Globalization, Tourism and Sustainable Development: The multifaceted impact of tourism on development and poverty alleviation in Brazil

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Globalization, Tourism and Sustainable Development:
The multifaceted impact of tourism on development and poverty alleviation in Brazil

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Abstract

Globalization is a popular concept deeply embedded in our era that represents the widespread intensification of transnational connections emblematic of this century. In general, this study aims to clarify the contradictory effects globalization exerts on development by specifically analyzing the particular impact of tourism in the emerging economy of Brazil. It is argued that the unequal distribution of tourism activities between urban and rural areas, and the prevalence of specific sizes and types of tourism are the main factors involved in sustaining unequal patterns of development across the country. The study concludes that public-private partnerships in tourism should prioritize the needs of local people over those of the global market and encourages future investments in small-scale tourism initiatives that integrate local groups in the management of tourism activities.

Keywords: globalization; tourism; poverty alleviation; sustainable development; local participation; resort; favela; rural tourism; indigenous rights.
Introduction

Since the beginning of time, either in search for power and resources or as mere curiosity for understanding the world, traveling has moved and fused civilizations. However, although exploring unknown territories through travel, migration or conquest is an integral part of human history, tourism\(^1\) was not as globalized and prevalent as it is today. In fact, the industry of tourism rose quite drastically just in the past few decades, with the growth of mass tourism occurring only in the 19th century. Inexorably connected to processes of urbanization and industrialization, mass tourism was facilitated by the revolution in transportation, rising incomes and the establishment of labor rights.\(^2\) Nevertheless, some scholars claim that the tourism industry closely accompanied the development of globalization, truly booming in the 1960s. Economic integration, reduced transport costs, lower trade barriers and improved communication systems all contributed to increased movement of people and goods across international borders, shaping tourism into its modern form.\(^3\)

Today, tourism accounts for $1.5 trillion in exports worldwide, 1133 million of global tourist arrivals and 9\% of the world’s GDP, representing 1 in 11 jobs globally\(^4\) and constituting the fourth biggest global export industry after fuels, chemicals and food.\(^5\) According to the UN World Tourism Organization, tourism can not only facilitate peace, cultural understanding and respect for human rights, but also promote poverty alleviation

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\(^1\) UNWTO defines tourism as “a social, cultural, and economic phenomenon which enables the movement of people to countries or places outside their usual environment for personal/business or professional purposes.”


\(^3\) Ibid.


and support economic development. In fact, the UN perceives the tourism sector as a fundamental partner for the implementation of the post-2015 agenda and the new sustainable development goals. With the potential to preserve cultural and natural heritage, reduce poverty, generate employment and vocational training opportunities, spur the construction of infrastructure and invest in rural development, tourism plays a major role in advancing several goals of the new agenda.6

Yet, although UNWTO links global tourism to sustainable development, the lack of security and environmental degradation in some touristic sites, widespread sex tourism and pervasive income inequalities constitute a challenge to those advancing the view that tourism is a driver for development and poverty reduction. Then, to what extent does tourism actually contribute to sustainable development? Through the case study of the tourism sector in Brazil, the main goal of this paper is to examine the concrete effects this industry entails on social development and economic growth in countries marked by significant inequity, and to identify the factors that mediate the impact of tourism on development.

It is herein asserted that the location, size and type of tourism are the main agents determining the degree of development and social inclusion derived from touristic activities. In detail, the prevalent concentration of tourism in urban areas in detriment to poor rural villages is believed to widen economic inequalities, while tourism in poorer areas has greater potential in fostering inclusive development and poverty alleviation. In addition, large scale tourism, such as mass tourism, is expected to foster greater economic growth, through employment and infrastructure creation, than small scale tourism, but at
the risk of instigating inflation, marginalizing the poor, causing environmental damage and, basically, violating principles of sustainability. Regarding types of tourism, favela tourism and rural tourism, targeting poorer communities, are predicted to hold greater potential for poverty alleviation and sustainability than resort tourism. Finally, the paper addresses the distinct contributions that both public and private sectors offer in materializing tourism activities into development.

Overall, the study finds that tourism activities are concentrated in coastal and urban areas and in only a few municipalities within states. Also, small scale tourism initiatives, including community-based tourism, are more sustainable and are more effective in increasing the income of low-income groups than mass tourism endeavors, which are associated with severe social issues, such as sex tourism, child labor and mass eviction of poor groups. Finally, in regards to tourism types, the study finds that rural tourism fosters sustainable local development and poverty reduction, whereas as resort and favela tourisms do not. Neither resort or favela tourism provide economic and employment benefits to the local population, while resorts also exert a negative impact on the environment. However, in the case of favela tourism, the failure of tourism initiatives to induce development is mostly attributed to lack of local participation than in this type of tourism per se. In projects that engage the community in the planning and management of tourism activities, earnings are properly distributed to local residents and do contribute to local economic growth. Thus, this study concludes that governance arrangements are pivotal in determining whether tourism revenues reach the poor. Development needs to be localized and for tourism to reduce income inequalities at the national level, greater social participation must be accomplished at the local level.
Literature review

Globalization is an ongoing phenomenon that shapes nations worldwide and yet there is great controversy among scholars surrounding its definition. Many perceive globalization and internationalization, liberalization, universalization or westernization as interchangeable terms. Yet, these standpoints fail to acknowledge that globalization can neither be defined in terms of heightened trade between countries nor perceived as the inception of an open and borderless world, in as much as international borders do not disappear but are rather transcended by the process of globalization. Hence, the most accurate definition relies on the characterization of globalization as the reconfiguration of social geography that allows for the intensification of transplanetary connections. Either because of technological advances that erode physical barriers among people or as a result of economic interdependence and cultural mingling, globalization undoubtedly involves a process of respatialization and deterritorialization, with new connections and identities being formed by factors that transcend national borders.

In IR, questions related to what constitutes the essence of globalization are contingent upon theorists’ position as realists or liberals. Realists focus on the political aspects of globalization, identifying it as a platform used by states to gain political leverage, advance national interests and strive for power. According to realists, in a globalized world, dominant states create systems to control competition and to sustain their relative position over other states. In contrast, liberals tend to adopt a more economic view of globalization. Linked to technological advances, economic

interdependence and democracy as well as the proliferation of institutions and legal arrangements, globalization is treated as an extension of global markets and capitalism.\(^9\)

However, more relevant than the debate on *what* is globalization is the dispute on *how* globalization impacts groups and societies. Evidence indicates that globalization is a two-edged sword that can be both beneficial and detrimental to global security and development. On one hand, globalization appears to foster human security by creating new employment opportunities, advocating cultural pluralism, eroding incentives to war and improving humanitarian assistance. On the other, globalization can also hinder security by facilitating the spread of infectious diseases, environmental degradation, cultural destruction and exploitation. The rise of new war technologies along with the evolution of communications (namely the diffusion of internet) has also introduced new security threats, such as terrorism, pedophilia, fraud and money laundering\(^10\), increasing people’s vulnerability to become targets of some sort of crime. Basically, researchers in the later end contend that globalization exacerbates social inequities as well as democratic shortfalls conducive to social exclusion.

