

Evolution of Tourism in the Rural Area of the Southern of Rio Grande do Sul, Brazil

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ABSTRACT

Rural property owners open their doors to tourism for several reasons. In part it is due to the failure in achieving agricultural profits. Thus, receiving tourists can increase income, add value to the property, and diversify economic activity. On the other hand, agritourism and rural tourism create new opportunity which does not depend exclusively on agricultural production. Furthermore, this reflects a new agrarian reality, a transition from an 'agricultural' to a 'rural' economy. The goal of this study is to identify the potential of rural properties in the southern of Rio Grande do Sul, Brazil, in order to develop agritourism and rural tourism as an economic alternative. More specifically, we propose to identify the characteristics of tourism activities at several properties and evaluate the economic viability, employment opportunities and salary growth between 1997 and 2006. There has been ongoing research in this area since 2006 and new studies are being carried out, especially regarding rural tourism property turnover, although they are not the object of the current study. The results of this study infer that the southern of the state presented unfavorable outcomes regarding income and job creation on the farms that practiced agritourism and rural tourism. Current trends emphatically focus on these kinds of tourism as alternatives for developing the services sector in the Southern Half rural areas and, while there is visible potential, it is necessary to develop projects and procure the participation of the government and private sector in order to make tourism in rural areas more effective. There are many activities that can be carried out, such as

Keywords: Agritourism; Rural Tourism; Rio Grande do Sul, Brazil.

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promoting events and attempting to change the mentality related to living in the rural areas as well as the good use of the properties in order to create a new framework.

RESUMO

Evolução do Turismo na Área Rural do Sul do Rio Grande do Sul - Os proprietários rurais abrem suas portas ao turismo por vários motivos. Em parte, se deve ao fracasso em alcançar lucro através da agricultura. Portanto, receber turistas pode aumentar a renda, o valor da propriedade e diversificar a atividade econômica. Por outro lado, o agro-turismo e o turismo rural podem criar novas oportunidades que não dependeriam exclusivamente da produção agrícola. Além do mais, isto reflete uma nova realidade agrária, uma transição de uma economia 'agrícola' para uma 'rural'. O objetivo deste estudo é o de identificar o potencial das propriedades rurais na região sul do Rio Grande do Sul, com a finalidade de desenvolver o agro-turismo e o turismo rural como uma alternativa econômica. Mais especificamente, propomos identificar as características das atividades turísticas em diferentes propriedades, para avaliar a viabilidade econômica, as oportunidades de emprego, e o crescimento salarial entre 1997 e 2006. É importante notar que este estudo está em constante modificação. Há nova pesquisa desde 2006, principalmente no que se refere à entrada e saída de propriedades que recebem turistas, mas não é o objeto do presente estudo. Os resultados do estudo sugerem que o sul do Estado apresenta uma produção desfavorável quanto à renda e criação de emprego nas propriedades que praticaram o agro-turismo e o turismo rural. As tendências atuais se concentram de forma destacada nestas variedades de turismo como alternativas para desenvolver o setor de serviços nas zonas rurais da região e, ao mesmo tempo em que há um potencial visível, é necessário criar projetos e assegurar a participação dos setores públicos e privado para tornar o turismo mais produtivo nas áreas rurais. Existe atividades que se podem desenvolver, como promover eventos e tentar mudar a mentalidade relacionada com morar na área rural, assim como o bom uso das propriedades para criar um novo modelo produtivo.

Palavras-Chave: Agroturismo; Turismo Rural; Rio Grande do Sul, Brasil.

INTRODUCTION

Rural property owners have several reasons for receiving tourists on their properties. One of the main ones is the loss in agricultural profits. Consequently, adopting tourism has the advantage of increasing rent, adding value, and diversifying economic activity. For Aguilar Criado, Merino Baena and Migens Fernandez (2003), the phenomenon of rural tourism is inserted in a larger process of reconfiguration of the rural world, regulated in Europe by the Common Agricultural Policy (CAP), which seeks diversification of rural economic activities. From this perspective, according to Figueroa (2005), the rural context changes, giving way to a variety of activities as well as encompassing an important number of diverse economic

activities, both at the secondary and tertiary levels. Furthermore, this reflects a new agrarian reality, in transition from an 'agricultural' to a 'rural' economy.

The State of Rio Grande do Sul has a population of approximately 11 million inhabitants, 2.5 million of which live in the Southern (154.000 km²) of the state. There are 108 municipalities in the south compared to 389 in the north (127.000 km²). Medium and large rural properties predominate in the south, and small properties in the north. However, the north is more economically developed due to the presence of industrial activities. Rural tourism and agritourism have also been promoted for several years in this area.

The goal of this study is to identify the potential of rural properties in the southern of the state of Rio Grande do Sul, Brazil, in order to develop agritourism and rural tourism as an economic alternative. Specifically, we propose to characterize tourism at several properties and evaluate the economic viability, employment offerings, and the evolution of salaries between 1997 and 2006. There has been ongoing research in this area since 2006 and new studies are being carried out, especially regarding rural tourism property turnover, although they are not the object of the current study.

