters in the country. In addition, it was revealed that although the cluster exists on paper, there is no cluster development plan to operationalize it. While the existing Caraga Regional Tourism Masterplan proposed cluster development, Agusan del Norte (including Butuan City) and Agusan del Sur were divided into three tourism clusters, with one cluster integrating a portion of mainland Surigao del Norte. This setup deviates from what is envisioned in the existing NTDP. Due to the apparent low competitiveness of the cluster and the lack of a cluster development plan, the Agusan River Basin became an ideal subject of this study.

2. Review of Literature

2.1 Cluster Theory and Competitiveness

Cluster theory was put forward in 1990 by Porter (2000) as a microeconomic theory of national, state, and local competitiveness in the context of a global economy. He defined clusters as geographic concentrations of interconnected companies, specialized suppliers and service providers, firms in related industries, and associated institutions in particular fields that compete but also cooperate. Setting the boundaries of the cluster "is often a matter of degree, and involves a creative process informed by understanding the most important linkages and complementarities across industries and institutions." Such boundaries, he noted, may evolve as new firms enter and industries decline, due to technology and market developments or regulatory changes. Porter (2000) added that cluster participants do not always compete directly "yet they do share many common needs and opportunities and encounter many common constraints and obstacles to productivity."

In theory, location should no longer be a source of competitive advantage due to advancements in the open global market, transportation, and communications. Nordin (2003), however, argued that in practice "location remains a critical factor to competition, since the proximity of companies in a limited geographical area provides competitive advantages." Aside from easier access to raw material or logistics, firms also "get access to an environment where the level of innovation is high, new products and services are constantly developed, increased specialization is taking place, skilled labor, (and) the latest knowledge and information are available." With this, clusters are increasingly considered vital for regional development, as they increase productivity, performance, innovative capacity, and the critical mass of local businesses (Novelli et al., 2006).

Porter (2000) presented a diamond model that contains the four interacting drivers that determine the competitiveness of clusters. The attributes are the following: (1) Factor conditions - The factors of production, such as skilled labor or infrastructure, necessary to compete in a given industry; (2) Demand conditions - The nature of home market demand for the industry's product or service. As noted by Porter (1990), "nations gain competitive advantage in industries where the home demand gives their companies a clearer or earlier picture of emerging buyer needs, and where demanding buyers pressure companies to innovate and achieve more sophisticated competitive advantages than their foreign rivals." (3) Related and supporting industries - The presence or absence of supplier industries and other related industries that are internationally competitive. Apart from enabling the firms to source cost-effective inputs, the close working relationships of home-based related and supporting industries facilitate innovation and upgrading. (4) Firm strategy, structure, and rivalry - The conditions on how companies are created, organized, and managed, as well as the nature of domestic rivalry.

The cluster theory, nevertheless, is not bereft of criticism. Brown (2000) wrote that there has been confusion about the concept of clusters primarily because there is no real unified framework for examining clusters. Boekholt (in Feser 1998) noted that the "multitude of cluster initiatives has led to a widespread confusion of what clusters are, and in what way they differ from related phenomena, such as industrial districts, technopoles, networks, and industry-research collaborations." It seems then that the term "cluster" has become so common that it is applied to almost any problem that can benefit from a collective solution, and as such, to some extent, led to the term losing some of its meaning (Nordin, 2003). Due to its perceived gaps, several authors have endeavored to differentiate cluster theory from other theories.

Feser (1998) suggested that "one of the hallmarks of the cluster approach is the implementation of holistic and comprehensive development strategies that account for the full range of factors influencing the success of a given sector or set of sectors." It would include demand- and supply-side policy interventions, development strategies, and traditional functions of government, which may involve factors that will fall outside the purview of the typical set of individual development initiatives and tools. The author added that Porter provided a holistic framework for summarizing what has become a general trend in regional analysis − and that is the study of how interdependence between firms, industries, and public and quasi-public institutions affects innovation and growth in regional agglomerations. Motoyama (2008) also pointed out the popularity of Porter's cluster theory because it promotes regional competitiveness or specialization, which was underscored to be through lower production costs or differentiation.

According to Raines (2000), these are the three generally agreed cluster characteristics based on literature: (1) The cluster's competitiveness is recognized as being more than the sum of its parts: competitive advantage arises from its network features.

(2) These networks involve businesses and non-business organizations with key supporting roles in relationships that combine aspects of competition, cooperation, and interdependency; and (3) Agglomeration has traditionally been viewed as central to cluster development, in which geographical proximity has facilitated crucial externalities, particularly creating an "innovative" environment surrounding the industry.

2.2 Tourism Cluster Models

Novelli et al (2006) said that "several attempts have been made in using networking, clustering, and agglomeration theories to explain the role of tourism in influencing local growth and stimulating regional development." The applicability of cluster development lies in the fact that, in tourism, there is a concentration of entities representing related branches taking place within a defined geographical space, and these entities are made to cooperate and compete with one another (Cunha & Cunha, 2005; Gryszel et al., 2012). Estêvão and Ferreira (2009) define a tourism cluster as a geographic concentration of companies and institutions interconnected in tourism activities.

According to Cunha and Cunha (2005), cooperation in tourism allows the effective exploitation of the collective efficiencies and/or the development of external companies from the enterprises; benefitting from the increased ability to negotiate collectively with suppliers of inputs and components; facilitation of the development of new models, production processes and organization; the exchange of technical and market information; formation of consortia for buying and selling of goods and services; as well as joint marketing campaigns. Nordin (2003) added that the system of linkages between tourism enterprises and actors outside the sector is simply necessary to satisfy customer demands.

Many studies on tourism clusters drew inspiration from Porter's Diamond Model (Fundeanu, 2015). Crouch & Ritchie (1999) proposed a conceptual model of destination competitiveness that contains four components: core resources and attractors (physiography, culture and history, market ties, activities, special events, and tourism superstructure), qualifying determinants or situational conditions (location, dependencies, safety, and cost), destination management (marketing, service, information, organization, and resource stewardship), and supporting factors and resources (infrastructure, facilitating resources, enterprise, and accessibility) – all of which are influenced by a competitive microenvironment and a global macroenvironment.

Dwyer & Kim (2003) presented an "Integrated Model" of destination competitiveness that combined elements of national and firm competitiveness in Porter's Model with destination competitiveness, particularly those in Crouch & Ritchie's model. The model's factors include Created Resources, Inherited Resources, Supporting Factors and Resources, Destination Management, Situational Conditions, and Demand Conditions.

Incorporating the factors in Porter's model, Estêvão & Ferreira (2009) presented an interactive system for tourism that moves when there is consonance among the three main components: the tourism product, the touristic destination (destination management), and the tourism cluster. Their model also recognizes the role of government in policy definition, the role of universities in developing innovations and product/service differentiation, and the development of human resources. However, Fernando and Long (2012) synthesized all these into a single model, highlighting innovation as a major factor.

Some authors highlighted the importance of geography in enabling the interconnection and cooperation among actors within the cluster. For Estêvão and Ferreira (2009), clusters are used to represent concentrations of companies so that they can produce synergy through their geographical proximity and interdependence. Boiko et al. (2017) noted that tourism cluster development is based on the study of the relationships among participants, the geographic framework, structure, and other distinctive characteristics.

Kachniewska (2014), meanwhile, said that clustering should be principally connected to an identical spatial capture of a concrete tourism destination and that cooperation among tourism service providers must be based on formally established links in order to bring about the benefits of synergy. In a more general study of clusters, Cruz & Teixeira (2009) noted that "spatial proximity, interrelatedness of capabilities/activities, interaction between agents, and institutional endowment" are the key elements of clusters.

2.3 Cluster Development Concepts in Tourism

From a spatial perspective, tourism clustering is largely described as clustered spaces containing primary and secondary places of 'interest' within a destination (Park et al., 2020). Perhaps this takes its cue from Porter's (2000) definition of clusters as geographic concentrations of interconnected players.

However, the literature on spatial patterns of tourism clusters lacks sufficient detail to adequately guide spatial planning for their formation.

To explore contexts on tourism clustering as a development strategy, a review of the application of clustering in urban planning is useful. This is primarily because tourism planning is considered a subset of urban planning due to similarities in the required skills and tools, as well as considerations related to community values (Park et al., 2020). Cluster development is often applied in urban settings. In their study of city clusters in Asia, Choe and Laquian (2008) identified at least four types based on geospatial forms. However, zeroing in on urban corridors, the authors defined them as being "made up of several large cities and metropolitan areas linked together by shared urban infrastructure, economic interrelationships, and information networks." They added that "the backbone of an urban corridor is usually a major expressway, a rail line, or a combination of the two."

According to Grobbelaar (2012), "it is widely believed that the strategic planning and development of synergies and linkages between cities may contribute to finding new areas of competitive advantage and to marketing city-regions internationally." For this reason, regional clusters of cities, referred to as polycentric urban regions (PURs), have been attracting attention as an important focus area for policymaking and planning. The characteristics of a PUR include the existence of a set of urban centers, interaction and linkage among centers, and center specialization. The differing configurations of cluster development in the field of urban planning provide relevant guidance for creating a framework for tourism cluster development.