Segregate views also remain regarding the role states play on the process of globalization. Whereas those who consider globalization to be determined by economic and technological forces perceive it as a threat to state sovereignty, realists contend that globalization is a product of states’ willpower and manipulation. Indeed, although states

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\(^9\) Besides the mainstream IR approaches, postcolonialism and feminism contend that globalization is constructed on principles of neo-imperialism and gender discrimination, respectively. Adepts of postcolonialism address inequalities in terms of race and Western dominance over former colonies, while feminists focus on gender hierarchies and how unequal power relations contribute to the political and socioeconomic oppression of women. See Viotti, Paul R., and Mark V. Kauppi. 2012. *International Relations Theory* 5th edition, 71-72. Longman.

can’t control all global activities that have repercussions in their territory and the increased involvement of non-state actors in global governance has altered the traditional functions of states and to some extent their autonomy, states still influence the policies that guide the direction of globalization and thus, one cannot assume state sovereignty is eroding.\(^{11}\)

As a facet of globalization, the conceptualization of tourism is also subjected to similar theoretical disputes. While realists assert that dominant powers use tourism to impose political and socioeconomic systems on others, neoliberals perceive tourism as a transaction impelled by economic forces and interests of international organizations and multinational corporations.\(^{12}\) Yet, although liberals believe international institutions, like the World Trade Organization, are limiting states authority in foreign affairs,\(^{13}\) national governments remain the primary entities in the extraction of tourism revenues and in the formulation of tourism policy. Governments institute policies that regulate taxation, financing, transportation, infrastructure planning, environmental practices and labor supply associated with tourism activities, but also institute major policies that constrain the movement of people and determine the value of labor and of each industry. Regulations in the field of education, air agreements, customs and immigration are examples of macro policies that are intrinsic to the success and effectiveness of tourism initiatives.\(^{14}\) It then becomes evident that the debate related to the defining of tourism is

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\(^{13}\) Ibid.

deeply intertwined with the position scholars hold in regards to its effects. Does tourism contribute to development or does it perpetuate existing social hierarchies? Alike globalization, there is a clear divide between those who believe tourism has the potential to support development and reduce social inequalities, and those that claim tourism exacerbates power inequalities across the globe.

Economically, tourism is linked to increased foreign exchange, income and employment, also contributing to indirect benefits, such as increased tax revenues, intensification of services and improved infrastructure, including transportation, sanitation facilities and garbage disposal.\(^\text{15}\) Regarding culture and environment, thanks to UNESCO’s recognition of certain places as representing the common heritage of humankind, tourism also encourages the preservation and restoration of natural resources and cultural property.\(^\text{16}\) Indeed, the number of museums, festivals and cultural attractions has significantly increased in recent years,\(^\text{17}\) with cultural tourism fomenting the empowerment of marginalized groups and the appreciation for cultural diversity.\(^\text{18}\)

\(^{15}\) The authors also claim that developing countries choose tourism to gather capital and foster development because unlike export commodity goods, they have greater control over prices for goods and services related to tourism, including taxes on hotels, airports and general transportation. See Mathieson, Allister, and Geoffrey Wall. 1988. *Tourism: Economic, Physical and Social Impacts*, 37-38. New York: Longman Scientific & Technical.


Nonetheless, recent literature pinpoints some negative outcomes associated with the tourism industry, such as traffic congestion, soil and water pollution as well as inflation leading to rising commodity and land prices in tourist destinations.  

Overcommercialization, in particular, has been linked to the degradation and shortage of natural resources as well as social segregation, once the local population becomes unable to afford living in the touristic site. Moreover, developing countries’ dependency on tourism capital and job opportunities often sustains social asymmetries, by etching employees in host countries as low-paid servants and waiters, at the service of wealthy tourists from developed nations.

Finally, tourism is further blamed for introducing undesirable practices into host countries, such as gambling and prostitution, which can heighten sociocultural tensions between residents and tourists. In aggravation, these activities frequently go unpunished by governments, which derive noteworthy profits from the preservation of these practices and feel therefore little incentives to sanction them. To illustrate this point, in 1986, Thailand earned around $1.5 billion from sex tourism, a value that exceeded the profits accrued through rice production for that year. Other states even legalized and supported gambling in order to advance national wealth. In 1993, as a strategy to attract foreign capital, the government of Christmas Island opened a casino complex and resort while

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19 Goeldner and Ritchie. 386, 441.
22 The 2002 bombing in Bali targeting tourists was linked to local discontent towards tourism for injecting prostitution, drugs, gambling and other immoral activities into Bali’s culture. See Higgins-Desbiolles, Freya. 2007. “Hostile Meeting Grounds: Encounters between the Wretched of the Earth and the Tourist through Tourism and Terrorism in the 21st Century”. In Tourism and Politics: Global Frameworks and Local Realities, edited by Peter M. Burns, and Marina Novelli, 310-332. Amsterdam: Elsevier.
coercing its Department of Immigration to allow Asian gamblers to visit without visas. Consequently, aware of the urgency to control and regulate this activity in order to minimize its negative impacts, in 1999, the General Assembly of the World Tourism Organization adopted the *Global Code of Ethics for Tourism*, a nonbinding resolution that guides individuals and organizations engaged in tourism activities to respect cultural diversity, protect the rights of tourism workers and to ensure tourism initiatives are channeled towards sustainability.

Unfortunately, despite improved national regulations and international law, and with cultures becoming increasingly pluralistic and democratic, tourism policies still tend to subordinate minority groups to the aspirations of powerful elites. They have, in many occasions, disregarded the rights of cultural minorities and deprived local residents from their homes. In truth, tourism can actually encourage the underdevelopment of certain groups, especially indigenous, that if modernized would otherwise lose their distinctive features and inevitably cease to attract tourists. Then, whenever relying on

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27 In Australia, projects to build a bridge, expand a marina and develop a residential project in Hindmarsh Island were executed without consulting the Ngarrindjeri people, a native group that revered the island as a sacred site. See Higgins-Desbiolles, Freya. 2007. “Taming Tourism: Indigenous Rights as a Check to Unbridled Tourism”. In *Tourism and Politics: Global Frameworks and Local Realities*, eds Peter M. Burns, and Marina Novelli, 83-107. Amsteram: Elsevier.

28 In Atlanta, people were unable to stop the demolition of their houses for the 1996 Summer Olympics. See Richter, Linda K. 2007.

the status quo and generating wealth accumulation to a few, at the expense of exploiting local labor and resources, the economic activity of tourism can paradoxically become a discriminatory mechanism.

In sum, the political and social character of tourism as a globalized industry is constantly undermined by its economic repercussions. Notwithstanding, it is obvious that tourism cannot be construed solely as an economic industry but also as a social force that can shape international development and security. The existing literature rarely analyzes the particular contribution different spheres of governance offer in ensuring that tourism activities actually translate into development, and seldom considers what factors affect the outcomes of tourism. Therefore, this paper attempts to clarify the existing theoretical debate, by exposing the mechanisms underlying the wide variations of tourism effects on development. The study endeavors to provide a more nuanced view of the effects of tourism and globalization, by recognizing that the tourism industry has the potential to spur economic growth, but can also hinder social progress if gains are not properly distributed. At last, the paper is innovative in the sense that, rather than comparing differences among countries, it emphasizes the need to address unequal development within states, giving preference to local over international levels of inquiry. It highlights the urgent need to dismiss tourism as a mere business enterprise and to abandon the belief that tourism is necessarily growth-promoting, putting forward the view that more relevant than questioning whether globalized tourism promotes development and economic growth or whether it exacerbates economic and social inequalities, is to understand under what circumstances it does so.
Argument

It is evident that the discourse regarding the role of tourism in fostering the development agenda is highly debated, divisive and contradictory. There is no achieved consensus on whether the tourism industry propels or hinders development. This paper accepts both perspectives, embracing tourism as an activity that can equally be beneficial or harmful, containing diverse implications on human rights, development and security.