CONCEPTUAL FRAMEWORK: Agritourism, Rural Tourism and Tourism in Rural Areas

There is an ongoing debate regarding the definition of the terms 'agritourism' and 'rural tourism' (Hernández Maestro, Muñoz Gallego & Santos Requejo 2007). Among the concepts of agritourism and rural tourism presented in this study, the most relevant for our analysis are those by Beni (2000) and Santos (2004). We use the term *tourism in rural areas* to encompass ecotourism, rural tourism and agritourism (Molera & Pilar Albaladejo 2006). On the other hand, Silva et al. (in Bovo, 2002) intended to distinguish between tourism in rural areas and rural tourism by defining three different categories: agritourism, rural tourism and tourism in rural areas. Tourism in rural areas encompasses rural tourism which in turn encompasses agritourism. Therefore, what differentiate rural tourism are the elements constituting services supply and distribution of incomes generated by each term.

According to Campagnola and Graziano da Silva (2000), **agritourism** relates to activities that generate supplemental income and employment for primary activities, which remain as the main focus of the rural property, whereas in the case of rural tourism, the main source of income derives from the services sector. Agritourism can be seen as part of a process that adds value to agricultural production and non-material goods which already exist on rural properties (landscape, clean air, etc.), using the free time of rural families and, over time, hiring external labor. Santos (2004) mentions that agritourism is the set of activities organized mostly by farmers in addition to their main activities, to which tourists are invited to join by paying for the services. For Portuguez (1999), this activity can be considered as tourism in rural areas, practiced within the property, so that people can enjoy themselves even for a short period of time by connecting to the atmosphere of life on the farm, participating in daily activities of that environment.

Moreover, Vogel (2002) states that agritourism is a variety of rural tourism in which activities such as accommodation, sales of natural and homemade products, and participation in cultural activities within the local environment (e.g. horse riding and farming) are carried out in rural areas. For Rivera (2002), it is the kind of tourism developed in rural areas in which the tourist lives and participates in the culture, as a response to the development of a modern

society increasingly distant from its traditions. He also affirms that agritourism includes shared or independent accommodation at the homeowners' property, who works in agricultural and/or forest activities. In a study by Soares, Bergamasco and Fagnani (2004), activities considered to be agricultural are those that take place on rural properties dedicated to livestock, agriculture, forest and agro-industrial activities, and in which accommodation serves as supplemental income. Cabral and Scheibe (2004) perceive agritourism as a set of activities related to receiving and/or accommodating people in familiar agricultural establishments, which has been increasing in the Brazilian context.

Therefore, we can characterize agritourism as a type of tourism that offers the tourist the possibility to familiarize him/herself with elements of local culture and to learn about traditional forest, fishing and cultural practices, processing of agricultural products, and artifacts. It is an activity that clearly exposes the multidimensionality of development with a territorial approach to economic aspects by generating employment and developing the market of related services, as well as combining the increasing value of culture and art appreciation from a social perspective (Santos, 2004).

Conceptualizing **rural tourism** is not an easy task since, besides being a relatively recent practice, according to Tulik (1997), the use of a unique concept of rural tourism in different countries is complex due to conceptual variations with regard to geographical, cultural, economic, and social definitions relating to the understanding of rural tourism. According to Figueroa (2005), rural tourism can be defined by the environment in which tourists carry out their activities, rather than by the types of leisure. Thus, the basis of this type of tourism is the rural environment in a broader sense. Rural areas constitute an interesting natural, historical, cultural and architectural heritage, attracting the interest of urban inhabitants willing to "invest" part of their free time and resources in re-finding their origins in many cases or simply looking for holiday places outside the traditional ones.

Beni (2000) states that rural tourism refers to people traveling to rural areas, in programmed or spontaneous itineraries, with or without an overnight stay, for enjoying rural sceneries and facilities. In this case, the origins of rural tourism can be identified in two trends. The first is present in the already consolidated experiences in many countries and also in Brazil, based on the development of a supply of leisure and accommodation services in productive rural properties through the introduction of rural tourism as an alternative to income generation, adding value to the land and as a means of settling rural workers in the countryside. This way, tourism becomes the main productive activity of these places. The second trend relates to cases of non-productive properties with wide receiving facilities, some with historic, patrimonial and architectural value which, if adapted, could absorb a diverse tourist demand.

For Oliveira (2001), rural tourism should not be the only activity of the property, but an important source of supplementary income to traditional activities. In general terms, it is a leisure activity sought by urban inhabitants at productive rural properties with the goal of recovering their cultural origins, contact with nature, and appreciating the local culture. It represents a manner to increase their monthly revenues, adding value to their properties and lifestyle (Moletta & Goidanich, 1999). Another definition of rural tourism is as an establishment in a rural area that brings some of the attractions of the urban area to the rural area in order to provide enjoyable moments along with the attractions of this environment, being lodging its main profit source, with agriculture and livestock as secondary activities (Santos, 2004).

Agritourism and rural tourism constitute options for the development of rural enterprises, with positive effects in the generation of employment and rent (Riveros & Blanco, 2003). Both types of tourism are currently highly appreciated in economically depressed regions in Europe and some South American countries. However, the European Union has specific support programs such as Leader, destined to strengthen the less favored areas in agriculture or livestock production (Aguilar Criado et. al., 2003). In Spain, according to McGehee, Kim and Jennings (2007), there was important growth in the last three decades in the number of properties diversifying their activities beyond the primary sector.