To further enrich the study of tourism cluster planning, it is also worthwhile to revisit "close-to-synonymous concepts" identified by Cruz & Teixeira (2009), such as agglomeration, industrial districts, and growth poles, and to understand the planning considerations in these approaches that also revolve around geographic concentrations. Tourism agglomeration was defined by Zhao & Dong (2017) as the dynamic formation process of a tourism area with a specific spatial form and comprehensive functions, in which multiple tourism elements within a geographic space are effectively integrated. Rahmafitria et al. (2019) posited that, in the theory of agglomeration, the concepts of backward and forward linkages serve as bases for consideration by industry when choosing a location. The author suggested that the formation of Special Economic Zones (SEZs) in Indonesia is closely linked to agglomeration. In the Philippines, a similar concept called the Tourism Enterprise Zone is also being implemented. On the concept of tourist districts, Marco-Lajara et al (2014) stated that the "main idea underlying this approach is that the small and medium-sized enterprises (SMSEs) which are located in an industrial district outperform those which are not, due to the appearance of certain agglomeration economies or externalities, linked to geographical concentration (the so-called — district effect)."

Tourism growth poles, meanwhile, emanate from the growth pole theory. In this theory, a region suitable for preferential funding (core) is identified to promote balanced development across the surrounding areas (periphery) (Calero & Turner, 2019). The study on tourism growth poles, however, has received limited attention in the literature. This may be a result of the abandonment of the approach in the early 1980s due to contradicting empirical evidence (Calero & Turner, 2019). Nevertheless, Sambrook et al. (1994) attributed the phenomenal growth of tourism in the Dominican Republic to the decentralized growth-pole regions.

The review of clusters and their related concepts revealed that the principles of synergy, linkage, and interdependence must be earnestly considered in order to attain tourism cluster development. Synergy closely relates to Raines's (2000) notion that a cluster's competitive advantage rests on the strength of the collective whole. As such, the spatial framework of a tourism cluster must allow cooperation and competition among the various players in the industry. Particularly important, too, is creating connections between established tourism businesses and SMEs to benefit local development (Overseas Development Institute, 2006).

Linkage, meanwhile, highlights the importance of not only tying together attractions and destinations to promote multi-destination trips (Park et al., 2020) but also linking the core sites to the peripheries to distribute development within the cluster. As for interdependence, with the very nature of tourism being composed of a range of separate industry suppliers that provide one or more components of the final product, this principle underlines the economies of scale and an unhampered production chain that may be attained through the division of labor among tourism firms (Hjalager, 2000). As such, to ensure continuity in the production line of a tourism cluster, elements of tourism − from transport, accommodation, F&B, and tourist attractions − must be structurally knitted together.

The principles of synergy, linkage, and interdependence that define tourism clusters may be reflected through the combination of existing tourism planning strategies: concentration and dispersal as reflected in the study of Meyer (2004) in Spier, South Africa. Concentration development, which ties tourism clusters, or aggregations of tourist attractions, with the principles of gateways and staging, is a way to link the various tourism-related sectors such as transportation, tourism facilities, and services with the tourist attractions.

According to Meyer (2004), the gateway concept generally refers to 'entry points' to a country or a region in terms of transport routes (ex. airports, ports and motorways) through which tourists have to pass when entering a destination; and related to it is the establishment of a "staging area" nearby that normally contains facilities that tourists require when first entering or when leaving a destination (if the staging area is not the final destination), or if it is the final destination it generally contains all the necessary facilities such as accommodation, services, etc.

For the author, clustering, or the concentration of attractions, is important in attracting more tourists to an area and inducing them to stay longer, as well as making it more convenient for organizing tours and providing infrastructure. It also offers several advantages, such as better opportunities for planning integrated developments, more efficient provision of transportation and other infrastructure, and the capability of concentrated development to support a variety of more specialized facilities and services. The author, however, stressed the complementary use of both, offering a tourism hub/minihub, as mini-hubs and the creation of new attractions not only diversify the tourism product but also enable multiple-night stays of tourists, and dispersing tourists to spread benefits while containing impacts.

At the heart of dispersal strategies in tourism − or the dispersing of tourists away from the main visitor concentration centers or gateways − are tourism routes. Tourism routes "promise to bring together a variety of activities and attractions under a unified theme and thus stimulate entrepreneurial opportunity through the development of ancillary products and services" (Meyer, 2004). With the diffusion of visitors, it not only disperses income from tourism but also introduces lesser-known attractions, increases overall destination appeal, increases the length of stay and spending of tourists, attracts new and repeat tourists, and increases tourism product sustainability.

Another concept associated with tourism routes is the tourism corridor. In the field of planning and development, a tourism corridor hinges on a linear resource—such as a scenic route or trail—that channels visitors to different attractions or destinations along a specified path (Alampay & Rieder, 2008). The authors noted the concept originated as an urban planning framework referring to bundles of infrastructure that link and funnel social and economic activities between urban centers. The concept of tourist circuits is also related to, and often loosely interchanged with, tourism routes. It refers to a route with at least three major tourist attractions whose locations are not in the same town but are close to each other, and whose entry and exit points are well-defined (Dam, 2016).

Location plays a crucial role in cluster competitiveness (Crouch & Ritchie, 1999). One way to elucidate this is to examine central place theory in geography. According to Daniels (2007), "centrality is concerned with the 'importance of economic activities and the related infrastructure found in the area' and provides a rationale for why cities of different sizes exist, their spacing, and the functions they provide." The author added that the operating premise of central place theory is that, assuming there is a uniformity among consumers and that transportation is ubiquitous, market areas exist to efficiently provide goods and services to a target population in which a minimum amount of consumption must exist to warrant offering a particular good or service. The lower limit, or threshold, is the point that must be achieved to offer the good or service and subsequently maintained to stay in business, while the upper limit, or range, is the greatest distance a customer is willing to travel to obtain a particular good or service. The author further stressed that "centrality illustrates why jurisdictions within a region often differ in terms of tourism development potential and, simultaneously, this framework allows planners to pinpoint target destinations with similar characteristics when forming strategic expansion programs."

2.4 Tourism Cluster Concept in the Philippines

The Philippine government was only able to craft its blueprint for tourism development in 1991 − the Philippine Tourism Master Plan (PTMP). During that period, tourism was observed to be largely concentrated in the National Capital Region. Thus, to optimize the contribution of tourism to national and regional growth, it adopted the "cluster development approach" based on a "gateway-satellite destination concept," in which each cluster would be served by one or two major international gateways linked to a variety of satellite destinations.

The three clusters, with their corresponding identified product positioning, are Luzon, a multi-faceted destination providing attractions for all markets; Visayas, a resort and cultural heritage destination; and Mindanao, an exotic wilderness and cultural destination.

Succeeding the PTMP was the National Tourism Development Plan (2011-2016) crafted during the Aquino administration. This plan adopts what it calls the "inclusive destination concept," an expansion of the cluster development approach to encompass the whole country as the government re-orients from focusing only on international demand to including domestic demand as well.

The plan identified seventy-eight tourist development areas (TDAs), defined as comprising at least one, but more usually several, tourism sites and either having considerable existing tourism activity or having the potential for significant tourism development. Tourism sites, meanwhile, were defined as specific places which tourists come to see and experience. Thereafter, the 78 TDAs were grouped into twenty-one Cluster Destinations (CDs) based on their linkage to one or more main international and domestic tourist air, sea, and road gateways and then further divided into those that included an international airport — defined as international strategic cluster destinations, and those without — defined as domestic strategic cluster destinations. Additionally, the CDs were identified and delineated using the following criteria: existence of a sufficient number and range of tourism sites with capacity to meet long-term development possibilities; contiguousness; location of "gateway" centers and cities; location of significant brand/unique features and/or "world-class" attraction; among others.

Among the valuable programs implemented under NTDP 2011-2016, which is also mandated under RA 9593, was the Department of Tourism (DOT)-Department of Public Works and Highways (DPWH) Convergence Program, which spurred growth in public expenditure on tourism road development. The aim of the program is to construct roads that connect tourist sites to gateways or service centers, service centers to gateways, or tourist site to tourist site. A gateway may represent either: an airport/ rail station/seaport or an inter-provincial/national road. A tourism service center, meanwhile, refers to the staging area for tourists in a destination that offers a variety of amenities and facilities, such as accommodation, airports/seaports/ inter-urban bus transport, local public and tourist transport, and restaurants.

The NTDP 2016-2022 is a continuation of the NTDP 2011-2016 and covers the term of the Duterte administration. Building on the gains in the previous administration, this plan carries over the cluster development strategy of its predecessor which it considers as a "destination development strategy in the implementation of complementing programs involving transport networks, infrastructure projects, accommodation and recreational facilities, human resource development, and marketing plans, all directed to support the development of tourism destinations throughout the country." Physical-wise, "clustering involves linking several TDAs into a logical grouping of transport networks, natural and cultural tourism sites, as well as urban service centers that provide facilities and amenities, all serviced by at least a primary gateway."