Nonetheless, although tourism holds both dangers and benefits to development, these attributes are not manifested uniformly everywhere and, since the effects associated with tourism are varied, there must be some underlying factors responsible for the observed differences. Consequently, unveiling these factors may be the key to understanding how tourism contributes to development. If the mechanisms involved in enhancing tourism benefits and diminishing its negative impacts are exposed, this will enable governments and private organizations engaged in tourism entrepreneurship to accrue profits at a lower human cost. Hence, to answer the question “How does tourism contribute to sustainable development and poverty alleviation?” it is necessary to inquire “What factors influence the outcome of tourism?”

At first glance, it is logical to assume that tourism can a priori foster economic growth because it is a business and as such it inherently spurs economic activity. Therefore, failure of tourism to foster development can in part be explained by inequalities in the distribution of its revenues, namely geographically. Many scholars have addressed the unequal distribution of tourism profits in terms of social classes, claiming that the poor do not significantly benefit from this activity. However, in this paper, it is argued that the geographical distribution of tourism is the major factor
responsible for differences in the distribution of its income. If tourism is located in wealthier regions, then benefits are more likely to remain in that area, which implies that tourism activities are not reaching those who need it the most, simply because tourism businesses are not located in poorer areas. To test this hypothesis, the paper compares the prevalence of tourism in urban and in rural areas and analyzes its economic significance in both areas.

Besides geographical location, the size of tourism can be expected to exert a unique influence on development. Large-scale tourism requires the massive intensification of infrastructure, such as accommodation facilities, transport systems and food production, in order to supply for the high demand of tourist arrivals. This per se stimulates construction and economic activity at a level unmatched by small scale tourism and thus appears to encourage greater economic development than the latter. On the other hand, it is also reasonable to anticipate mass tourism to be more detrimental to environmental sustainability, by causing greater pressure on natural resources and producing unparalleled levels of waste, consumption and pollution than small scale tourism. In fact, even the economic benefits derived from mass tourism can be questioned, when assessing for the cost of the initial investment in infrastructure and for the levels of economic leakage characteristic of mass tourism. Therefore, small-scale tourism targeting local needs instead of the global market are predicted to be more effective in reducing poverty and fostering sustainable development than massive tourism ventures.

Different types of tourism can also have differential impact on development because they rely on specific geophysical features, attract different sources of investment, build upon particular policies and express distinct degrees of community-engagement. As
different types of tourism vary in scale, location and nature, it is then unreasonable to expect the effects of tourism to be homogeneous across sectors. Therefore, resort tourism is expected to be more harmful to development than rural and favela tourism, as these are usually small-scale and tend to express higher levels of local participation and to exert fewer pressures on the environment than resort tourism.

Finally, although the location, size and types of tourism are the major factors influencing the outcomes of this activity, none of these variables occur in a vacuum. Tourism activities are socially constructed by numerous agents either involved in the drafting and implementation of policies and projects or engaged in the process of resisting the execution of these. Thus, actions undertaken by governmental agencies, the private sector and civil society ultimately shape the direction and nature of tourism’s final product. However, given that the interests nurtured by each sphere of governance are far from being convergent and most likely to be discordant, the successful completion of a tourism project, unavoidably presupposes the dominance of one group’s interest over another. Hence, this study argues that local social participation is pivotal in ensuring that the income generated from tourism effectively contributes to poverty alleviation and development of poor areas, by guarantying the fair distribution of profits to the local population and also impeding the subordination of indigenous, traditional and marginalized groups to the economic interests of private corporations. In this way, tourism initiatives that encourage local participation are predicted to be more sustainable and more effective in mitigating income inequalities and reducing levels of poverty than those that do not.
Thus, in this paper, it is argued that variations on the benefits and harms harbored by tourism are a reflection of different patterns in the location, size and type of tourism, mediated by inequalities in the governance of tourism activities. For empirical purposes, this argument is divided into four testable hypotheses:

**H1**- Tourism is more predominant in wealthy than in poor areas.

**H2**- Large scale tourism provides greater economic growth but fewer environmental and social benefits than small scale tourism.

**H3**- Rural tourism and favela tourism contribute more to poverty reduction and environmental sustainability than resort tourism.

**H4**- Tourism initiatives with high levels of local participation are more sustainable and more effective in reducing income inequalities than those that exclude local groups from decision-making.

In sum, under this framework, tourism’s failure to induce development is attributed to disparities in governance and in the type, size and location of tourism projects, specifically the lack of community engagement in tourism activities, the concentration of tourism in urban areas and the prevalence of mass and resort tourism, which altogether contribute to the unequal distribution of tourism revenues throughout the country.
Methodology

The definitions surrounding types of tourism are often ambiguous, varying from source to source. For example, neither the UNWTO nor the WTTC have a clear definition of mass tourism. Thus, for analytical purposes, in this paper mass tourism is defined as a large-scale form of tourism that involves thousands of people or more going to the same touristic destination during the same period of time, while community-based tourism is a small-scale form of tourism that is governed by the local population, attracting relatively few tourists at a time. Resort tourism (often intersecting with mass tourism) is addressed separately in this study as a type of tourism that is characterized by the presence of tourists in large hotel establishments called resorts that besides accommodation services, also provide food, entertainment and sports activities within the premises. Moreover, whereas favela tourism is defined as tourism that takes places in Brazil’s urban slums, known as favelas, rural tourism is described as tourism that occurs in rural areas, in which tourists can witness or engage in everyday activities characteristic of the countryside, namely agricultural. Finally, in regards to sustainable development, this study adopts the definition provided by the Sustainable Development Commission, which views the term as referring to “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Taking into consideration the post-2015 Sustainable Development Goals, the concept also implies that development is to be inclusive, benefiting both men and women, and broader than just economic growth as to include improvements in the social arena, too.

As a descriptive analysis, the study relies on official governmental documents, academic sources and reports from reliable scientific organizations and NGOs to draw its conclusions. In order to corroborate the hypotheses, the study gathers data from official tourism conference papers, financial reports and public statements published by the government of Brazil as well as from internationally recognized tourism organizations.

The research is confined to the case study of tourism in Brazil. As one of the fastest growing economies in the world, ranking as the tenth largest economy based on its GDP and seventh if considering GDP per capita, Brazil is the largest economy in Latin America and the fifth in the world with the most billionaires. The country is rich in natural resources, acting as a major supplier of steel, cement and petrochemical products. Even though the country does not fall on the category of a developed economy, Brazil is quite modernized with its service sector contributing to 67% of GDP, followed by the industrial sector rated at 27.5% and showing an extremely low reliance on primary goods, with agriculture contributing to only 5.5% of national revenue. Indeed, the tourism sector in Brazil grew 5% in 2013, with the Banco Central do Brasil (Central Bank of Brazil) recording earnings of $6.13 billion from this industry for that year. However, Brazil is denoted by significant income inequalities, with a 52.9 GINI coefficient. While the richest 10% of the population accrue 40% of the national income, the poorest...