For Hernández Maestro, Muñoz Gallego and Santos Requejo (2007) “the main motivation of rural tourists is contact with a rural way of life and/or nature” (p.951). For Molera and Pilar Albaladejo (2006), other reasons include the feeling of space and freedom, the need for peace and tranquility, the search for authenticity and tradition, and the possibility of enjoying family holidays in a relaxed atmosphere. Oliveira (2001) stresses that this activity spreads the knowledge and techniques of agricultural sciences, diversifies tourist poles, decreases rural exodus, improves the livelihoods of rural population, promotes cultural exchange, sensitizes people on the importance of natural resources and promotes the reencounter of urban inhabitants with their origins. However, so many benefits should not make tourism the only activity of the property, but rather a source of supplemental income to traditional activities, which, in the end, are the ones that confer it character and identity. For Hernández Maestro, Muñoz Gallego and Santos Requejo (2007) “most are family businesses and may represent supplementary income beyond which the family earns from agriculture, commercial, or construction activities” (p.952).

AGRITOURISM, RURAL TOURISM AND TOURISM IN RURAL AREAS IN LATIN AMERICA

With regard to Latin America, Riveros and Blanco (2003) point out that rural tourism and agritourism constitute alternatives for the development of rural business with consequent effects in employment and income generation of the area. They add that job generation may not be the objective of every tourist development, but it is certainly one of the main results. The different expressions of these activities, according to the authors, point to the contribution and revaluing of the concept of territory and its importance, as well as the preservation of cultural heritage in the Latin American context. They also emphasize that this type of tourism presents itself as an alternative for modernizing rural areas through local development of industry and services.

In Uruguay, according to Zimmermann (1996), rural tourism started timidly in 1986. Producers were motivated by the demand from foreigners working in the country who wanted to know the rural areas. This reality emerged at a time in which rural activities started to become less and less profitable. For almost nine years, the development of rural tourism occurred individually, with no orientation. Only in December 1999, was the Uruguayan Society of Rural Tourism created. Argentina, according to Barrera and Muratore (2000) is the country with the highest supply of rural tourism in the region, with a great impulse from the Argentinean Program for Rural Tourism. This program includes activities for assisting the establishments' development and organization through promotion, training and technical support. The authors also highlight the contribution from the Program for the Support of Rural Micro Enterprises in Latin America and the Caribbean (Programa de Apoyo a la Microempresa Rural en América Latina y el Caribe - PROMER), which promotes the development of rural tourism throughout

Latin America, particularly in Central America, with intense support to Honduras, Panama, Nicaragua and Guatemala, focusing on agricultural environment and rural tourism. The main motivation for developing rural tourism in the area is its contribution to the regional economies.

Chile is another country seeing a growth in its potential for rural tourism, as a result of governmental incentives for diversifying the rural economy (Barrera & Muratore, 2000). Its agritourism establishments, according to the authors, are those whose owners are farmers. In Chile, there is a preponderance of smallholders, as well as craftsmen and rural workers associated to local tourism organizations. As for Colombia, due to its natural scenery, exotic landscapes and cultural and work alternatives, it is emerging as a highly competitive product in the rural tourism market. On this theme, Acuña and Ruiz (n.d.) analyze the situation of Costa Rica, which already had a geographically well-distributed physical and human infrastructure, allowing tourist investments to flow to natural attractions. Therefore, the availability of infrastructure has not configured an obstacle for the location or nature of tourist investments in the rural area. According to the authors, the Costa Rica experience indicates that natural tourism on small- and medium scales is the most viable for the less developed rural areas, as they demand affordable infrastructure investments, generating immediate economic and social revenues, as well as ensuring a more environmentally sustainable performance of the sector.

In Mexico, the supply of this type of service is actually more in the hands of hotel owners and businessmen from different industries than in the hands of agricultural producers. The Pueblos Mancomunados project, which appears as an ecotourism product without paying too much attention to the local singularity and therefore characterizing neither agritourism nor rural tourism, is not a self-managing smallholding proposal, with few rural owners dedicated to rural tourism (Barrera & Muratore, 2000). According to the authors, Mexico is the country with the lowest development of tourism in rural areas of the continent. However, paradoxically, it would also be the one with the greatest market demand although its agricultural sector has many problems. Nevertheless, it is a country with great abundance of cultural and historic resources. It reflects the potential of the country, as tourism is important for development in order to renew those areas showing a decrease in traditional activities. From this perspective, Berdegú, Reardon and Escobar (n.d.), states that this activity “offers a distinct option for contributing to the modernization of the rural areas by means of developing the industry in situ and as a part of a more general process of 'urbanization' that affects the dimensions of culture, demography, human settlements, etc.” (p.3).