Tourism development and promotion are among the functions devolved to local government units (LGUs) as mandated by the Local Government Code of 1991. With the important role of LGUs in tourism development, the Tourism Guidebook was formulated with the aim of enhancing the capability of LGUs to monitor, administer, and regulate tourism activities. The Guidebook conveyed that a popular version of the cluster strategy is the tourism circuit. Tourist circuits are used as a strategy to increase the total number of visits to destinations within the circuit and to provide tourists with a more rewarding experience and value for money by providing a mix of attractions and activities at each destination.

3. Research Design

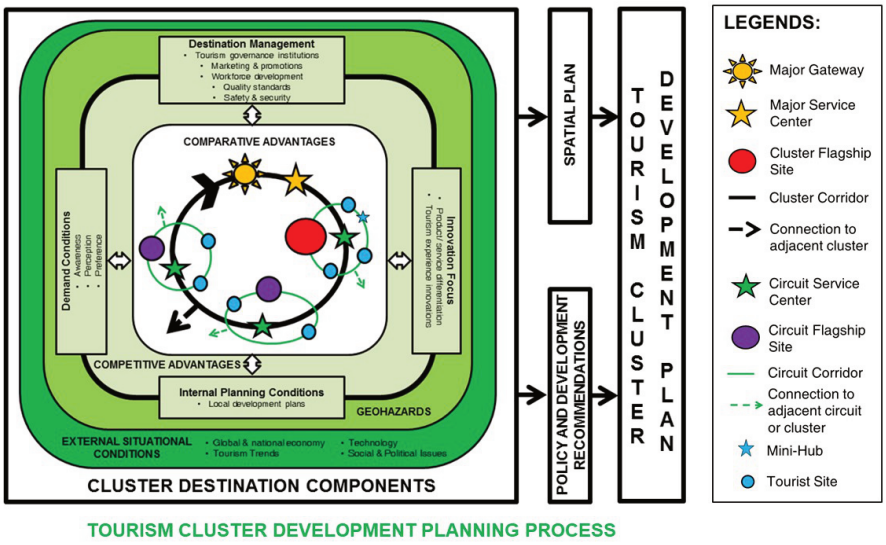
3.1 Conceptual Framework

This study produced a conceptual framework that incorporated concepts found in the literature about tourism cluster competitiveness, spatial strategies in tourism, particularly concentration and dispersal, and learning from the tourism plans of the Philippines. This sought to bridge the discourse on tourism cluster planning by combining elements of spatial planning and the economic, market, and institutional elements of tourism clusters.

In this cluster development framework, there are four key components that need to be managed in order to achieve the goal of competitiveness: comparative advantages, competitive advantages, geohazards, and external situational conditions. The illustration likewise suggests the ideal spatial configuration of the various resources in a cluster.

Meanwhile, the sizes of the legends are indicative of the level of tourism value or functionalities in a site, which suggests the bearing of growth poles and centrality. This spatial representation also reflects the three planning area levels: cluster destination, tourism circuit, and tourist site.

The physical configuration of resources (tourism and supporting resources) presented suggests that cluster development is, on its own, a distinct tourism development strategy, in which various tourism-related sectors in a particular geographical space are interwoven to form and operate as one functional unit, with every actor contributing to the cluster's tourism competitiveness.



Source: Researcher's illustration

Figure 2. Conceptual Framework of the Tourism Cluster Development Planning Process

3.1.1 Comparative Advantages

This component refers to the physical resources that form the basic foundation of a tourism cluster. These constitute the supply-side of tourism. The resources may be inherited (natural/cultural resources), created (ex. theme parks, MICE facilities, shopping), or supporting resources (accommodations, amenities, accessibility).

3.1.1.1 Cluster Destination Level

The cluster destination comprises two or more tourism circuits, with an identified cluster flagship site (s), and is served by a major gateway, a major service center, and a cluster corridor.

- Major gateway – this is the primary 'entry point' of most tourists visiting the cluster (Meyer, 2004). As such, it is expected to have as many routes as possible to maximize the connectivity of the cluster and reach out to more tourist markets.
- Major service center/s – an area near the major gateway that contains the services that tourists require upon entering or leaving the cluster destination. This is based on Meyer's (2004) definition of "staging areas" and the "tourism service center" concept in the NTDP.
- Cluster corridor – it consists of a bundle of infrastructure systems (e.g., road, rail, shipping routes) that channels the movement of the tourists (Alampay & Rieder, 2008) from the major gateway and major service center to the tourism circuits within the cluster. The number of cluster corridors may vary depending on the dispersion of the tourism circuits as long as these lead back to the cluster's major gateway or connect to the adjacent cluster as indicated by the broken line.
- Cluster Flagship Site – this is the site where the cluster's identified foremost tourism attraction is situated based on its tourism value. Ideally, the flagship site reflects the cluster's tourism brand. Following the concepts of growth pole theory and tourism agglomeration, it must also be able to accommodate mass tourism to allow the dispersion of tourists to other tourism circuits/sites.

3.1.1.2 Tourism Circuit Level

The tourism circuit is the lower-level planning area that follows after the cluster destination level. It comprises one or more geographically proximate tourist sites – with at least one identified as the circuit flagship site – and is being served by circuit corridors and a circuit service center.

- Circuit service center – an area that serves as the gateway and service center of the circuit. Its functionality is similar to that of a major service center, though on a smaller scale.
- Circuit corridor – it refers to the infrastructure system that connects the various tourist sites within the circuit.
- Circuit flagship site – the site where the circuit's identified primary attraction is situated. Ideally, it must be complementary to the cluster's tourism brand.

3.1.1.3. Tourist Site Level

The tourist site is the basic planning unit for tourism. As defined in the NTDP, it is a place that tourists come to see and experience which may be an existing natural attraction, natural scenic beauty, or man-made attraction.

3.1.2. Competitive Advantages

The competitive advantages relate to the destination's ability to use its resource endowments (comparative advantages) effectively over the long-term (Crouch & Ritchie, 1999). It generally includes the marketing and institutional aspects of cluster development.

- Destination Management – includes public-private tourism associations that may conduct related activities, such as marketing and promotions, industry training programs, standardization of operations, developing tourism plans, implementing safety and security measures, etc (Fernando & Long, 2012).
- Innovation focus – refers to product/service/tourism experience differentiations or innovations (Fernando & Long, 2012).
- Demand Conditions – According to Fernando & Long (2012), there are three main attributes that affect demand: awareness, perception, and preference. They noted that awareness may be generated through marketing activities while perception is seen to influence visitation. Visitation, the authors added, may also be a result of tourists matching their product/service preferences to the perceived offerings of destinations.
- Internal Planning Conditions – This factor is an addition to the study to the discussion on tourism cluster planning. This follows the direction contained in the Tourism Guidebook for LGUs to ensure the alignment of tourism development plans with the overall development plans (DOT et al., 2014).

The bi-directional arrows linking the comparative and competitive advantage components show causal links.

3.1.3 Geohazards

This refers to the hazards posed by the physical environment in which the cluster operates. This is partly related to the — physiography factor in Crouch & Ritchie's (1999) model. While the authors' model lumps physiography together with other tourism resources and attractors, it instead highlights the importance of considering geohazards in planning.

3.1.4 External Situational Conditions

According to Fernando & Long (2012), situational conditions are forces in the external environment (including economic, social, political, technological, and competitive trends) that present both threats and opportunities.

3.2 Analytical Framework

The study began with the identification and description of the factors of the cluster's four components: comparative advantages, competitive advantages, geohazards, and external situational conditions. In this study, factors of Comparative Advantages include inherited, created, and supporting resources. The data were drawn from secondary sources, internet searches, 4 key informant interviews (KIIs), 2 focus group discussions (FGDs), and maps.

Based on the data, the following outputs were produced and analyzed: an inventory of tourist sites; the estimated number of tourism-related establishments by category and LGU; a road network map; and a map showing tourist sites and the transport network.

For the factors under the components of Competitive Advantages, such as Destination Management (which includes governance institutions, marketing and promotions, tourism workforce development activities, quality standards, and safety and security) and Innovation Focus (which includes product or service differentiations and tourism experience innovations), data from secondary sources, KIIs, and FGDs were used to describe and provide a narrative of these factors.

For the Internal Planning Conditions, data were based on the local development plans of the LGUs. Meanwhile, for Demand Conditions, which include domestic tourists' awareness and perceptions of the tourism offerings within the cluster, and their tourist activity preferences, data were derived through an online survey. In this survey, Filipino travelers residing in the country were used to reveal local demand conditions.

For Geohazards, an assessment was conducted based on the multi-hazard map and its overlay with tourist sites and the transport network. Lastly, External Situational Conditions, such as economic, socio-political, technological, and competitive trends, were described/ narrated based on secondary data, KIIs, and FGDs.