32 Ibid
10% struggle to access 1% of it.\textsuperscript{36} Income inequalities are observed not only between urban and rural areas but also within urban settings, despite increased tourism in both areas. Thus, Brazil provides an interesting case for understanding how tourism operates towards development and poverty reduction.

In the first section, the study will provide an overview of tourism statistics and of policies that enable or constrain the expansion of the tourism sector, analyzing the general economic contribution of tourism on Brazilian economy. It introduces the national goals associated with tourism, established by the public sector in the \textit{Plano Nacional De Turismo (National Plan on Tourism)}, and presents the TSA (Tourism Satellite Account) score for Brazil. The TSA is a measure that calculates the economic contribution of tourism within a given country by assessing tourism expenditure, governmental consumption, the amount of GDP attributed to tourism and the employment opportunities generated by the industry.

Following national data, section two describes the unequal distribution of tourism activities within the country between urban and rural as well as coastal and interior areas. The section also assesses the impact this distribution exerts on creating jobs opportunities and generating income at a subnational level, gathering results from a study conducted by the IPEA, which used data from the IBGE and RAIS\textsuperscript{37} system to assess the contribution of the tourism sector at the local level. This is the only comprehensive study that factors the existing data as to analyze tourism activities and create graphic information of the distribution of tourism \textit{within} states, depicting each of Brazil’s 5000 municipalities.


\textsuperscript{37} RAIS is a system for collecting annual information developed by Brazil’s Ministry of Work and Employment.
For the purpose of discriminating between large and small scales of tourism, the third section of this paper contrasts the socioeconomic impact of mass tourism to the emerging trend of community-based tourism. This section also explores the degree to which local management of tourist activities decreases income inequalities and supports sustainable development. Regarding mass tourism, the study illustrates the aftermaths of the 2014 FIFA World Cup in the country and pinpoints the negative social impacts derived from mass tourism throughout the country, giving special attention to the Northeastern region. Under community-based tourism this section focuses on the cases studies of Prainha do Canto Verde, Praia do Aventureiro and summarizes the current projects on the Northern region of the country.

Section 4 compares the economic, social and environmental impact of resort, favela and rural tourism, by analyzing levels of economic leakage, inflation, employment, social exclusion and environmental degradation. The analysis of favela tourism focuses on the study of a particular favela in Rio de Janeiro, the Favela da Rocinha. This is the biggest favela in Brazil, attracting more tourists than any other and the one mobilizing the most tourism agencies. Moreover, since favela tourism is mostly managed by NGOs and small private enterprises, this type of tourism can provide further insights on the ways different actors employ tourism towards economic growth and social development.

At last, section 5 broaches the role of states, private sector and civil society in fostering or impeding tourism as a tool for poverty alleviation, while giving examples of partnership programs that are currently promoting the onset of sustainable tourism.
Limitations

The case study of Brazil corroborates that the effects of tourism are not homogeneous across sectors and that local participation in small-scale tourism activities is the key to achieving development that is sustainable, inclusive and socially just. Nonetheless, this is a descriptive, qualitative study and therefore no causal relationship can be inferred from it. The paper can identify common trends but proving causation will inevitably require further quantitative research to supplement the findings. Likewise, focusing on a single case study defies the principle of generalization, hindering the ability to apply results to other countries with the same degree of confidence. Overall, further research needs to be done in other countries to understand whether the findings of this study can be applied to other emerging economies besides Brazil or even to developed and developing nations. In addition, this research only focuses on three types of tourism, when many others could also provide insightful data on the differential impact of tourism on development. For example, local contribution of health tourism, religious tourism, enotourism (wine tourism) and business tourism are other ramifications worth being explored. Finally, it is important to keep in mind that the values indicated in this paper do not account for informal practices of tourism, which due to their existence outside of the official realm are not captured by neither national nor regional estimates. As such, whenever gathering data for national surveys on tourism, direct field investigation should be developed in poor areas in order to complement official data. This is particularly true for hospitality data, which often lags behind in accuracy, because residents that receive tourists in their homes do not always register their house as an official lodging facility.
1. Tourism in Brazil

Brazil is home to the famous Amazon forest and also a cultural symbol for its renowned Carnival tradition. Appreciated for its diverse natural and cultural landscapes, Brazil not only possesses nineteen sites on UNESCO’s World Heritage List, but also represents the second favorite tourist destination in South America. For six consecutive years, Brazil has received over 5 million foreign tourists within its borders each year, almost half (46.3%) originating from neighboring nations. Argentina and the United States are the leading suppliers of tourists, accounting for 29.3% and 10.95% of foreign arrivals, respectively. Yet, since domestic tourism accounts for 85% of tourist arrivals in the country, foreign arrivals actually constitute a very small portion of Brazil’s tourism activity. Indeed, while domestic visitors represent 94.7% of tourism spending in the country, foreign visitors spending amounts to a mere 5.3% of tourism revenues.

In 2014, for the fifth consecutive year, the tourism industry observed a growth in both its direct and total input, contributing directly to 3.5%, and in total to 9.6% (R$492.4 billion) of GDP and 8.8% of employment (8,829,000 jobs) in Brazil. Leisure spending represented 86% of tourism revenues, with business spending filling the remaining 14%. In general, food services account for 70% of establishments, 60% of

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40 MTur. 2013. P.17
41 Terra. 2014.
43 MTur. 2013, p.10.
45 Total contribution of tourism includes direct, induced and indirect variables, such as investment, supply chain and government collective.
46 WTTC. 2015. pp.1,2.
47 WTTC. 2015, p.6.
employment,\textsuperscript{48} and over 50\% of earnings in the tourism sector, followed by air transportation, which constitutes approximately 17\% of earnings in tourism.\textsuperscript{49} Tourism activity slightly decreased last year, showing a direct and total contribution to GDP of 3.3\% and 9\%, respectively.\textsuperscript{50}

Brazil’s Ministry of Tourism has adopted the \textit{Plano Nacional de Turismo 2013-2016}, which sets targets and goals to be achieved by the tourism sector in the following years. The main goals are to prepare the country for mega-events, increase international arrivals and spending, encourage citizens to travel within the country and to increase the global competitiveness of Brazil’s tourism.\textsuperscript{51} By the end of 2016, Brazil expects to attract 7.9 million foreign visitors and $10.8 billion from international tourists,\textsuperscript{52} and by 2020, the country aspires to become the third greatest tourism economy in the world.\textsuperscript{53}

Besides these major strategic goals, the National Plan also puts in place specific actions and programs to foster social inclusion and sustainability. From these measures, it is relevant to mention the attempt to decentralize the management of tourism activities and the recognition of community-based tourism as a ramification that needs to be expanded.\textsuperscript{54} Unfortunately, as this research demonstrates, the adoption of these initiatives is somewhat rhetoric rather than a practical endeavor. The government has in many instances hindered the concretization of these principles, by undermining local groups in favor of implementing capital intensive projects, usually funded by the private sector.\textsuperscript{55}

\textsuperscript{48} IPEA.2010. \textit{Measuring employment in the Tourism Industries in Brazil: from national to regional and local levels}. p.8.
\textsuperscript{50} WTTC. 2016. “Travel and Tourism Economic Impact 2016: Brazil”. p.1
\textsuperscript{53} Mtur. 2016. “Plano Nacional de Turismo 2013-2016.” P.60
\textsuperscript{54} Mtur. 2016. “Plano Nacional de Turismo 2013-2016.” P.100
2. The dichotomy between tourism in urban versus rural areas

Around 35% of Brazil’s population lives with less than two dollars a day, but poverty levels are even higher in rural areas, reaching 51% of the population, which basically comprises 18 million of those living in rural settings.\(^{55}\) Why are these trends persistent despite the significant growth of tourism in the country and governmental efforts to use this industry as a vehicle for poverty alleviation? The fact that economic differences between urban and rural areas remain accentuated regardless of the increase in national tourism indicates that tourism activities may also not be equally distributed throughout the country. Since rural areas tend to lag behind in sanitation and communication infrastructure, if investments towards tourism are channeled into the expansion of infrastructure in cities and their periphery, then tourism is more likely to sustain or even widen the economic gap between urban and rural areas rather than to alleviate it, ultimately exacerbating existing levels of poverty and income inequalities.