Figueroa (2005) emphasizes that environmental characteristics, mystery, and adventure fantasies generate proper conditions for commercial use and, based on experience from other countries, suggests that tourist participation in natural, cultural and social resources of the agricultural sector should be used as a complement to the activities already developed by the farmers. Currently there are agricultural producers throughout Latin America and the Caribbean receiving frequent visits of tourists, especially foreigners. Revenue from accommodating visitors and selling them their products tends to go beyond the income received from traditional rural activities. This effect can also be extended to all agricultural properties and commercial establishments in the surroundings of tourist areas, allowing them to obtain important revenues from tourism as well. The author also adds that hunting, fishing, technical visits, sightseeing trips to ecological reserves, bird watching and archaeological research are activities that can add value to the area, allowing some days of close connection

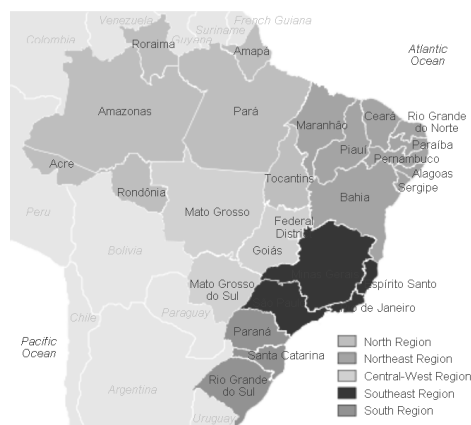
to nature and a deeper knowledge of the native culture, cultivation techniques, etc. It is a remarkable attraction for a country to offer tourism not only to locals but also to people from all over the world.

METHODOLOGY

According to Thiollent (1992), rural development research is multidisciplinary in nature and its goal is to become familiar with products as well as elaborate proposals at the local, regional or national levels. Considering that tourism in the rural area is a recent phenomenon in the southern of the state of Rio Grande do Sul, a long-term study was conducted using a census at all rural properties in the area in which tourism occurs during three moments: February 1997, July 2002 and February 2006. The properties were identified using information from the Department of Tourism of the State. Other properties were located from indications from local owners. Only nine properties were identified in 1997. This number grew to 43 in 2002, and to 52 in 2006. A structured interview was carried out with each of the owners, contacting them by telephone ahead of time in order to define the date and time of the interview. The interview focused on location, operational situation, specific aspects of tourism supply, generation of employment, salaries, and rent. We selected the perspective of the rural owner for this research, leaving in second place the view of the tourist. This did not allocate more or less importance to each of the agents. Since the information on the location of all properties was readily available, it was more viable to carry out a census rather than taking a sample.

For the purpose of better contextualizing agritourism and rural tourism in the region, it is important to analyze both the information and the physical characteristics and socioeconomic data from the area. In the State of Rio Grande do Sul's action and regional planning, consideration of regional issues is still recent. The southern delimits a geographical area for State and Federal Government action with the goal of reversing deterioration in the regionalized economic activities. Figure 1 shows Brazil's five regions, with Rio Grande do Sul located in the southern region.

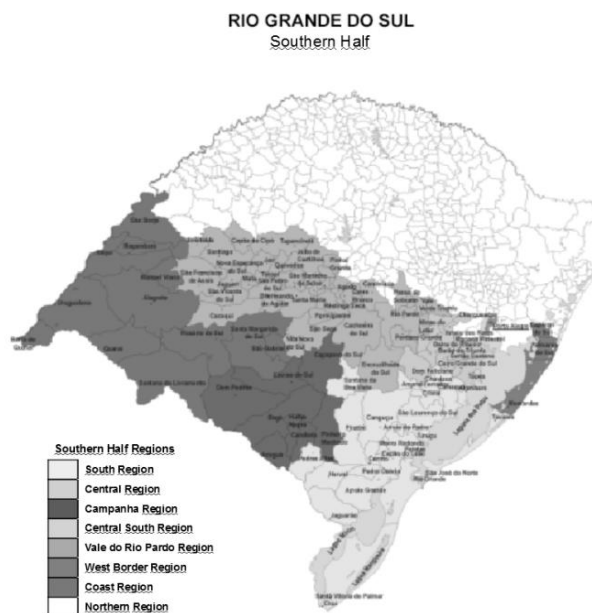
Figure 1. Location of Rio Grande do Sul within Brazil's Regions



Source: <http://www.guianet.com.br/guiacidades/>

In Figure 2, we see the map of the state of Rio Grande do Sul in which the southern half of the state is determined by federal highway BR-290 in the north and the border of Uruguay in the south.

Figure 2. Location of the southern of the state of Rio Grande do Sul



Sources: <http://www.guianet.com.br/guiacidades/>, <http://www.setur.rs.gov.br>

Besides its land extension, which covers 54% of the state's territory, the southern of Rio Grande do Sul presents unfavorable socioeconomic indicators if compared to the northern half of the state. Paradoxically, Rio Grande do Sul State is ranked fourth in wealth and economic infrastructure when compared to other Brazilian states⁴. In the southern half, livestock is currently the main activity, with cattle occupying nearly one-third of the total area. As for agriculture, rice cultivation predominates. In the rice fields there is a predominance of rental properties generating income for the owners of rural properties. This is the main culture, except in the case of small properties.