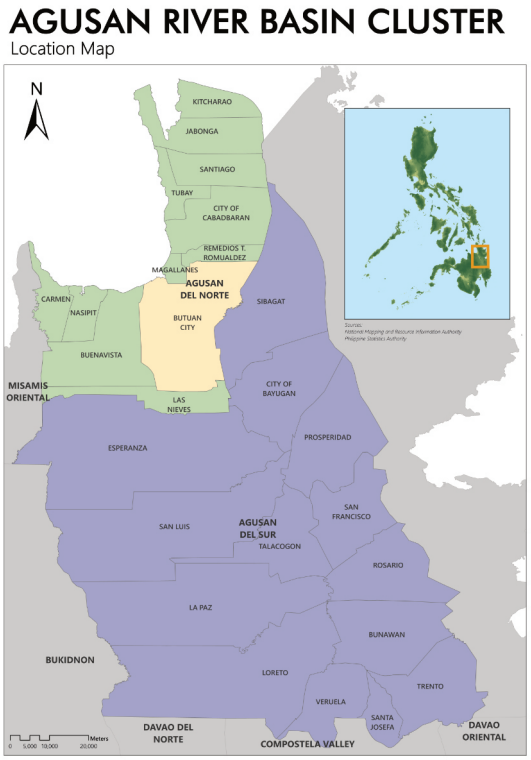
After gathering all the aforementioned data, analyses of interactions among the factors within the components of the components' comparative and competitive advantages were conducted to uncover spatial and policy/development implications. An analysis of inter-component interactions then followed to reveal spatial and policy/development implications.

Based on the spatial and policy/development implications, the spatial plan and policy and development recommendations were then made, and taken together, these form the cluster development plan.

4. Case Study Area

Identified in the NTDP 2016-2022, the Agusan River Basin (Southern Philippines - 2, or SP-2) is one of the two tourism clusters in the Caraga Region, one of the Philippines' administrative regions located on the north-eastern side of the southern island of Mindanao. It is composed of the provinces of Agusan del Norte and Agusan del Sur and Butuan City. Its name is derived from the mighty waterway that traverses the said provinces and city – the Agusan River.

Discussions about the Agusan River Basin Cluster will never be complete without retelling its long and colorful history. This becomes more imperative for this study as many of the tourism assets in the cluster are anchored on its rich cultural heritage. The whole Agusan River basin, which was once collectively referred to as Butuan, prides itself on being the center of pre-Hispanic civilization in the Philippines. While the Agusan River Basin has been one of the earliest sites of Spanish colonization and Christianization in Mindanao, its indigenous cultural communities still thrive, particularly in its lush mountainous regions. Among its original inhabitants are the Manobos, Mamanwas, and Higaonons, Mandaya, and Talaandigs (DOT Caraga, 1999).



Source: Author's Construct

Figure 3. Location Map of the Agusan River Basin Cluster

The cluster offers a variety of sites that cater to various tastes and interests of tourists. What is interesting in the cluster is the diversity of natural resources that could allow it to offer activities from "ridges-to-reefs." This would range from trekking to the highest peak in Caraga Region - Mt. Hilong-hilong, to enjoying the unique landscape of Agusan Marsh, to cruising along the mighty Agusan River or the majestic Lake Mainit, to relaxing in the cold waters of Bega Falls, and finally, diving into the coral reefs in Butuan Bay. Adding to its appeal is the array of prehistoric sites, which could possibly be among its unique selling propositions to tourists.

While the cluster is rich in ecotourism and cultural sites, it can be noted that its visitor arrivals fare poorly compared to its relatively more popular neighboring cluster in the region − the Surigao and Dinagat Islands cluster (SP-1), which is composed of Surigao del Norte, Surigao del Sur, and Dinagat Islands. In 2018, the number of tourist arrivals in SP-1 was 856,506 while that of SP-2 was 627,911. This means that SP-2 accounted for only 42% of the region's tourist arrivals.

In addition, while the percent of the regional total for SP-2 increased from just 31% between 2015 and 2018, it decreased year-on-year between 2017 and 2018. The 2018 growth for SP-1 (12.75%) is also higher than that of SP-2 (7.2%). Compared with all other clusters nationwide in terms of tourist arrivals, the Agusan River Basin ranks a lowly seventeenth out of the nineteen clusters (with available data). It only bested the other two clusters, each composed of a single province: CP-3 (Palawan) and NP-1 (Batanes).

5. Results and Discussion

5.1 Cluster Factors

5.1.1 Comparative Advantages

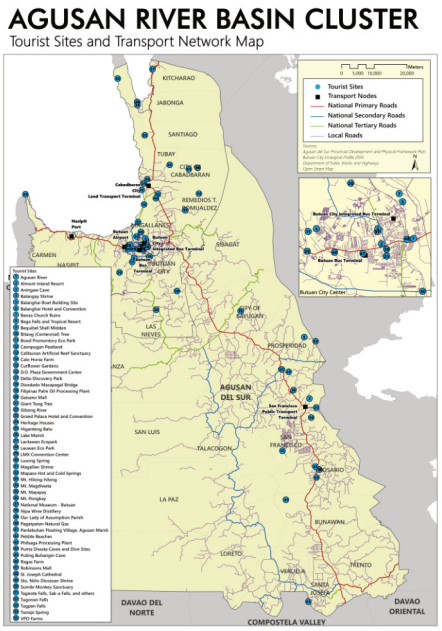
It was identified that natural and cultural endowments are the major tourism assets of the cluster. It was, however, noted that modern forms of tourism are not among the core strengths of this cluster, with only a limited number of these forms of created resources (e.g., MICE and shopping). Regarding supporting resources, it was found that tourism-related establishments are heavily concentrated in Butuan City. At the same time, for transportation and infrastructure, Bancasi Airport in Butuan City was identified as the primary air gateway of the cluster. In addition, road networks indicate that the cluster is well connected to neighboring areas; nonetheless, roads are being constructed to further improve internal circulation.

5.1.2 Competitive Advantages

The study on the factor destination marketing revealed some institutional gaps in the cluster. Under governance institutions, the lack of dedicated tourism offices and approved tourism development plans was prevalent in the cluster's LGUs. More importantly, there is no cluster governance mechanism to oversee or direct the cluster's development. On marketing and promotions, it was pointed out that the LGUs intend to develop their areas into cultural and adventure tourism destinations. Unfortunately, promotional activities done by the LGUs are very limited.

In terms of workforce development, Butuan City was identified as having the largest number of Senior High Schools, TESDA-registered TVET providers, and higher education institutions that offer tourism-related competencies/courses. Among the specializations, food and beverage services, cookery, and bread and pastry production are the most offered. Under the quality standards, the DOT's accreditation system is being enforced in the cluster; however, only a few tourism establishments are accredited due to the system's supposed strict standards and the lack of DOT personnel to conduct validation. On safety and security, the issue of insurgency and the overall unfavorable security image of Mindanao appeared to be highly detrimental to the tourism industry in the cluster.

Under the second factor of competitive advantages, innovation focus, it was revealed that the level of innovation is low, having a limited number of tourism products that may be considered innovative. In fact, key informants and discussants had difficulty identifying innovations or product/service differentiations in the Agusan River Basin cluster.



Source: Author's Construct

Figure 4. Tourist Sites and Transport Network Map of the Agusan River Basin Cluster

Meanwhile, the analysis of the third factor, internal planning conditions, showed that the LGUs are aligned in terms of development goals, as they pursue the attainment of sustainable and inclusive development and the implementation of disaster risk reduction and climate change adaptation initiatives.

Regarding the last factor, demand conditions, results from the online survey of 269 respondents revealed that awareness of the cluster as a tourism destination was very low; however, most respondents had a positive perception of the cluster. In terms of preferred or usual tourism activities, the cluster's offerings align with respondents' preferences, with many gravitating towards nature-based tourism, cultural tourism, sun and beach, and diving and other marine sports.

5.1.3 Geohazards

It was noted that many of the historical sites in Butuan City and Cabadbaran City, the areas adjacent to Lake Mainit and the Agusan Marsh, and most of their connecting infrastructure are vulnerable to flooding. Fortunately, only a few sites are exposed to landslide hazards such as Brgy. Puting Bato in Cabadbaran City, Tagnote Falls in RTR, and Bega Falls and Resort in Prosperidad.

5.1.4 External Situations

The discourse on economic and socio-political factors that could affect tourism development in the cluster centered on the rise of Chinese tourists, the rise of protectionism, increase in terrorism, and disease outbreaks. Meanwhile, for technological conditions, the power of information technology to drive and transform the tourism industry was highlighted. About competitive trends, it was presented that destination managers should consider the rise of cruise holidays and the increasing competition in developing destinations.

Based on the study of the cluster factors, two-level analyses of their interactions with other factors were conducted to reveal spatial, policy, and development implications. The first level of analysis focused on the components 'comparative advantages' and 'competitive advantages', while the second examined inter-component interactions. Through these analyses, cluster elements in the Agusan River Basin such as the gateway, service centers, corridors, and flagship sites were identified. These were also critical in uncovering marketing and institutional issues that need to be addressed in order to operationalize cluster development. The spatial, policy, and development implications identified in this part served as the basis for the spatial plan and the policy and development recommendations formulated.