Indeed, evidence shows that tourism initiatives are still mostly concentrated in wealthy geographic regions, such as urban centers and coastal areas, in detriment to rural areas.

Tourism dependency is higher in the state of Roraima and also in the coastline with the states of Alagoas and Rio de Janeiro, followed by Sao Paulo, Bahia and Rio Grande do Norte, expressing the highest reliance on tourism establishments in the country (Figure 1). Nonetheless, although Roraima (on the interior North) has a high proportion of tourism establishments within the state, this has relatively low significance nationally, contributing to only 0.15% of tourism establishments in the country. In contrast, Sao

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Paulo, Minas Gerais and Rio de Janeiro account for 29.4%, 11.9% and 9.5% of total establishments, respectively. Altogether, these states also make up for more than half (53.9%) of jobs in the tourism industries and over 80% of total earnings from tourism activities. Yet, with the exception of Rio de Janeiro, neither Minas Gerais nor Sao Paulo experience the highest dependency on either jobs or earnings deriving from tourism. Greater levels of dependency are mostly observed among other coastal states, especially Bahia and Rio Grande do Norte, which express the highest dependency on both tourism jobs and earnings (Figure 2 and 3). Also, except for Rio de Janeiro, states depending the most on tourism earnings show lower average earnings than those that do not rely so heavily on this sector. Higher earnings are found towards the South of the country, while low earnings are mostly recorded in Northeastern states.

Analyzing data at the state level is useful to unveil patterns within a country but it can often be misleading as it omits the areas that have no tourism activity whatsoever. Moreover, while the current map of tourism in Brazil does not comprise 2,225 of the 5,570 municipalities in the country, state levels of analysis also fail to acknowledge that the other 3,345 municipalities are not affected equally by the activity. Thus, municipal levels of analysis are crucial to describe how tourism is distributed locally, within states. Indeed, as Figures 4 through 6 demonstrate, the majority of areas not covered by tourism activities (at least not formally) are located in the North and Northeast of the country, while high dependency on tourism is concentrated in just a few municipalities. The

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56 Sao Paulo accounts for 43.8% of revenue from tourism in Brazil; receives 29% and sends 41.3% of domestic tourists. See http://www.tourisminhaopaulo.com
58 IPEA. 2010. p.17.
59 Administrative division with self-governing powers, like a city or a town.
Fig 1: State Tourism Dependency Establishments

Fig 2: State Tourism Dependency Jobs

Fig 3: State Tourism Dependency Earnings

Fig 4: Municipality Tourism Dependency Establishments

Fig 5: Municipality Tourism Dependency Jobs

Fig 6: Municipality Tourism Dependency Earnings

Source: IPEA, 2010
municipalities whose jobs and earnings from tourism account for more than 50% of their economic activity are either well established tourism destinations or very small economies, even though the latter barely contributes to this sector’s activity. 60 Basically, while the first are exploiting their advantage as a tourism destination, tourism in small economies, despite showing an almost insignificant contribution to the national economy, appears to provide vital income to local populations. Regrettably, regardless of local reliance on tourism, 35.8% of establishments, 46.6% of jobs and 52% of earnings in the tourism sector are concentrated in the capitals of the 27 states, 61 which confirms the hypothesis that tourism activities are more prevalent in urban than in rural areas.

Fig 7: Proportion of Rural Households with simultaneous access to the three basic sanitation services 2014

Source: IBGE 2014

60 IPEA.2010. p.14,42.
61 IPEA.2010. P.12,14,16
Whether tourism industries contribute to the expansion of infrastructure and
development of urban areas or whether tourism is located in urban areas because these
already have the fundamental infrastructure and economic activity required for tourism
industries to prosper is questionable. However, what is certain is that trends to settle in
coastal areas and state capitals certainly have repercussions on rural areas. As Figure 7
illustrates, rural areas with access to all three sanitation services\(^{62}\) are either located in
coastal areas or neighboring state capitals, which often coincide with tourism centers.
Otherwise, around 2,495 municipalities experience deficiencies in sanitation, with 15.3
million people lacking access to sewage systems in the Northeast alone.\(^{63}\)

Overall, although the unequal distribution of tourism activities can partially explain
the mechanisms responsible for sustaining income inequalities within Brazil, this variable
by itself can’t account for the exceptional case of Brazil’s Northeastern region. The
Northeast is one of the poorest areas of Brazil\(^{64}\) and, the one with the highest incidence of
rural poverty in Latin America, with 58% of residents living in poverty.\(^{65}\) Yet, it is also
one of the most developed touristic regions of Brazil. As the next section describes, the
inconsistency between elevated levels of tourism and weak poverty alleviation in the
Northeast, as well as other areas in general, can be attributed to the scale of tourism
prevalent in the region, specifically mass tourism.

\(^{62}\) Water, sewer and garbage management
\(^{64}\) IBGE. 2013. “Multidimensional Poverty in Brazil through Fundamental Social Rights Compliance: An
America*, p.14
\(^{65}\) Klie sen. 2014.
3. Tourism size: economic, environmental and social impacts

3.1 Mass Tourism

Brazil is famous for its numerous events, including the Carnival, Copacabana’s New Year and folklore festivals. Lately it has also attracted global attention for hosting prestigious international events, such as the national Grand Prix of Formula 1, the 2014 FIFA World Cup as well as the incoming 2016 Olympic Games. Indeed, international events increased from 28 to 360 in Brazil since 2005, and companies involved in organizing events grew 23.3% in 2012, faster than travel agencies and promoters fairs. However, this form of globalized tourism, aimed at attracting massive flows of tourists may actually be counterproductive, hindering rather than fostering development.

In Brazil, there is evidence that mass tourism contributes to sexual exploitation of minors, child labor and ultimately human trafficking. Whereas the Amazon region is linked to child labor, the commercialization of children in the Northeast is strongly associated with tourism and sexual exploitation, especially in resort and coastal areas. A fifth of Brazilian cities have organized sexual exploitation of children, from which a third are found in the Northeast. In the Northeast, the touristic cities of Belem (State of Pará), Fortaleza (state of Ceará), Natal (state of Rio Grande do Norte) and Recife (state of Pernambuco) express the highest levels of sex tourism related to children. Nonetheless, child sex tourism also affects other touristic coastal areas, such as those in Bahia, Sao Paulo and Rio de Janeiro (namely in the favelas), and regions bordering with other Latin American countries, including the states of Paraná, Mato Grosso do Sul and Rio Grande.