The decade of 2000-2010 has been characterized by two new activities: reforestation and the construction of a naval pole in the city of Rio Grande, where ships and oil platforms are built and repaired. Such activities tend to increase the number of jobs, consequently increasing investments and income in the region. According to data from the Census of Agriculture by IBGE – Brazilian Institute of Geography and Statistics (1985 in Engevix, 1997), the average areas of agricultural establishments can be divided into: a) less than 50ha; b) from 50 to 100ha; c) from 100 to 200ha; and d) 200ha or more. In the southern half of Rio Grande do Sul, large agricultural establishments with demographic densities equal to or inferior to five inhabitants per square kilometer are the predominate factor (1991 Demographic Census in

⁴ Rio Grande do Sul ranks fourth in competitiveness among Brazilian states in terms of business and investments according to consulting firm Economist Intelligence Unit and the Center of Public Leadership (CLP), July 2014. www.rs.gov.br/conteudo/201105/rs

Engevix, 1997). However, it is worth pointing out that agricultural properties with less than 50ha⁵ are considered to be small properties.

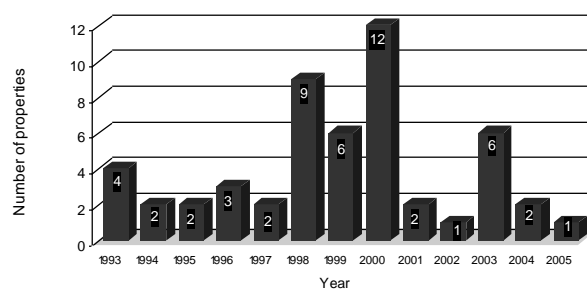
The analysis of land ownership in the southern half of Rio Grande do Sul reveals that 79% of agricultural establishments are less than 50 ha in size. The main characteristic of the agrarian structure is the concentration of agriculture. Considering all rural properties in this region, *i.e.*, both those that offer tourism and others that do not, properties with 100ha or more constitute nearly 78,35% of the area of agricultural properties. However, the owners who practice rural tourism and agritourism have properties with more than 50ha. Nearly 85% of the southern rural properties are small, most with low profitability, leading many farmers in a situation of poverty to rural exodus. Low profitability, high production costs, low income and decapitalization have been intensely experienced. However, proposals for reversing this scenario are not effective, maintaining a paternalist point of view in which only the government should provide financial resources for the activities.

According to Souza (1989), agro-industry's strategy should focus not only on production-related priorities, but also on aggregating value to its transformation as well as in job generation in order to obtain economic development with a higher incorporation of population to the formal labor market. In this sense, the development of tourism activities in rural areas appears as an alternative for small- and medium size agricultural properties in less developed regions in order to ultimately participate in the globalized economy.

RESULTS AND DISCUSSION

The start of tourism activities in the Southern took place in 1993 in the municipality of Lavras do Sul, in the Campanha region. A high number of properties started receiving tourists between 1998 and 2000. This could be attributed to a lower value of the Brazilian currency against the neighbouring countries, making prices attractive to foreign visitors.

Figure 3. Evolution of Rural Property Openings



Source: Field Research (1997-2002-2006)

⁵ There is not a clear boundary for defining the maximum size of small properties, but studies have used the limit of 50ha as a reference, as in the work *Tecnologia e Campesinato: O Caso Brasileiro* (Technology and Smallholding: The Brazilian Case) by José Graziano da Silva, published in the annals of the 5th National Meeting of Agrarian Geography, which took place in the city of Santa Maria, Rio Grande do Sul, Brazil, in 1984 (quoted by the Engevix report, 1997).

Until 2003, the municipality with the most properties was Lavras do Sul, considered as the birthplace of agritourism and rural tourism in Rio Grande do Sul during the 1990's, with six properties. However, only one remains currently open to visitors. Pedras Altas (southern region) is now the municipality with the highest concentration of active properties, with 11.5% of the total. The most important attraction is the Castle of Joaquim Francisco de Assis Brasil, whose objects are protected by the Historical Heritage of Rio Grande do Sul. Additionally, there is an association of Friends of the Castle, dedicated to disseminating and preserving the memory of this historic monument. The municipalities of Alegrete, Rosário do Sul and São Gabriel are located on the route of Argentinean tourists traveling to the shores of the north of Rio Grande do Sul and the state of Santa Catarina. Some use the rural properties both on the outbound and on the return from their holidays. The cost of staying is approximately US\$25 per person, which is very profitable for the owners and very inexpensive for Argentineans at the start of the study period. Table 1 shows an important growth of properties in the study period, especially of agritourism. In absolute parameters, there was an increase from 9 active properties in 1999 to 33 in 2002, but with a decrease in the relative numbers. However, most of the properties which started activities in 1997 had closed down by 2006, with 14 properties out of 52 closed to visitors.

Table 1. Evolution of Tourism Activities

Tourism activity	1997	2002	2006
Active	9	33	38
Inactive	-	10	14
Operational situation			
Temporary closure	-	4	2
Permanent closure	-	5	10
Sale	-	1	2
Type of activity			
Agritourism	9	23	32
Rural tourism	-	10	6

Source: Field Research (1997-2002-2006)

The reasons for closure are shown in Table 2. The main problem according to the owners was the seasonality of tourism (62.5% in 2002 and 41.7% in 2006), along with low demand and, in 2002, low profitability and lack of employee training. In 1998, the Brazilian currency suffered a devaluation in relation to the US dollar due to an economic plan, impoverishing the Brazilian population. On the other hand, with this currency devaluation, international tourists saw how far their money could go, especially for Argentinians crossing the state of Rio Grande do Sul on their way to the beaches of the northern part of the state and Santa Catarina. The cities they passed through the most were Uruguaiana, Alegrete, São Gabriel and Rosário do Sul. The currency stabilization observed during the study period allowed higher profitability rates and strengthening of the companies, making it possible to invest in qualified personnel. Thus, low

profitability and lack of employee training lost importance as reasons for closure of the properties.