5.2 Spatial Strategy Elements

Based on the analysis of the cluster factors, spatial strategy elements were then determined (refer to Figure 5):

1. Major Gateway - The Bancasi Airport may serve as the cluster's Major Gateway. It can be complemented by the two bus terminals servicing the city.
2. Major Service Center - Butuan City may serve as the Major Service Center as it hosts most of the accommodation facilities and tourism-related establishments in the cluster. Basic urban services such as water, power, medical service, and telecommunications are likewise available.
3. Cluster Corridor - The configuration of the cluster corridor varies in each spatial strategy, which will be discussed later.
4. Tourism Circuits - There are five tourism circuits in the cluster based on their tourism resources, readiness, unique features, and complementarity to the preferred branding of the cluster as an adventure-histo-cultural destination. Below are the details of each circuit:

a. Butuan City-Magallanes-Cabadbaran City Heritage Circuit – This circuit shall feature the rich historical and heritage sites of Butuan City, Magallanes, and Cabadbaran City. Its development will be a significant contribution to developing the cluster's image as a cultural destination. For Butuan City, the concentration of historic and heritage sites in the urban center and their ideal placements are too good an opportunity to miss. A route may be developed to create a compelling narrative about its history while integrating the longtime dream of establishing an Agusan River cruise using the balangay. Given this prospect, Butuan City's urban core may be designated as the Cluster Flagship Site, dubbed the Butuan City Historical Loop. Being chosen as the cluster's flagship site is based on its potential appeal, uniqueness, relevance to the cluster's theme, and scale to accommodate mass tourism. After completing the loop, the tourists may then proceed to Magallanes via the soon-to-be-completed Banza-Magallanes Road to see the Magellan Shrine and the Centennial Tree, and finally traverse to Cabadbaran City for a walking tour of its ancestral houses. This circuit complements the thrust of the Butuan City LGU to become a MICE destination, as this 1-1.5-day circuit tour can be an additional activity to prolong the stay of MICE participants.

b. Cabadbaran City Eco-Adventure Circuit – Cabadbaran City is among the fastest rising tourism destinations in Agusan del Norte. This is due to the LGU's thrust toward tourism development. Moreover, in recent years, it has been a recipient of multi-million road projects, including the Cabadbaran-Puting Bato-Lanuza Road, which led to the discovery of new sites and enhanced the connectivity of its existing tourist sites. The LGU's proposed Puting Bato EcoPark is considered the most suitable Circuit Flagship Site. With its huge area, it may be registered with TIEZA as a Tourism Enterprise Zone.

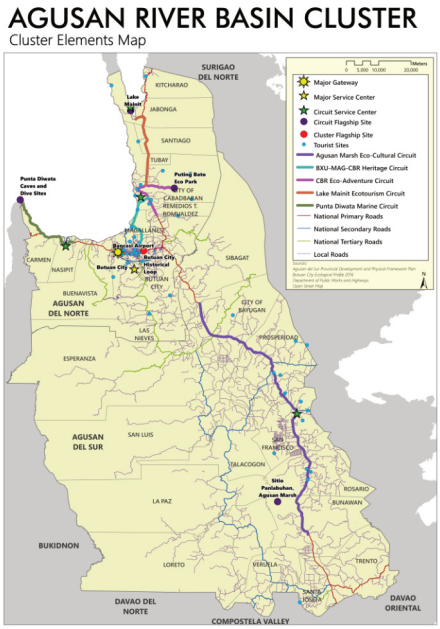
The other sites to complement the circuit are Mt. Pongkay, Higanteng Bato, Mt. Hilong-hilong, Calibunan Artificial Reef Sanctuary, and the Calo and Ragas Farms in Cabadbaran City, and the Tagnote Falls Resort in the adjacent municipality of Remedios T. Romualdez (RTR). Linking the circuit will be the route: Cabadbaran-Puting Bato-Lanuza Road to Daang Maharlika until RTR. The center of Cabadbaran City may serve as the circuit service center, hosting a number of accommodation and tourism-related establishments. The gateway will be its bus terminal.

c. Agusan Marsh Eco-cultural Circuit – This circuit, to be composed of Bayugan City, Prosperidad, San Francisco, Rosario, and Bunawan, shall be the cluster's centerpiece for eco-cultural tourism. The circuit shall highlight Agusan Marsh, a remarkable wetland that is not only rich in biodiversity and enchanting landscapes but also home to several Manobo communities, which can provide a unique cultural experience for tourists. Being among the most identifiable sites in the cluster and as one of the sites having the biggest tourism potential, the Agusan Marsh may be designated as the circuit's flagship site, with Sitio Panlabuhan as the main tourist center of this expansive wetland. However, it should be noted that tourism activities and supporting resources are very limited; thus, the development of the site may require substantial investment. For a more diverse ecotourism experience, major tourist sites in Bayugan City, Prosperidad, San Francisco, and Rosario must be developed. This includes the cutflower farms in Bayugan City, Bega Falls and Tropical Resort, and Puting Buhangin Cave in Prosperidad, as well as the Caimpugan Peatland, Mt. Magdiwata, and Aningaw Cave in San Francisco. To showcase some industries in Agusan del Sur that have become integral to the modern way of life of its people, tourists may also visit the Filipinas Palm Oil Processing Plant and the Philsaga Processing Plant. The circuit corridor shall be the Daang Maharlika from Bayugan City to Bunawan. The service center shall be San Francisco with its bus terminal as the gateway.

d. Punta Diwata Marine Circuit – Punta Diwata, Carmen − with its unique cliff-to-sea feature and beautiful dive sites that dot its surrounding waters − can serve tourists who are into sun & beach tourism and diving & marine sports tourism. It shall be the flagship site of the circuit, to be composed of Buenavista, Nasipit, and Carmen, that will complete the image of the cluster as a ridge-to-reef destination. While only Carmen has beaches that can compete with those of other destinations, Nasipit and Buenavista have also developed themselves into beach destinations that cater to local tourists. In fact, beach cottages and resorts are also scattered along their coastlines. One of the circuit's unique features is its flagship site, Punta Diwata, located at the end of the circuit corridor running from the Buenavista section of the Butuan-Cagayan de Oro-Iligan Road to the NRJ-Tagcatong-Vinapor Road. As a terminal destination, it is important to develop stopover sites that make the travel of tourists to Punta Diwata interesting and worthwhile. The circuit service center may be in Nasipit, and the circuit gateway is Nasipit Port, which may be supplemented by the bus terminal.

e. Lake Mainit Ecotourism Circuit – Among the identified tourism circuits, the Lake Mainit Ecotourism Circuit is the least developed. While it has huge potential, especially for water sports and other water-based activities, developing the area will require substantial investment. Moreover, its geographic position makes it less feasible to be incorporated into a cluster corridor alongside the othercircuits is for these reasons that this circuit may be set for future development in a separate cluster corridor. The component LGUs of this circuit are Tubay, Santiago, Jabonga, and Kitcharao. The limited availability of accommodation facilities and tourism-related establishments makes it difficult to identify a possible service center within the cluster. However, with Jabonga already able to construct the Pio Monton Great Lake Resort, which includes accommodation facilities and a floating restaurant for small meetings and gatherings, it can serve as the circuit's service center. Ongoing improvements to the lake resort, plus the provision of more watersports and water-based leisure facilities, can make it the circuit flagship site. Kitcharao, which has also been active in pursuing tourism development for Lantawan EcoPark, can help boost the formation of the circuit. It can complement the Great Lake Resort by becoming an adventure park that caters to adventure seekers and groups for team building. To support the circuit, the Mapaso Hot and Cold Springs in Santiago must be developed. Tubay must also identify a priority tourism site to ensure continuity of tourist activities, as it will be the starting point of the circuit corridor. The corridor shall be from Daang Maharlika to the NRJ-Jabonga Provincial Road, and include a proposed ferry from the Great Lake Resort to Lantawan EcoPark. It is possible, though, that this circuit be developed with the other LGUs in Surigao del

Norte that share the lake, similar to what was proposed in the old Caraga Tourism Master Plan. The Lake Mainit Development Alliance may serve as the institutional mechanism for developing this circuit.

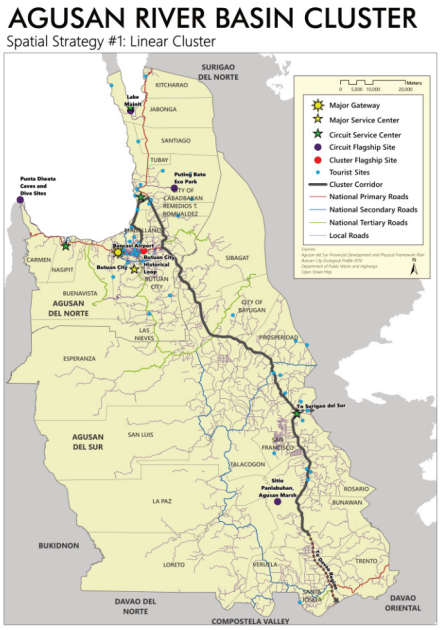


Source: Author's Construct

Figure 5. Cluster Elements Map

5.3 Spatial Strategy Options

5.3.1 Linear Cluster

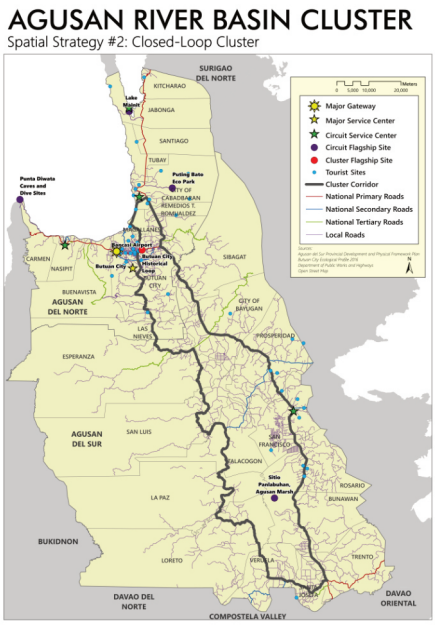


Source: Author's Construct

Figure 6. Map of Linear Cluster Strategy

This strategy connects the three generally developed circuits identified in the cluster. These are the (1) Butuan City-Magallanes-Cabadbaran City Heritage Circuit, (2) the Cabadbaran City Eco-Adventure Circuit, and the (3) Agusan Marsh Eco-cultural Circuit. However, it exits to the next cluster either in Surigao del Sur or Compostela Valley. The advantage of this strategy is that it concentrates tourist traffic in circuits that are already prepared to receive tourists. This means that the required investment will not be immense. It is also the easiest to sell to tourists since it can be packaged with Surigao del Sur or the Davao Region, thereby tapping their large tourist traffic. A disadvantage is that it excludes many LGUs, especially the riverine municipalities of Agusan del Sur and the northern and western municipalities of Agusan del Norte, from benefiting from tourism.