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68 Terrero. 2014. p.12
69 Terrero. 2014. p.28.
Most victims of human trafficking come from either Sergipe, Sao Paulo or Rio Grande do Sul. In spite of $3.4 million funded by Brazil’s Secretariat of Human Rights to stop sexual exploitation of children and efforts to eradicate human trafficking, these trends become hard to identify as it is increasingly difficult to distinguish between legal and illegal prostitution and the definition of human trafficking in Brazil’s Penal Code does not include trafficking for the purposes of labor. Regarding child labor, children working in tourism are often found in family businesses, hotels, restaurants, selling souvenirs and even in construction. Child labor is highly associated with sports tourism, with children exploited as cheap labor for the construction of stadiums and manufacturing of sport-related products. During the 2014 FIFA World Cup alone, 726 complaints were received denouncing child labor practices and during 2014, there were 51,553 cases denouncing child pornography.

Nonetheless, the most publicized issue related to the 2014 World Cup and the incoming 2016 Olympic Games was the relocation of residents throughout the country, so as to make space for the construction of stadiums, roads and entertainment infrastructure. It is estimated that between 250,000 and 1.5 million people were forced to move or evicted, with 19,200 families experiencing the same in Rio de Janeiro alone.

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71 Térrero. 2014. p.29.
72 US Department of Labor’s Bureau of International Labor Affairs. 2014. p.128
73 Prostitution of adults is legal in Brazil.
74 US Department of Labor’s Bureau of International Labor Affairs. 2014. p.127
76 Ibid.
since 2009. In addition, residents were often given little or no compensation, with some being paid only 20% to 40% of their house’s worth and others relocated far from their work to places they can’t afford. The government justified these mass evictions as an attempt to remove people from dangerous and disaster-prone areas, when in reality the plan was to demolish residences to create infrastructure, namely shopping malls, to support the incoming mega events. In fact, one favela in Rio de Janeiro was demolished and replaced by a parking lot, while several projects to improve favelas and improve the living conditions of the poor were delayed or canceled to complete stadiums. This explains why so many protests were held by citizens against holding the event, demanding for greater public investment in healthcare and education instead.

The economic justifications for holding such a mega event are also dubious. The total governmental expenditures to host the 2014 World Cup is uncertain, with estimates ranging from $11 billion to $14 billion, nonetheless it is official that $3.6 billion were spent just on the renovation and construction of stadiums. Functional stadiums were demolished to build new ones, with a stadium in Brasilia rated as the second most expensive stadium in the world at $900 million. Yet, most of these stadiums are now vacant and costing high maintenance fees. Since FIFA collects revenue from ticket sales and TV rights, the only revenue Brazil was expected to receive was three to four billion dollars from tourist expenditure in the country.

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79 Kliesner. 2014.  
80 Ibid.  
81 Waldron, Travis. 2014. “Brazil Relocates more than 15,000 Families Ahead of World Cup.” Retrieved from: http://thinkprogress.org/sports/2014/02/28/3345031/brazil-relocates-15000-families-world-cup  
82 Mitra. 2014.  
83 Ibid.
Besides triggering these social effects, mass tourism, especially in the Northeast, arising from the project PRODETUR/NE, has also failed to produce the poverty reduction and economic growth initially expected by both the government and the private sector, which have invested huge sums of capital in mega tourism projects for this particular region. Between 1996 and 2001, PRODETUR/NE raised a total of $670 million, $400 million from an Inter-American Development Bank loan and $270 million injected by the government of Brazil, for the development of the tourism sector in the Northeastern region.\(^{84}\) Initially, the project aimed to foster development in the poorest region of Brazil and to ensure that at least 50% of the benefits were collected by the low-income groups. However, the project invested too much in infrastructure and not enough in human capital or training programs that could actually guarantee the poorest would acquire the skills to work in the tourism sector. In aggravation, the majority of investments were not distributed throughout the region, with 60% being concentrated solely in the municipality of Natal (state of Rio Grande do Norte), an already well-established tourism center.\(^{85}\) Even worse, major programs devoted to road paving, sanitation and historical preservation in the initial plan were revised and suffered substantial financial cutbacks so that budget for airport construction could be expanded.\(^{86}\) A survey conducted after the implementation of these projects, on entities affiliated with the government, private sector and civil society, showed that 67% of those surveyed agreed that the services and infrastructures available did not meet local needs or priorities, and most showed low

\(^{85}\) Siegel and Alwang. 2005. P.A. 
\(^{86}\) Ibid
satisfaction over water supply and sanitation. While less than half (35%) rejected the view that tourism companies business purchase goods and services from local people, prostitution and relocations were the main concerns expressed by 53% and 57% of respondents, respectively.

Overall, data indicates that large-scale tourism in low-income areas doesn’t necessarily benefit the poor, while the costs associated with the construction of infrastructure may in fact outweigh the economic benefits derived from mass tourism. Plus, since domestic tourism accounts for 85% of tourism activities and 94.7% of tourism spending in Brazil, it is actually non-logical and quite absurd for the government to divert public investment into mass tourism to satisfy a global market that only represents 5% of tourism earnings in the country. As the next section contends local initiatives and community engagement in managing tourism activities are paramount to ensuring the benefits accrued from tourism actually reach the poor. Investments in the tourism sector need to be directed not towards the growth of tourism per se, but the growth of local economies and local groups’ wellbeing, which can be achieved without massive flows of tourists, mostly relying on small-scale tourism practices.

3.2 Community-based tourism

In the Plano Nacional de Turismo, the Ministry of Tourism encourages the adoption of tourism practices that promote local development and social inclusion, emphasizing the need to decentralize the management of tourism activities and to target programs towards prioritized areas, namely through community-based projects. The DCPAT

87 Siegel and Alwang. 2005. P.6, 8.
88 Siegel and Alwang. 2005. P.7
89 MTur. 2013, p.10.
(Department of Qualification and Certification and of Production Associated with Tourism), led by the CGPE, an entity coordinating tourism in prioritized areas, is the main public organ directly supporting community-based tourism in order to explore the potential of this segment in fostering social inclusion and local development. In 2008, the Ministry of Tourism dedicated a budget of R$7.5 million to community-based projects and opened a public forum to receive applications of proposals in need of funding. Each proposal could solicit between R$100,000 and R$150,000 and from the 500 received applications, 50 projects were selected for implementation.

Again, it is relevant to emphasize the unequal distribution of selected projects throughout the country. Approved applications were somehow distributed proportionally to the amount of applications received by region rather than distributed to areas with less tourism activity, higher dependency on tourism or higher levels of underdevelopment. In fact, most projects were approved in areas that are already experienced in community-based initiatives, such as the states of Ceará and Rio de Janeiro, which together account for 28% of total selected projects. Moreover, although the Ministry of Tourism asserts that 82% of projects are not located in urban or metropolitan areas and emphasizes that 60% of projects approved are in prioritized areas, when one analyzes every single project selected, there are some patterns that become evident. First, the seven states without any application approved are all in the North, Northeast or Center-West, areas that as addressed earlier are either the poorest or in the case of Center-West, express low levels of tourism activity. Second, there is still a

91 Mtur. 2015. Intro.
93 Mtur. 2015. P.366
94 Mtur. 2015. P.367
bias towards investing in either coastal or touristic poles and in just a few municipalities within states. From the total selected projects, around 25 are in coastal areas. In Espírito Santo, one of the projects is expected to include seven municipalities and yet only two are in the interior. Even within states, selected projects were not diversified, concentrating in just a few municipalities. For example, from the eight applications approved in the state of Rio de Janeiro, two are in the municipality of Paraty, two in Angra dos Reis and four in Rio de Janeiro. In Paraná, two projects are in the municipality of Morretes, while Bahia shows half of its projects in Lençóis. All projects approved in Goiás and Alagoas are in Pirenópolis and Maceió, respectively.

