
14 Tourism on the Fringe of Politics – Brazil

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Introduction

Since Brazil was chosen as the host country for both the World Cup 2014 and the summer Olympic Games in 2016, several researchers interested in tourism have tried to establish comparisons to other countries and cities hosting such events, by analyzing aspects such as previous planning, investments in infrastructure, resources allocation and legacy. (Araujo and Dredge, 2012; Giambiagi, 2015). Internally, much has been discussed in the media and scientific community, leading, however, to relatively few conclusions concerning the establishment of specific public policies for tourism, as well as to those related to guiding changes after the events' completion (Duignan, 2016; Zirin, 2016)

The Brazilian government has shown, on the Federal management level, to at best only partially grasp the real potential of tourism in the economy, and does not rely on the activity as one of the development strategies appropriate for the country. This is clear from the small variation in numbers of visitors and revenue generated, even when major events have taken place (WTTC, 2015).

This chapter provides a synthesis on what the Ministry of Tourism of Brazil has done in the last few years, revealing the absence of a national public policy effectively capable of incorporating the activity characteristics required for effective public management of tourism and mega events

Context

After reaching the position of 6th in 2011, Brazil is now ranked as having the 9th largest world economy by the International Monetary Fund and the biggest economy in Latin America, above Mexico (15th in the world, 2nd in Latin America) and Argentina (21st in the world, 3rd in Latin America) (World Bank, 2016).

As the home country for 200 million people, Brazil's GDP was US\$ 2.2 trillion, and the GDP per capita US\$ 15,153, although this does not reflect the great level of inequality that characterizes the country. By the end of 2014, the unemployment rate was 6.8% among the economically active population; but on September, 2016, this rate was 11% and specialists say that the crisis may last at least for two more years until economic recovery brings up employment, despite the hosting of the two mega events in 2014 and 2016 (Panrotas, 2015).

Brazil is the only Portuguese speaking country in South America, and its area and population is equivalent to all the Hispanic countries in the continent (Argentina, Bolivia, Chile, Colombia, Ecuador, Peru, Paraguay, Uruguay and Venezuela). It is the fifth largest country in the world, with 8.5 billion km², and is thus of continental proportions, with 26 states and one federal district, grouped into 5 different regions (Figure 14.1). A non-stop cross-country flight may take up to 5 hours. This massive country contains a great variety of landscapes and attractions with varying levels of development and productivity.

There are seven states in the North region, including the Amazon Rainforest region, with two important cities – Manaus and Belém, comprising 5.3% of the GDP. In the West Central region there are three states and the Federal District, including the capital Brasília with its modern and bold world-recognized architecture. Also in this region is the Pantanal, the world largest tropical wetland area, with exuberant fauna and flora. It is also where most of the agro-industry is based, with crops of cotton, peanuts, and varieties of cereals and beans making up 7.5% of GDP.

The Northeast region has nine states and accounts for 14.1% of the GDP. This is the region with strongest tourist appeal, with beautiful beaches, rich gastronomy and heritage sites that attract international tourists with an all-year-summer climate. The South region contributes 18.1% of the GDP, and is formed of three states with significant European influence, notably German and Italian. On the west border of Paraná state, dividing Brazil and Argentina, are the Iguazu (Iguassu or Iguaçu) Falls, one of the major international tourist attractions in the country.

Finally, the Southeast region, creating 54.9% of GDP, is the wealthiest and most populous region in the country, as well as the leading area for outbound and inbound tourism. São Paulo is the financial centre and leading business tourism destination, while Rio de Janeiro is the city most visited by international tourists and site of the 2016 Summer Olympics.



Figure 14.1: Map of Brazil with the population distribution by region. Source: IBGE

The World Bank presents a critical overview of the economic situation in Brazil as noted below.

Brazil is currently going through a deep recession. (...) The economic crisis, as a result of the fall in commodity prices and an inability to make the necessary policy adjustments - coupled with the political crisis faced by the country - has contributed to undermining the confidence of consumers and investors. (...) The crisis has led to significant adjustments in the balance of payments current account. By July 2016, the current account deficit had dropped to 1.6% of GDP - in comparison with 4.3% in 2014 – mainly in response to the contraction of the GDP (as well as a moderate devaluation in the real exchange rate).

Brazil's medium-term outlook will depend on the success of the current adjustments and the enactment of growth-enhancing reforms. Raising productivity and competitiveness is the main challenge for the country to achieve higher growth in the medium-term. With the recession of growth drivers over the past decade – credit-fueled consumption, labour expansion and the commodity boom – growth will need to be based on higher investment and productivity gains.

Despite the achievements in poverty reduction over the last decade, inequality remains at high levels. (...) Great progress has also been achieved in reducing deforestation in the rainforest and other sensitive biomes. However, the country still faces major development challenges - especially in finding ways to combine the benefits of agricultural growth, environmental protection and sustainable development. (World Bank, 2016)

One may wonder at the wisdom of a country in such a difficult economic state bidding for and being successful in achieving the hosting of both the World Cup (2014) and the Summer Olympics (2016), given the inevitable costs to the host nation of holding such events, despite temporary increases in numbers of tourists.

Current political panorama

Since 1995, the Brazilian political system may be described as a Presidential Coalition. From 1995 to 2002, Brazil was governed by PSDB representatives and their allies. Between 2002 and 2016, Brazil was governed by PT representatives, reflecting their winning four elections in a row. According to Aragão (2015:2), a Presidential Coalition is supported by two basic cornerstones – the role of the President of the Republic and the existence of coalitions of parties supporting the government as stated that:

"The parties supporting the coalition take part in the government almost on a semi-parliamentary basis, by offering the majority they have in Congress to support the presidential agenda. That is in order to ensure three basic conditions: provide the President with governability; ensure the approval of the main propositions by the Government to the Congress; and prevent the opposition from politically paralyzing the Government by means of investigation requests".

Such a system works so as to provide the majority with operationality, and when it does not work, it becomes a generator of crises impacting governability.