5.3.2 Closed Loop Cluster



Source: Author's Construct

Figure 7. Map of the Closed Cluster Strategy

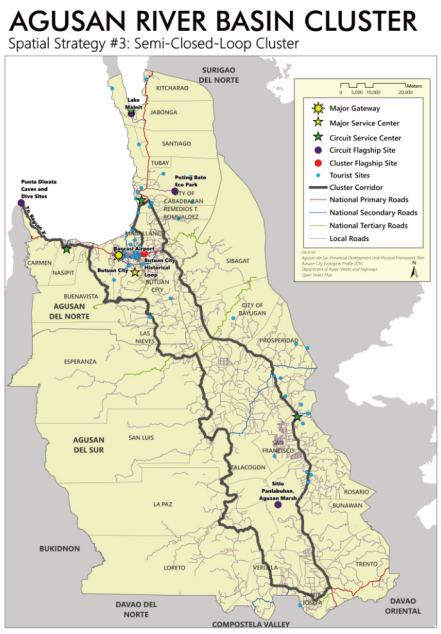
This strategy is similar to the first strategy in that it connects the three aforementioned circuits (see the figure below). However, instead of exiting the cluster, this strategy suggests proceeding to Trento, the last southern municipality of Agusan del Sur, and turning back to Butuan City via the riverine municipalities of Agusan del Sur. This strategy is considered more inclusive than the first and thus benefits more LGUs from tourism traffic.

However, aside from still excluding the northern and western municipalities of Agusan del Norte, another disadvantage is the lack of major tourist sites in the riverine municipalities of Agusan del Sur and the poor road network in that section. Meaning, huge amounts of investments are needed to make this strategy viable.

Nevertheless, if the cluster destination managers wish to adopt this strategy, they may tap the area's agricultural and cultural resources to create tourist sites to form an agri-cultural circuit. One possible development could be the construction of a Manobo-themed eco-park that will cater to culture-based, MICE, and health & wellness tourism. It may feature modernized versions of Manobo houses that can serve as accommodation or health & wellness facilities, as well as a Manobo Tribal Hall-like facility for MICE.

In line with the agritourism circuit envisioned in the tourism development plan for Agusan del Sur's southern LGUs, it is suggested that a large-scale agritourism site be developed to set it apart from other sites. Equally important, too, is the completion of the improvement of the road networks in the riverine municipalities of Agusan del Sur. These suggestions are in line with the Provincial Tourism Plan's thrust to develop an Agro–Industrial Tourism Circuit and a Cultural and Historical Tourism Circuit in this section of the province.

5.3.3 Semi-closed Loop Cluster



Source: Author's Construct

Figure 8. Map of the Semi-Closed Cluster Strategy

This strategy is similar to the second strategy, but instead of ending in Butuan City, it will have an extension to connect to the fourth circuit – the Punta Diwata Marine Circuit. Among the three strategies, this is the most inclusive and offers the most diverse set of tourism activities, albeit it still leaves out the northern municipalities of Agusan del Norte. In addition, it may also be packaged together with the other famous destinations in Region X, including Claveria and Duka Bay Resort in Misamis Oriental and Camiguin. However, similar to the second strategy, its disadvantage is still the "tourism deadspot" along the riverine municipalities of Agusan del Sur. There will also be another deadspot in the mountainous barangays of Buenavista; thus, there will be a need to develop sites in these areas. To address this, LGUs may work together with DENR to develop an ecotourism site near Mt. Mayapay.

5.3.4 Selection of Spatial Plan

Based on the comparison of the three spatial strategies, it was determined that the Linear Strategy is the most advantageous since the circuits are already prepared for tourism. However, if looking at the cluster's development from a more long-term perspective, the Semi-Closed-Loop Strategy is the most ideal not only because it offers the most diverse activities to tourists but also because it is the most inclusive among the three options. Nonetheless, since the spatial strategies are inter-connected, it is possible that the Linear Cluster development may be pursued in the short-term so that resources will be focused on developing the cluster flagship site and the flagship sites of the Cabadbaran City Eco-Adventure Circuit and the Agusan Marsh Eco-cultural Circuit. Once these are able to generate substantial tourist traffic and revenues, the Semi-Closed- Loop Cluster development may then be operationalized.

5.4 Policy and Development Recommendations

On governance institutions, the study highlighted the importance of establishing a cluster-level governance mechanism. It likewise noted that LGUs hosting the flagship sites or performing the role as service center must have competent tourism offices. The said LGUs must also have approved tourism development plans that are anchored on CDRA. On marketing and promotions, a cluster-level approach may be considered, especially since the LGUs have complementary sites that may be packaged together to promote the cluster as an adventure-historical-cultural destination.

In line with this, staff of tourism offices must be capable of developing and managing these types of tourism sites, and the tourism workforce must also be trained to provide services that will support related activities, such as tour guiding.

Innovation in tourism development must also be given importance. As such, it is suggested that various sectors and disciplines must be involved in the planning and development of the cluster's sites and products. With tourism at its infancy stage, the cluster can start right by focusing on sustainability at the onset of development to set it apart as a sustainable tourism destination. This can be done by setting the carrying capacity in each destination. In line with this, there has to be a change in mentality from targeting high tourist numbers to maximizing tourism expenditures by lengthening visitor stay, expanding the tourism product portfolio, and creating auxiliary tourism products (ex. souvenirs and delicacies).

There is also a need to heighten visitor awareness of the cluster through intensified promotional activities. It is proposed that these activities must be directed towards domestic travelers because this market is growing rapidly and open to novel destinations. The cluster may also adopt the integration of local tourism in basic education in order to develop more tourism ambassadors among the youth.

There is likewise a need to strengthen the campaign for the accreditation of tourism-related establishments. There must also be efforts in ensuring the implementation of safety guidelines, conduct of safety trainings for front-liners, training of more TOPCOPs, and the integration of the security sector in cluster governance. In accident- and hazard-prone areas, protection structures must also be constructed or completed.

5.5 Tourism Cluster Development Planning Process

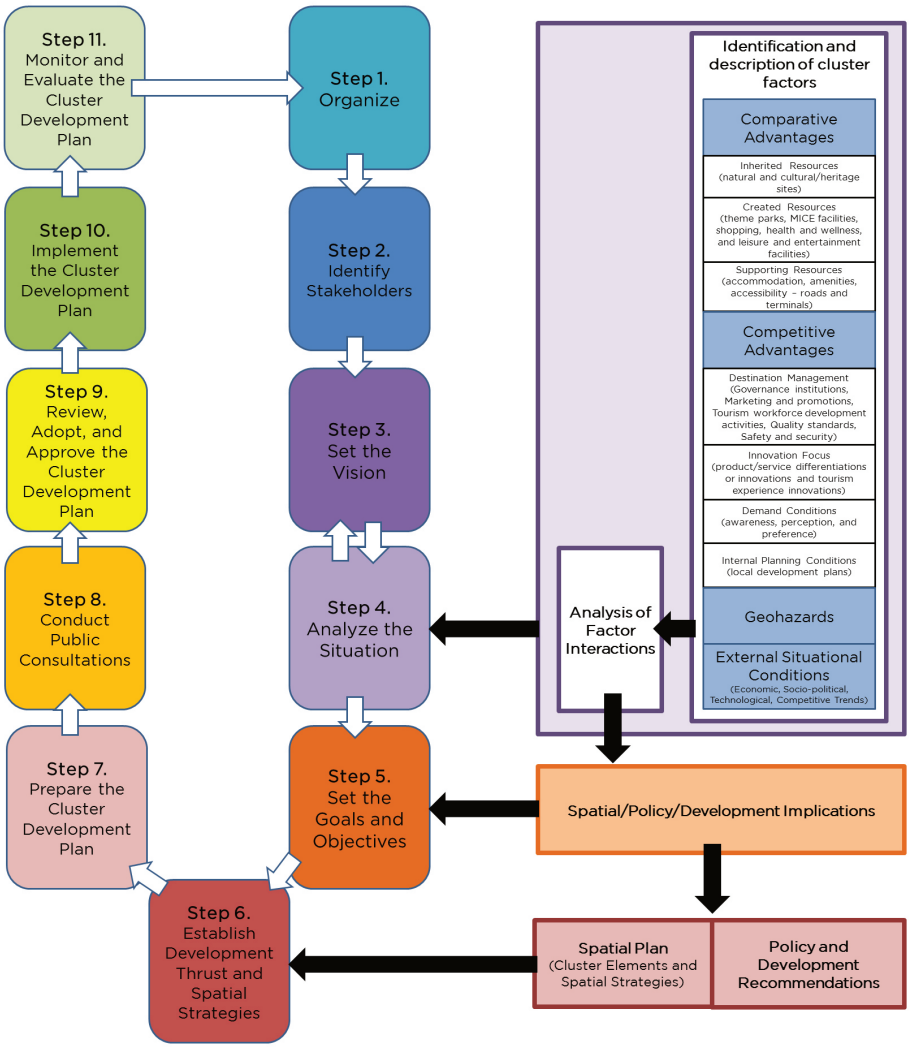
To present the applicability of Tourism Cluster Development in tourism planning, the study developed a framework by integrating it into the established spatial planning process in the Philippines. With the irrefutable spatial nature of tourism development, it is practical and logical to incorporate the said framework into the planning process set by the HLURB (2013) to make it more instructive and relevant for planners.