Despite unequal patterns of distribution, community-based tourism is a branch of the sector that appears to be more consistent with principles of sustainability and offers promising potential towards poverty alleviation and local development. Countering the negative impact of mass tourism and resort development projects on local groups, community-based tourism is a growing trend that is small-scale and characterized by local engagement, with communities controlling the economic activities related to the expansion of tourism in their territory.95 As a matter of fact, to ensure foreigners do not acquire local land for purposes contrary to local needs, the residents engaged in this sort of tourism form an internal pact, in which they consent to either preserve their land or allow the community to decide to whom the property will be sold.96 Indeed, community-based tourism has in many instances flourished as a reaction, especially in coastal areas, against globalized, mass tourism that instead of generating income and improving labor

96 Ibid.
conditions, has marginalized local groups, eroded their traditional modes of subsistence and increased income inequalities. The Prainha do Canto Verde (little beach of Canto Verde), serves as an example on how the struggle between large corporations and local people over land appropriation has encouraged communities to organize and form associations to stop globalized tourism from taking over their land. Located in the state of Ceará, the Prainha de Canto Verde is home to about 1,100 people that have been living there for generations. However, due to the beautiful scenery and because the residents did not have legal documentation proving they possessed the claimed properties, real estate entities have nurtured a special interest in exploring the area, making ferocious attempts to appropriate Canto Verde in order to build a large-scale resort. The population, mostly dedicated to artisanal fishing, refused to move and was subjected to numerous intimidations by the company Imobiliario Henrique Jorge, which even set voluntary fires on local houses as an attempt to pressure residents out of the area. The community then mobilized to create its own association and for twenty-years struggled to legally fight against its eviction. In 2006, the Supreme Court of Justice of Brazil finally ruled in favor of the local community, giving local families the legal right to their land.

Nowadays, local residents receive around a thousand tourists per year in their own houses, with around 40 beds available in the community. Moreover, community-based tourism in Prainha do Canto Verde currently contributes to about 15% to 20% of

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97 Coriolano. 2015. P. 283.
101 Cruz. 2015. P.106.
local revenue, while still acting as an advocate against deforestation and overdevelopment.¹⁰²

The case study of Praia do Aventureiro (the Adventurer’s Beach), located in an island of Rio de Janeiro state, provides an example of how local groups can be targeted and marginalized by conservation factions seeking to preserve environmentally protected areas from any human activity. Here, rather than a clash between economic interests and local needs as seen in Canto Verde, there is a conflict between preservation efforts and recognizing native practices as sustainable. Since the creation of the Reserva Biológica Estadual da Praia do Sul (Federal Biological Reserve of South Beach), which comprises the Praia do Aventureiro, the presence of human activity within the area became totally prohibitive.¹⁰³ This triggered resistance by local residents, whom main source of income comes precisely from touristic activities, with 75% of residents being involved in activities related to tourism.¹⁰⁴ In 2000, as environmental organizations pressured the government to evict residents, the residents united and formed their own association, AMAV Associação de Moradores e Amigos do Aventureiro, not only to fight for their right to stay but also to vindicate for subsidized school transportation, which needs to be made by boat.¹⁰⁵ Afterwards, a period of peace was observed until 2003, when deep confrontations reemerged as a result of a police intervention that expelled tourists from

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¹⁰² Zalamea. 2015.
¹⁰³ Recently the INEA, the Federal Institute of Environment, is trying to negotiate with residents to change the category of the reserve as one of Sustainable Development. Unfortunately, residents are greatly divided in that subject, fearing that if the area become less restrictive, real estate speculation will plummet and force residents out of the area. See Mendonca et al. 2011.
the area, and of the establishment of Operation Angra Legal, which forbade illegal campings in the whole area, imposing fines on perpetrators. This obviously caused severe economic repercussion on the community, whom usually hosts an average of 2000 campers during the summer and experiences constant obstacles, opposition and difficulties in legalizing campings and local restaurants. By the end of 2006, an agreement was achieved between the community and the government, allowing camping within the limit of 560 campings a day, one-fourth of what the residents used to accommodate. Community-based projects in Vila do Aventureiro were elaborated to train local people in improving local services and to support the marketing and diffusion of tourism information. Thanks to these projects, 80% of residents participate directly in tourism activities, 250 certificates were issued to 65% of the population, 10 movies and a magazine with local itineraries were designed for online access, among many other contributions. Currently, there are 18 campings, 2 houses and 12 rooms available to receive tourists, 6 bars and restaurants, 13 establishments that provide sweet and salty treats, 6 residents selling food at the beach, 2 services to rent surfing equipment, 11 places selling handcrafts and souvenirs and 7 available boats for transportation and touristic tours.

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106 In Praia do Aventureiro, tourism seems to reinforce social hierarchies, with the wealthier local families, possessing more boats and properties, deriving higher profits than poorer families. Yet, while poorer families still engage in other economic activities, wealthier families depend highly on tourism revenues and hence spend more money in restoring infrastructure and are more vulnerable to disruptions in tourism. See Costa 2015, P.190
Finally, community-based tourism in the North evidentiates local attempts to mitigate the effects associated with unsustainable use of natural resources, fueled by global patterns of production and consumption. Indeed, tourism in the North and Northeast of Brazil developed by and large by governmental programs and private sector endeavors, without the participation of local groups. Again, as in the Northeast, tourism practices excluding local people from decision-making also failed to induce development in the North. To illustrate this, Marajó, an island in the Amazon river (state of Pará), despite being one of the most touristic places in the state, is also an area with the lower indicators of human development in the country. Thus, to improve local livelihoods, community tourism in Marajó is being coordinated by the local NGO Associação das Mulheres do Pesqueiro (association of women of the fishing boat). In Marajó, there are no hotels. Local residents can accommodate up to ten tourists in their houses, where visitors savor local food and attend fishing activities.110 Another project targeting a local community located in a fluvial island in the Amazonas state, is that of Silves. Like that of Marajo, the community of Silves also relies on fishing for subsistence, but in the past few years has seen its occupation threatened as a result of the overexploitation of its lakes and rivers. Thus, to regain control of the activities developed in its territory, in 1993, Silves community created ASPAC, a local association for environmental and cultural preservation, funded by Austria’s government and the Brazilian branch of World Wildlife Fund.111 This partnership facilitated the training of residents in hospitality services and the construction of an hotel in the jungle that is now completely run by the local

