This article aims to critically analyze the impacts of tourism on local development, from the study of the formation of the Tourism Cluster of Santa Teresa in Rio de Janeiro, Brazil. The theoretical framework that supports the analysis is concerned with the idea of a territory as an expansion area, productive settlements, local development and tourism. The methodology of the study involved the use of field research; and data was collected through direct observation and semi-structured interviews. Local players involved in the cluster were interviewed: businesses, residents, representatives from neighborhood associations, the government and NGOs. The analysis showed that local actors identify the role of the tourist cluster and the potential of the territory with local development. However, some aspects related to the performance of the cluster such as the cooperation between individual entrepreneurs, the integration of different actors of the district -particularly as regards the participation of government- and the quest for sustainable development are at a very early stage. Depending on the elements described, the performance of the cluster rather focuses on the economic and social development of the neighborhood.

KEY WORDS: local development; tourism; productive cluster; Santa Teresa/ Rio de Janeiro.