Another factor which was not mentioned in 2002 relates to health problems of the owners (33.3%), which could be due to aging. Offering tourist activities implies changes in the properties that can be viewed as causing a negative impact on the routines of their owners. Besides having to deal with new managerial activities and the lack of well-prepared employees, the owners, to a certain extent, lost freedom within their properties. In addition to that, commercialization of tourism in rural areas was still precarious. It is also worth mentioning problems within the families, which are thought to have influenced the division of land. When owners become older and none of the children take over, the property is closed. With the death of the owners, the land is divided among the heirs who do not necessarily wish to carry on with the activity, since most are dedicated to non-agricultural professions. Among other factors not encountered in 2002 are: moving to other states, the bad state of roads, remodeling of buildings and high cost for visitors.

In this scenario, seasonality and low demand are directly related to each other, behaving in a relatively stable way from 2002 to 2006. It is very likely that seasonality of demand directly affects the closure of properties to tourism. In RGS, summers and winters have extreme temperatures, which define the holiday locations for Porto Alegre (capital of RS) residents. They tend to go to the beach in the summer (100 km from Porto Alegre) and to the highlands of the northern half of the state (120 km from Porto Alegre) in winter. Many people even have weekend houses in these areas. Thus, agritourism and rural tourism remain as a third option. Besides seasonality, low demand is influenced also by structural factors such as difficult access and the amount charged for tourist services, considered high for Brazilian standards, especially in places that offer accommodation to the tourist.

Table 2. Reasons for Closure to Visitors, Number of Properties

Reason	2002	2006
Seasonality of tourism	5	5
Low demand	4	3
Low profitability	6	1
Personal problems	2	3
Lack of employee training	4	-
Other professional activities	2	2
Health problems	-	4
Family problems	1	2
Land division	-	1
Remodeling of buildings	-	1
Moving to other states	-	1
Roads	-	1
Expensive for tourist	-	1

Property sale	1	2
No answer	1	-
Base	8	12

Source: Field Research (1997-2002-2006)

Table 3 shows the area of the properties that were studied, which ranged between 12 and 4000has. The average was 705.5ha (SD 737.4ha). Most properties ranged between 501 and 2000has, although there was an increase of properties between 10 and 100has and between 201 and 500has. According to Engevix (1997), the average area in the region studied is below 50 ha, which suggests that rural tourism can be practiced mainly on large farms. However, all properties with more than 2000 ha are now closed to visitors.

Table 3. Area of Properties Studied (percentage of properties)

Area (ha)	1997	2002	2006
10 – 100	-	24.2	28.9
101 - 200	-	6.1	2.6
201 – 500	-	21.2	28.9
501 – 2000	88.9	48.5	39.5
Over 2000	11.1	-	-
Total	100.0	100.0	100.0

Source: Field Research (1997-2002-2006)

Table 4 shows the distance from the properties to the state capital, Porto Alegre. Responses were grouped into seven categories of equal range. The shortest distance was 50 km and the furthest, 715, with an average of 355.1 (SD 145.5). According to Zimmerman (1996), agritourism and rural tourism have the highest demand in a radius of 150 km. A distance further than that would become an obstacle for tourists. Martinez and Monzonis (2000) are of the same opinion. They propose a classification based on distance. With a distance of less than 150 km and travel time of less than 1.5 hours, visitors tend to stay for the weekend. When the distance ranges between 150 and 300 km, visitors tend to stay for short holidays (such as long weekends), and with longer distances, they stay for long holiday periods. Thus, agritourism and rural tourism are proximity activities. This could not be confirmed in this study however, since most properties (42.1%) were located between 300 and 400 km from the capital. According to Hernández Maestro, Muñoz Gallego and Santos Requejo (2006), a factor in the success of tourism, regardless of the way the property is managed, is its location in terms of large urban centers.

Table 4. Distance (km) from Porto Alegre to the property (percentage of properties)

Distance	1997	2002	2006
Up to 100	-	-	5.3
100 – 200	33.3	12.1	13.2
201 – 300	-	12.1	13.2
301 – 400	55.6	42.4	42.1
401 – 500	-	9.1	7.9
501 – 600	11.1	15.2	13.2
More than 600	-	9.1	5.3
Total	100.0	100.0	100.0

Source: Field Research (1997-2002-2006)

Most active properties offer overnight stays, including meals. Approximately 18.4% receive only day visitors, including meals, which reflect a growth of 11.1% in 1997 and 18.2% in 2002. This suggests growth in options for properties which have no accommodation facilities. The remaining properties have between 1 and 5 rooms (44.8% in 2006) or between 6 and 10 rooms (55.2%). Preferred attractions include non-agricultural activities, such as horse-riding, swimming, soccer, and fishing. As Fleischer y Tchetchik (2005) mention, agricultural activities do not necessarily constitute attractions for the visitors, which are probably looking for quiet spaces for relaxation, rather than agriculture-related attractions. A positive factor is the hunting ban enforced by the owners at most of the properties in 2002 and at all of them in 2006, even though this used to be an important attraction, thus contributing to the preservation of local wildlife.