The planning process shall start with the organization of people, resources, and other support systems necessary in the planning process (Step 1). Ideally, this will be the part when the cluster governance organization will be established. Following this is the identification of stakeholders (Step 2). This is when government agencies, tourism industry players, NGOs, POs, and representatives of local communities are engaged. Workshops then begin with either the setting of the cluster's vision (Step 3) or the analysis of the situation (Step 4). Steps 3 and 4 are interchangeable.

The incorporation of the Tourism Cluster Development Planning Process begins in Step 4. The identification and description of the cluster factors and the analyses of their interactions can help in determining the current state of the cluster as well as its potential for tourism.

The spatial, policy, and development implications derived from the analyses of factor interactions may then serve as the basis for the formulation of goals and objectives in Step 5; and the determination of theobjectives in Step 5; and the determination of the spatial plan and policy recommendations after processing the said spatial, policy, and development implications shall follow in Step 6. Afterward, the preparation of the cluster development plan will ensue (Step 7).

Once the tourism cluster development plan is drafted, public hearings and consultations will be conducted (Step 8). Thereafter, the cluster governance organization shall comprehensively review and subsequently approve the cluster development plan (Step 9). With an approved tourism cluster development plan, its strategies will then be implemented by the concerned LGUs, agencies, etc. (Step 10); and the plan's implementation will then be regularly monitored and evaluated in preparation for the next planning cycle.



Source: Author's Construct

Figure 9. Integration of the Tourism Cluster Development Planning Process

6. Conclusion

Through this study, key facets of tourism cluster development were revealed. First, tourism cluster development was presented to be a distinct spatial strategy for tourism development. Drawing from the lessons from the literature and application in the series of Philippine tourism development plans, this study was able to translate the concept of tourism cluster development into an operational spatial planning framework.

This framework embodies the commonly agreed-upon characteristics of a tourism cluster – synergy, linkages, and interdependence – so as to bring more practical meaning to this concept for tourism planners. Through the identification of gateways, service centers, corridors, circuits, and flagship sites, various tourism-related sectors in a particular geographical space are interwoven to form one functional unit. This supports spatial planning as a tool for organizing supply-side elements of tourism (Aleksandar et al, 2017).

Second, tourism cluster development highlights the importance of prioritization. This best manifests the benefit of spatial planning, which was enriched by the analysis of the four key components in this study, as a coordinating mechanism that focuses attention on spatiality and spatial effects in investment and other decision-making exercises for multi-actor developments that may extend over many years across spatial scales and tiers of governance (Chettiparamb & Thomas, 2012). With the identification of cluster elements, it now becomes easier to pinpoint which tourist sites and supporting resources must be prioritized in terms of human and capital investments.

For instance, destination managers must ensure the full and sustainable development of cluster and circuit flagship sites to turn them into tourist magnets. As such, these sites can help boost local income and economy, as well as disperse more tourists to the other sites, thus distributing the benefits of tourism to more communities. The service centers, meanwhile, should be equipped with necessary and quality facilities and establishments that will allow them to serve the needs of tourists.

Identifying cluster and circuit corridors likewise guides which transportation networks must be developed, strengthened (especially in hazard-prone areas), and properly maintained at all times. All these have significant policy implications, especially for the existing programs of the DOT. For the DOT-DPWH Tourism Road Infrastructure Program, this approach suggests that, instead of merely constructing and rehabilitating tourism roads and then leaving their maintenance to LGUs, such maintenance must be included for corridors and roads leading to flagship sites, at a minimum. For DOT's convergence with the DoTr, they must prioritize improving the capacity of cluster and circuit gateways, including airports, seaports, and bus terminals. TIEZA may also consider the development of TEZs in flagship sites or prioritize them for funding.

Third, the framework for tourism cluster development highlights the importance of innovation. While Nordin (2003) regretted that "tourism innovation has been of limited political consideration and it has not played a decisive part in research," in this study, it was given the same weight as the other usual factors such as destination management. As innovation was identified to be crucial in boosting competitiveness, it becomes important to nurture a creative environment for destination managers, as well as to tap on the oftentimes unutilized treasures found in culture and arts.

Fourth and last, this research gives emphasis on geohazards in the discussion and study of cluster tourism development. Natural hazards, compounded by the threat of climate change, should not be treated as a mere side note in tourism planning; rather, destination managers must incorporate comprehensive geohazard and climate change vulnerability assessments in their tourism plans.

7. Recommendation for Further Studies

This study is an addition to the limited literature delving into the application of cluster theory in tourism development. As such, it helps in building a tourism cluster development framework that can actually be employed by destination managers in their respective areas. However, as a case study, it is recommended that more studies be conducted applying the tourism cluster development planning process used in this research to other clusters identified in the NTDP.

Among those that also need to be explored or studied are the parameters to be used in determining the scope of a cluster as a planning unit when it is used to subdivide larger spatial units (ex. country or region). A study on a Climate and Disaster Risk Assessment (CDRA) at the tourism cluster level may also be helpful for destination managers. With the Coronavirus Disease (COVID-19) pandemic that wreaked havoc on the industry, the implications of pandemics for cluster development may also be explored.

While this endeavor is more of an academic exercise to reveal gaps in knowledge and practice, the research output is almost akin to a tourism development plan in which the spatial and policy/development recommendations may also be incorporated in the tourism development plans of the cluster's LGUs.

References

Alampay, Ramon Benedicto A, and Ludwig G Rieder. "Developing Tourism in the Greater Mekong Subregion Economic Corridors." Journal of Greater Mekong Subregion 4 (2008): 59–76. https://pdfs.semanticscholar.org/cdb4/6093324b37160dbb884d4ec0ee006f01966e.pdf.

Alampay, Ramon Benedicto A, Miguela M Mena, and Victoria H Villegas. "Tourism Circuit Planning for Subnational Tourism Development in the Philippines." Essay. In Managing Asian Destinations. Perspectives on Asian Tourism, edited by Ying Wang, Aishath Shakeela, Anna Kwek, and Catheryn Khoo-Lattimore, 35–53. Singapore: Springer, 2018. https://doi.org/10.1007/978-981-10-8426-3_3.

Aleksandar, Lugonja, Knezevic Marija, and Grumo Rosalina. —The Role of Spatial Planning for Sustainable Tourism Development in Bosnia and Herzegovina.‖ Business Studies 9, no. 17–18 (2017): 271–84. https://doi.org/10.7251/POS1718271L.

Boiko, Margarita, Myroslava Bosovska, Nadiia Vedmid, Svitlana Melnychenko, and Alla Okhrimenko. "Development of the Tourism Cluster." Problems and Perspectives in Management 15, no. 4 (2017): 134–49. https://doi.org/10.21511/ppm.15(4).2017.12.

Brown, Ross. "Cluster Dynamics in Theory and Practice with Application to Scotland." Regional and Industrial Policy Research Paper, March 2000. https://www.eprc-strath.eu/public/dam/jcr:ff4a3516-fab1-4875-887a-fb1cc44491dab/R38%20Clust%20Dynam%20in%20Theory%20&%20Pract%20-%20Scot.pdf.

Bunghez, Corina Larisa. "The Importance of Tourism to a Destination's Economy." Journal of Eastern Europe Research in Business and Economics, 2016, 1–9. https://doi.org/10.5171/2016.143495.

Calero, Claudio, and Lindsay W Turner. "Regional Economic Development and Tourism: A Literature Review to Highlight Future Directions for Regional Tourism Research." Tourism Economics 26, no. 1 (2019): 3–26. https://doi.org/10.1177/1354816619881244.

Chettiparamb, Angelique, and Huw Thomas. "Tourism and spatial planning." Journal of Policy Research in Tourism, Leisure and Events 4, no. 3 (2012): 215–220. DOI:10.1080/19407963.2012.726157.

Choe, K., and A. Laquian. City Cluster Development: Toward an Urban-Led Development Strategy for Asia. Manila: Asian Development Bank, 2008.

