

ECONOMY, POLICY, CRISIS AND TOURISM: ANALYZING THE TOURIST FLOW IN BRAZIL IN THE PERIOD 1993 – 2019

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ABSTRACT

Brazil is a complex country, gifted with socio-historical peculiarities that are continually testing the logic and rationality of social and economic theories. Thus, the volatilities and instabilities that make up the country's training process, including in the recent past and the present, are important elements for understanding the performance of Brazilian tourism activity. It is in this sense what this work aims to discuss, the potential of the tourism market in Brazil from the perspective of its uncertainties and its socio-political and economic upheavals, with special emphasis on the flow of landings between the years 1993 and 2019.

The first record of State participation in tourism in the Brazilian context was in the 1930s, with the passing of decrees/ laws to regulate certain tourism related activities. Decree-Law 2440, of July 23, 1940, deals with companies and tourist agencies and the obligation to register themselves with the public administration. From 1951 onwards, ticket sales agencies came under the supervision of the National Immigration and Settlement Department, then the National Institute of Immigration and Settlement and finally under the supervision of the Superintendence of Agricultural Policy. In 1958 the Brazilian Tourism Commission (Combratur) was created as an initial attempt to organize a national tourism policy. The entity was closed four years later as it failed to fulfil its legally established mandate.

Only with the creation of the National Tourism Council and the Brazilian Tourism Company (Embratur) in 1966, tourism was recognized as an economic activity with the potential to alter local social contexts. Ten years later the government authorized the practice of domestic flights with discounts for tourism purposes. Tax incentives for international tourism were instituted in the same year (Barretto, 1991, 94). After 1977, tourism saw progressive improvements in

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legislation, planning and promotion. In 1994, the drafting of a national guideline began and in the following year the National Tourism Finance Program injected 250 million reais into the sector (64.7 million dollars).

The first Ministry of Tourism was created on January 1, 2003, the day of President Lula da Silva's inauguration; it was new as tourism had always been subordinated to other portfolios (Beni, 2006, 28). Hard targets were set: 9 million foreign tourists per year, generating foreign exchange in the order of 8 billion US dollars by 2006, and an increase in domestic flight arrivals to 60 million a year, justifying the creation of 1.2 million new jobs in tourism over a period of four years (Dias, 2003, 139).

From 2003 on, tourism was defined as a productive activity with full planning and financing conditions, through numerous local programs, projects and macro-programs on a regional and national scales. Thus, as in better consolidated destinations, the Brazilian public sector engaged in various aspects of tourism such as coordination, planning, legislation and regulation, entrepreneurship, incentives, support for the local socioeconomic base and the promotion of tourist activities.

When evaluating the political and economic tribulations experienced by Brazil in the last decades, it should be noted that it does not make much sense –unlike the norm for mature destinations– to consider the tourist market in function of linear historical series. In addition, it is necessary to consider the decisive factors for the performance of tourist activity in its economic and political environment, alongside the deep socioeconomic inequalities.

The high concentration of income and the uncertainties of the economy, especially inflation and the fear of economic plans or “packages” that would erode family resources (such as the traumatic confiscation of savings by President Collor in 1990) turned tourism in Brazil –at least in its institutionalized variant– into a luxury of the few, even if standard family travel by car or on excursions had always been known to a greater or lesser extent across the country, even in times of crisis.

The relatively limited performance of tourism in Brazil can be attributed to the country's profound and historical socioeconomic inequality, which results in a strong constraint on demand. The concentration of wealth in the hands of the few, reduces expectations for the expansion of internal tourism. This situation also led to tourist activity being underrated. It was long considered snobbish or futile, the expensive and luxurious entertainment of the rich, which

would not have a very important relationship with local economies, except for the strict scope of hospitality, whose circulation of revenues is short-circuited by the all-inclusive resort system. Therefore, it would not be logical or necessary to spend time, energy, and institutional and human resources on plans and projects within more general government policies.

The consequences of this today can be measured by a report from the World Economic Forum entitled "The Travel & Tourism Competitiveness Report, 2017" that shows Brazil in first place in terms of the potential of its natural resources but at the same time lowers it in almost all of the other criteria, ranking it in 27th position on a list of 136 countries. Nevertheless, according to this document, tourism as a whole in Brazil generated 56 million US dollars (175 million reais) in revenue in 2017, equivalent to 3.3% of GDP, and it generated 2.6 million jobs, less than 3% of all employment nationally.

Considering this process of institutionalization of tourism in Brazil, we can analyse a historical series of 26 years - using official data from the Ministry of Tourism of Brazil (2019) and the World Tourism Organization (OMT, 2002 and 2019) - to assess, in the period, the tourist flow in the years that happened national and international crises. It was intended, therefore, to verify the behaviour of the historical series of national and international landings in Brazil in the face of internal and global crises and to compare the performance of international landings in Brazil with that of countries that hold the leadership as recipients of leading tourists in the world context.

Thus, in this work, tourism activity in Brazil was discussed from the perspective of the uncertainties and fluctuations arising from the country's social, political and economic environment. The article presents data on national and international passenger traffic in Brazil and relates to major events and the occurrence of economic and political crises at the national and international levels. To verify whether crises affect the performance of tourism, a 26-year historical series was prepared based on official statistics from Brazilian government agencies and international organizations such as the WTO.

There was also a strong negative correlation between national crises, whether economic or political, and the flow of passengers from national landings. This happened in five periods: 1994, 2003, 2015-2016 and 2019. In 1994, with the start of the Real Plan to combat hyperinflation; in 2003, strong fiscal adjustment by the first Lula government to gain market credibility; in 2015 and 2016 with the political crisis and Impeachment of President Dilma Rousseff and in 2019 with the beginning of Jair Bolsonaro's ultra-right government. Only in 2008 did an international factor

affect the flow of passengers (the economic crisis in the United States). Thus, the results show that domestic crises had a greater impact on the evolution of national travel, over time.

The flow of foreign tourists – whose entry into the country is by air, river and land – performed better than international landings, which were more negatively affected by the global crises. It is worth reiterating the great difference in absolute values in the number of passengers on domestic air travel in relation to international travel. Therefore, there is a large market niche to be explored by Brazilian tourism, which is the international market. However, the great income inequality in Brazil is a factor that most limits this growth.

Despite a significant improvement in airflow, with the obvious development in tourism, the Brazilian market is still depressed by the high concentration of income and quite vulnerable to political and economic vicissitudes, which affect the performance of tourism in the country very much more than any global shake-up. This is without a doubt the most categorical result that we have reached and that we try to demonstrate in this work.

The results presented indicate that, despite the increase in tourist traffic in the first decade of the 21st century, the Brazilian tourism market still underperforms capacity due to the persistent and serious economic and social disparities and political and economic uncertainties. This research offers an alternative perspective regarding the performance of tourist activity in Brazil, by relating the flow of national and international landings to the economic and political turbulences experienced in the period, indicating that contagious systemic crises at an international level affect the Brazilian tourism market less than domestic crises.

Tradução Revisada por Shalon Rocha. E-mail: shalonrocha@gmail.com

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PROCESSO EDITORIAL

Recebido: 28 FEV 20; Aceito: 26 OUT 20