Table 5 shows the main origin of visitors according to the owners, assessed through a multiple-choice question, given that local, regional, state and national levels could overlap. For this reason, the result is do not add up to 100%. All visitors are of urban origin, and most of them come from the state of Rio Grande do Sul. International tourists come mainly from Argentina along the route to the beach areas, in towns like Uruguaiana, Alegrete, São Gabriel and Rosário do Sul. Local tourism is not very expressive because tourists do not like doing tourism in their own cities; on the contrary, they seek distant locations, different from their daily reality. The use of the internet as a means of advertising by some properties has increased the number of visitors from North America and Europe.

Table 5. Main Origin of Visitors (percentage of properties)

Origin	2002	2006
Local	21.9	10.5
Regional	25.0	31.6

State	59.4	71.1
National	12.5	21.1
International	18.8	21.1

Source: Field Research (2002-2006)

Table 6 shows the length of stay and the number of people who return to the properties on a yearly basis, according to the owners. There is an increase of people staying only for the day. There is also a decrease of people staying from one to two nights and of visitors staying three to four nights. It is likely that the distance to the properties is the main factor restricting the length of stay. In general, length of stay is directly related to population from large urban centers. Therefore, since most visitors live far away from the properties in question, they spend a great part of their time traveling to their destination. Consequently, the amount of time they spend there tends to be reduced when compared to those who come from less distant places. Most visitors return once or twice a year (73.3% in 2002 and 89.5% in 2006), which is a good indicator of visitor satisfaction regarding services received.

Table 6. Length of stay and return of visitors to properties

Length of stay	2002	2006
For the day	25.0	31.6
1 - 2 nights	59.4	50.0
3 - 4 nights	18.8	28.9
Number of yearly returns		
1 - 2	73.3	89.5
3 - 4	26.7	2.6
5 and more	-	5.3
None	-	2.6

Source: Field Research (2002-2006)

Properties with agritourism had an increase in rent from primary activities from 1997 to 2002, and a decrease in 2006 (75.6%, 84.6% and 80.5%, respectively, the remaining coming from tertiary activities). At properties with rural tourism (non-existent in 1997), there was an increase in rent from the services sector, from 76.0% in 2002 to 89.2% in 2006. There seems to be more insecurity in those who opt for rural tourism due to the seasonality of demand, even though properties with agritourism are subject to price variations in world agricultural markets.

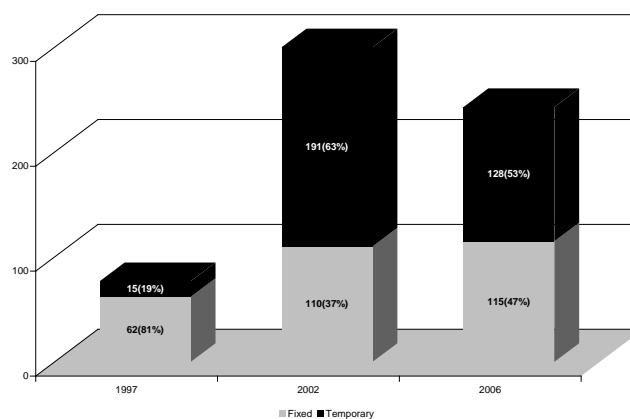
As shown in Figure 2, fixed employment was predominant over temporary in 1997. However, there was an expressive increase in the total number of jobs at the properties between 1997

and 2002, followed by a decrease in temporary employment between 2002 and 2006. This could be attributed both to the closure of properties to tourism and to the increasing value of the Brazilian currency, leading to a balance between the two types of employment. According to Veiga (2002), the success of some of these enterprises is based on the dual activities of employees, working in both primary and tertiary activities. This is the result of a reduction in labor underemployment by using supplemental opportunities of rent income. Regarding fixed employment, the perception is that rural property owners require employees to work with livestock, agriculture and tourism, leading to multiple activities in rural jobs.

During this decade, there was a decrease in the number of minimum wages earned by rural employees, especially between 1997 and 2002. From 2002 to 2006 there was some increase, but not enough to reverse back to the 1997 rates. The wages continue not to be sufficient to satisfy the needs of the employees. Many factors can cause this decrease. It is important to emphasize the historical and cultural characteristics of Brazil, a country which had slavery in its past, in which slaves received only food and shelter in exchange for their work. Currently, rural owners without capital cannot afford to pay salaries for highly-qualified workers, thus choosing poorly prepared workers that, for this reason, accept work in exchange for food, shelter and low salaries. Another important factor is the Brazilian economy, since not only rural workers have experienced a decrease in their wages during this time period, but also the majority of Brazilian workers, influencing the increase of unemployment and hiring of a temporary workforce, whose cost is lower than fixed-term employees due to labor and social security charges. Consequently, there is a decrease in fixed employment.

During the time period of this study, multiple activities were considered a characteristic typical to rural areas. It is based on the trinomial that comprises agricultural production, industrialization at the property level, and the services sector, serving other farmers and tourism in rural areas. This was confirmed, for instance, through an increase in the number of jobs. It is worth noticing that the number of jobs created by the tourism activities at the establishments is relatively low: by dividing the total number of jobs created by the number of active establishments, the result is less than 3.4 fixed-term jobs and 3.0 temporary jobs per property, indicating that the activity constitutes a 'small business'. This result is in agreement with findings by other authors, particularly Hall and Page (1999).