Crouch, Geoffrey I, and J.R.Brent Ritchie. "Tourism, Competitiveness, and Societal Prosperity." Journal of Business Research 44, no. 3 (1999): 137–52. https://doi.org/10.1016/s0148-2963(97)00196–3.

Cruz, Sara C. S., and Aurora A. C. Teixeira. "The Evolution of the Cluster Literature: Shedding Light on the Regional Studies–Regional Science Debate." Regional Studies 44, no. 9 (2009): 1263–88. https://doi.org/10.1080/00343400903234670.

Cunha, Sieglinde Kindl Da, and João Carlos Da Cunha. "Tourism Cluster Competitiveness and Sustainability: Proposal for a Systemic Model to Measure the Impact of Tourism on Local Development." BAR - Brazilian Administration Review 2, no. 2 (2005): 47–62. https://doi.org/10.1590/s1807-76922005000200005.

Dam, Supriya. "Tourism Circuit Development in Peripheral Destinations: Case of Tripura, India." Atna - Journal of Tourism Studies 11, no. 2 (2016): 1–15. https://doi.org/doi.org/10.12727/ajts.16.1. \

Daniels, Margaret J. "Central Place Theory and Sport Tourism Impacts." Annals of Tourism Research 34, no. 2 (2007): 332–47. https://doi.org/10.1016/j.annals.2006.09.004.

Department of Tourism (DOT), National Tourism Development Plan 2016-2022 § (2016).

———, Philippine Tourism Master Plan § (1991).

———. "Tourism Demand Statistics." Department of Tourism. Accessed October 6, 2019. http://tourism.gov.ph/tourism_dem_sup_pub.aspx

Department of Tourism Caraga Region (DOT Caraga), Caraga Tourism Master Plan.§ (1999).

Department of Tourism, Department of the Interior and Local Government, Department of Environment and Natural Resources, and Development Academy of the Philippines, Tourism Guidebook for Local Government Units § (2014).

Dwyer, Larry, and Chulwon Kim. "Destination Competitiveness: Determinants and Indicators." Current Issues in Tourism 6, no. 5 (2003). https://pdfs.semanticscholar.org/9cd3/1126d7634a74522e57b272b6a549cca79f0c.pdf.

Estêvão, Cristina Maria Santos, and João J Ferreira. "The Tourism Clusters Role in Regional Development: Presenting a Competitiveness Conceptual Model." Tourism Destination Development and Branding Eilat 2009 Conference Proceedings, 2009, 127–39. https://repositorio.ipcb.pt/bitstream/10400.11/1479/1/tourism.pdf.

Fernando, Imali N., and Wei Long. "New Conceptual Model on Cluster Competitiveness: A New Paradigm for Tourism?" International Journal of Business and Management 7, no. 9 (2012). https://doi.org/10.5539/ijbm.v7n9p75.

Feser, Edward. "Old and New Theories of Industry Clusters." Essay. In Clusters and Regional Specialisation, edited by Michael Steiner, 18–40. London: Pion. Accessed September 30, 2018. https://www.researchgate.net/publication/273754939_Clusters_and_Regional_Specialisation_On_Geography_Technology_and_Networks.

Fundeanu, Daniela Doina. "Innovative Regional Cluster, Model of Tourism Development." Procedia Economics and Finance 23 (2015): 744–49. https://doi.org/10.1016/s2212-5671(15)00501–8.

Grobbelaar, Sara. Urban Patterns for a Green Economy. Nairobi: United Nations Human Settlements Programme, 2012.

Gryszel, Piotr, Daria E Jaremen, and Andrzej Rapacz. "Tourism Clusters as the New Form of Tourism· Destination Cooperation," 2012. https://depot.ceon.pl/bitstream/handle/123456789/3200/tourism_clusters_as_the_new_form_of_tourism_destination_cooperation.pdf?sequence=1&isAllowed=y.

Hjalager, Anne-Mette. "Tourism Destinations and the Concept of Industrial Districts." Tourism and Hospitality Research 2, no. 3 (2000): 199–213. https://doi.org/10.1177/146735840000200302.

Housing and Land Use Regulatory Board, CLUP Guidebook (Vol. 1) § (2016).

Kachniewska, Magdalena. "Towards the Definition of a Tourism Cluster." Journal of entrepreneurship, management and innovation, 3, 9, no. 1 (2013): 33–56. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2410446.

Marco-Lajara, Bartolomé, Enrique Claver-Cortés and Mercedes Úbeda-García. "Business Agglomeration in Tourist Districts and Hotel Performance." International Journal of Contemporary Hospitality Management 26, no. 8 (2014): 1312–40. https://doi.org/10.1108/ijchm-07-2013-0319.

Meyer, Dorothea. "Key Issues for the Development of Tourism Routes and Gateways and Their Potential for Pro-Poor Tourism," April 2004. https://www.researchgate.net/publication/242371864_Key_issues_for_the_development_of_tourism_routes_and_gateways_and_their_potential_for_Pro-Poor_Tourism.

Miller, Mark M, and Lay James Gibson. "Cluster Based Development in the Tourism Industry: Putting Practice into Theory." Applied Research in Economic, Development, 2005, 47–63. https://pdfs.semanticscholar.org/8167/f77ba6099b340c529da5a2beec07b734a578.pdf.

Motoyama, Yasuyuki. "What Was New About the Cluster Theory?" Economic Development Quarterly 22, no. 4 (2008): 353–63. https://doi.org/10.1177/0891242408324373.

Nordin, Sara. Tourism Clustering & Innovation: Paths to Economic Growth & Development. Östersund, Sweden: European Tourism Research Institute (ETOUR), 2003. http://www.diva-portal.org/smash/get/diva2:352389/FULLTEXT01.pdf.

Novelli, Marina, Birte Schmitz, and Trisha Spencer. "Networks, Clusters and Innovation in Tourism: A UK Experience." Tourism Management 27, no. 6 (2006): 1141–52. https://doi.org/10.1016/j.tourman.2005.11.011.

Overseas Development Institute. Briefing Paper. Tourism Business and the Local Economy: Increasing Impact through a Linkages Approach, 2006. https://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/4569/tourism%20business.pdf?sequence=1.

Park, Sangwon, Yang Xu, Liu Jiang, Zhelin Chen, and Shuyi Huang. "Spatial Structures of Tourism Destinations: A Trajectory Data Mining Approach Leveraging Mobile Big Data." Annals of Tourism Research 84 (2020): 102973. https://doi.org/10.1016/j.annals.2020.102973.

Peric, V. (2005). "Tourism and Globalization." In Proceedings of the 6th International Conference of the Faculty of Management Koper Congress Centre Bernardin, Slovenia, November 24-26, 2005, 33–41. http://www.fm-kp.si/zalozba/ISBN/961-6573-03-9/peric.pdf

Porter, Michael E. "The Competitive Advantage of Nations." Harvard Business Review 68, no. 2 (1990): 73–91. http://economie.ens.psl.eu/IMG/pdf/porter_1990_-_the_competitive_advantage_of_nations.pdf.

———. "Locations, Clusters, and Company Strategy." Essay. In Oxford Handbook of Economic Geography, edited by Gordon L Clark, Maryann P Feldman, and Meric S Gertler, 253–74. Oxford: Oxford University Press, 2000. https://books.google.com.ph/books?hl=en&lr=&id=TzZ_oByXYhkC&oi=fnd&pg=PA253&dq=porter%20cluster%20theory&ots=x4s3nQ1Hfr&sig=mlV9iQslXnbjJ06BTN2echEfVbA&redir_esc=y#v=onepage&q=porter%20cluster%20theory&f=false.

Raines, Philip. Developing Cluster Policies in Seven European Regions. University of Strathclyde, European Policies Research Centre, 2000. https://www.researchgate.net/profile/Philip_Raines/publication/252049345_Developing_Cluster_Policies_in_Seven_European_Regions/links/555f385808ae86c06b62823e/Developing-Cluster-Policies-in-Seven-European-Regions.pdf.

Rahmafitria, Fitri, Heru Purboyo, and Arief Rosyidie. "Agglomeration in Tourism: The Case of SEZs in Regional Development Goals." MIMBAR : Jurnal Sosial dan Pembangunan 35, no. 2 (2019): 342–51. https://doi.org/10.29313/mimbar.v35i2.4871.

Rocha, Hector O. "Entrepreneurship and Development: The Role of Clusters." Small Business Economics 23, no. 5 (2004): 363–400. https://doi.org/10.1007/s11187-004-3991-8.

Sambrook, Richard, Brian Kermath, and Robert Thomas. "Tourism Growth Poles Revisited: A Strategy for Regional Economic Development in the Dominican Republic." Yearbook (Conference of Latin Americanist Geographers) 20 (1994): 87–96. https://www.researchgate.net/publication/236035308_Tourism_Growth_Poles_Revisited_A_Strategy_for_Regional_Economic_Development_in_the_Dominican_Republic.

Zhao, Lei, and Yufeng Dong. "Tourism Agglomeration and Urbanization: Empirical Evidence from China." Asia Pacific Journal of Tourism Research 22, no. 5 (2017): 512–23. https://doi.org/10.1080/10941665.2016.1277545.