Figure 4. Fixed and Temporary Jobs



Source: Field Research (1997-2002-2006)

In order to estimate the trends in salaries, values were converted to US dollars and deflated to the values at the start of the study. There was a reduction during the study period in the number of minimum salaries earned by the employees, mainly between 1997 and 2002. Even though there was a small increase between 2002 and 2006, this did not compensate the values of 1997. There are many factors that can explain this reduction. It is important to note the cultural-historic characteristics of rural Brazil, in which slavery was common during the nineteenth century. There are still cases in which owners with scarce capital employ people with low qualifications, who accept working only for accommodation, food and a small salary. Another important factor is the recent economic situation in the country, resulting in decreased salaries not only for rural workers, but for most Brazilian workers. This crisis caused higher unemployment and a growing number of eventual hiring, with a resulting decrease in fixed employment.

Table 7. Average, Minimum and Necessary Salaries (US dollars)

Employment	1997		2002			2006		
	M.S.	Value	M.S.	Value	D.V.*	M.S.	Value	D.V.*
Fixed	1.43	154.00	1.28	87.37	57.18	1.42	197.22	106.15
Temporary	1.29	138.92	1.13	77.13	50.48	1.19	165.38	88.95
Minimum salary	107.69		68.26			138.89		
Necessary salary	755.59		367.29			722.97		

M.S.= Minimum salaries *D.V. = Deflated to February 1997

Source: Field Research (1997-2002-2006)

Current salaries are not sufficient to achieve a proper quality of life for employees and their families, according to the estimation of the necessary minimum salary by the Interunion Department of Statistics and Socioeconomic Studies (DIEESE, for its Portuguese acronym), that appears in the table as 'minimum wage'. Dieese has its origins in the Brazilian labor movement, and estimates the necessary salary based on the cost of satisfying the basic needs of a worker and his/her family. 'Minimum wage' is what each worker must earn, the value of which is defined by law by the Brazilian government.

CONCLUSIONS

Changes in the Brazilian rural space, especially in terms of working forms and relations, have allowed small farmers the possibility of increasing their rent income. In the study period, the development of tourism services at the rural properties of the southern half of Rio Grande do Sul occurred in a peculiar way, since in the 1990s the perspectives were modest. There was an expressive growth in the number of properties, mainly during the period between 1998-2000, probably due to an important currency exchange difference in the Mercosur countries, which motivated owners to invest in tertiary activities on their properties.

An interesting phenomenon was the geographical redistribution of active properties. The municipality with more properties offering tourism activities initially was Lavras do Sul, and

now it is Pedras Altas. Twelve properties were closed to tourism during the study period and two others were sold. The main reasons for closure were lack of seasonality demand, low profitability, and lack of trained employees, which are directly related, as well as personal and health problems of the owners. Aside from that, most properties are located between 300 and 400 km from the state capital, which makes a weekend stay difficult. Most visitors stay one or two nights, and return once or twice a year.

The highest number of active properties corresponds to agritourism rather than rural tourism. The differentiation between these two categories is necessary in order to evaluate properly the success of the tertiary activity. The results imply that agriculture remains a viable, profitable activity for most owners, while tourism represents an increasingly important means of complementing farm income. There was a decrease in the number of fixed jobs in agriculture and livestock, along with growth in the number of temporary jobs in agriculture, livestock and tourism. This needs a higher degree of quality and diversification, so that employees can match the emergent needs in rural activities. In this context, there is a trend to decrease permanent employment with the establishment of new working relationships, such as temporary jobs. There was a decrease in the number of minimum wages received by both permanent and temporary employees. Current salaries are not sufficient to meet the needs of these employees and their families, as a result of the difficult situation of the Brazilian economy during the study period.

From the results found in this study, it is possible to infer that the southern half of the state of Rio Grande do Sul presents unfavorable indicators for income and job generation at the farms that practice agritourism and rural tourism. The current trends⁶ emphatically focus on agritourism and rural tourism as alternatives for developing the services sector in the Southern Half rural areas. Although there is visible potential for tourism, it is necessary to develop projects and secure government and the private sector participation in order to deem tourism in rural areas effective. There are many enterprises in this sense, such as the promotion of special events, as well as a renovation in the mentality relating to the occupation of rural areas and to the good use of the properties in order to create a new context.

This study included all properties practicing agritourism or rural tourism in the southern half of Rio Grande do Sul, analyzing mainly the agricultural, economic and social aspects from the perspective of the owners. It is suggested that future studies should address the perspective of the tourists, as well as of other agents involved in this activity, such as the public sector and tourism promoters. Using a long-term study from the owners' perspective was highly useful to understand the evolution of the phenomenon, since most studies on tourism in rural areas tend to be punctual and therefore cannot see the evolution of tourism in rural areas in the studied region as a whole. This study can contribute to the development of policies directed more specifically to support tourism activities in this region, which could be used as a basis for future studies.

⁶ There has been ongoing research in this area since 2006 and new studies are being carried out, especially regarding rural tourism property turnover, although they are not the object of the current study.

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