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110 Mtur. 2015. 390-392.
111 Cruz. 2015. P. 104.
community. Most important, 90% of the revenues generated by the hotel are collected by ASPAC to further invest in natural preservation and to meet local needs.\textsuperscript{112} Also in the Amazonas state IPE Instituto de Pesquisas Ecológicas (Institute of Ecological Research) is leading a local project along the Rio Negro (Black river), with the intent to restore natural habitats, protect endangered species and to preserve biodiversity and cultural practices in the municipalities of Manaus and Novo Airao. Tourists in this project are allowed access to observe the diversity of fauna and flora in the region, get into contact with indigenous groups and visit a tapestry workshop that uses wasted materials from naval construction to weave its traditional artworks.\textsuperscript{113} Other similar projects are happening throughout the Amazon forest, including in the state of Pará, in which tourists can interact with indigenous groups, sleep in boats, enjoy local gastronomy, learn about medicinal plants and engage in handcrafts, namely basket manufacturing.\textsuperscript{114}

Not only does community-based tourism corroborates that development can be achieved without heavy industrialization but it also advocates for gender equality. Although at the national level, women only account for 47% of workers in the tourism industry, earning 37% less than men, in certain municipalities women occupy as much as 71% of jobs in the tourism sector.\textsuperscript{115} For example, community-based tourism in the municipality of Maceió in Alagoas is based on cultural preservation, with local women involved in their typical embroidery from Portuguese origin being the main attraction of the area.\textsuperscript{116} In fact, even if one may argue that community-based tourism is reinforcing traditional roles of women, the reality is that women are nonetheless playing an active

\textsuperscript{112} Cruz. 2015. P.105
\textsuperscript{113} MTur. 2015. P.381-383.
\textsuperscript{114} MTur. 2015. P. 378-379, 384-388
\textsuperscript{116} Mtur. 2015. P.396-399.
role in the economic growth of local communities and generating significant income from their activities, because cooking, weaving and hospitality are finally being appreciated as official economic occupations and not as mere female duties. Moreover, since community-based tourism is based on principles of sustainability and self-sufficiency, community-based tourism can be associated with different types of tourism that make use of natural resources, local traditions and ways of life, such as adventure, cultural, religious, rural and ecotourism. This diversification in types of tourism can benefit low-income groups because these usually work in agriculture, live in areas of untouched, natural beauty or continue to practice traditions of cultural distinction, all features that have the potential to attract tourists.

The majority of tourism projects are frequently accompanied by programs targeting human development, namely by training locals about tourism management, marketing, renewable energies, hospitality, customer service, work safety, transportation, monitoring tourism impact on natural resources and ecosystems and, for those in the restaurant business, techniques of gastronomy.\footnote{Mtur. 2015. P.393-394; 400-401,436}

In brief, community-based tourism is the sustainable tourism practice that can attenuate income inequalities and foster local development without mega investments in infrastructure. It strengthens fishing, agriculture and handicraft, appreciating simplicity over luxury and engaging residents in providing tourists local food and traditional hospitality, often accommodating them in their houses, small hostels or traditional boats. Community-based tourism also supports education and professional training, advances gender equality and advocates for minority rights.
4. **Types of tourism, local participation and poverty alleviation**

If the size of tourism exerts different impact on development and poverty alleviation, then it is reasonable to argue that certain types of tourism are more sustainable than others, simply because each type of tourism will vary not only in size but also in nature. Consequently, it is hypothesized that favela and rural tourism, targeting poorer areas at a small-scale, are more sustainable and are associated with greater levels of poverty reduction than resort tourism, linked to large-scale infrastructure and dominated by foreign capital.

4.2 **Resort tourism**

Within the tourism industry, hospitality is the branch that exerts greater impact on the environment because it requires the acquisition of space. Resorts in particular, demand the appropriation of large territories and the provision of numerous complementary services, from food to entertainment. Indeed, tourists don’t even need to leave resorts, since these already offer a variety of leisure activities, such as golf and tennis fields, spas, gyms, stores and water attractions.\(^\text{118}\) In Brazil, the government is easily wooed by these projects, mainly led by transnational corporations, because it believes they will foster economic growth and contribute to national development. However, as this section depicts, it is extremely dubious whether resorts even provide any relevant benefits to the local economy.

At first sight it appears that in Brazil large scale establishments, such as resorts, provide greater economic benefits than small enterprises. These large establishments account for only 0.1% of establishments but nearly 10% of jobs and over 21% of earnings

\(^{118}\) Coriolano. 2015. P.278.
compared to establishments employing up to 9 workers that, albeit representing nearly 80% of establishments, only provide for 29.7% of jobs and the same total amount of earnings of large companies.\textsuperscript{119} Indeed, though over 80% of tourism establishments are micro or small enterprises, workers in establishment employing nine or less employees earn 210% less than workers in companies with over 250 employees.\textsuperscript{120} In 2012 alone, the 80 largest tourism companies earned R$57.6 billion and employed 115,000 people in Brazil.\textsuperscript{121} Nevertheless, establishments with 10 to 49 persons employed are the ones providing the greatest economic gains, as they generate 41.9% of jobs and 35.7% of total earnings from tourism in Brazil (Appendix V). Thus, large-scale tourism businesses like resorts neither constitute the major source of employment nor do they generate the greatest economic profits in the tourism sector as it is popularly assumed. Yet, in 2013, the Ministry of Tourism predicted that 422 accommodation facilities would be finalized by the end of 2016, from which 42 were considered of superior quality, 9 upscale and 7 resorts, an investment estimated to cost R$12 billion and to create more than 33 thousand job openings.\textsuperscript{122} In 2014, resorts experienced a 33.4% increase in earnings,\textsuperscript{123} and by 2020, the number of hotels in smaller inland cities is expected to increase 134%.\textsuperscript{124}

Furthermore, resort tourism expresses higher levels of economic leakages than other small-scale types of tourism, namely rural tourism. This basically means that revenues

\textsuperscript{119} IPEA.2010.p.36.  
\textsuperscript{120} IPEA.2010. p.34,38  
\textsuperscript{121} Duran. 2013.  
generated by resorts are less likely to be retained locally but are instead more likely to be repatriated to other countries. This is partially due to differences in employment, ownership and imports among both types. Large hotels create more employment, but also rely more on expatriate labor than small hotels, whom are characterized by a higher proportion of local labor.\textsuperscript{125} In addition, resorts are often associated with foreign ownership and linked to greater imports. Resorts use more imported goods for they provide tourists with high-quality, luxurious goods that are often not produced locally.\textsuperscript{126} Even food, which could be supplied locally is usually imported in resorts for several reasons, namely factors related to food prices, quality, regularity of supplies and even preferences.\textsuperscript{127} Thus, although a resort attracts higher income tourists that could invest more in the local economy than small inns, at the end its profits are seldom benefiting the local population because revenues are either repatriated to foreign owners or used to import foreign goods and services. Since one third of tourism spending accounts to food, for tourism revenues to de facto benefit local economies, proper linkages need to exist between tourism enterprises and local suppliers, especially farmers and fishermen.\textsuperscript{128}

There is an average of 109 resorts throughout Brazil\textsuperscript{129}, from which only six are considered sustainable.\textsuperscript{130} In 2008, it was estimated that nearly half of resorts were located in the Northeast, one of the poorest regions of Brazil, and a quarter in the

\textsuperscript{126} Ibid.
\textsuperscript{127} Supradist. 2004. P.54.
\textsuperscript{129} Mtur. 2013. “Resorts faturam mais com visitants brasileiros.”
Southeast, one of the richest.\textsuperscript{131} Tourism in the Northeast was spurred by the government, whom aspired to decentralize tourism activities from the South and Southeast towards the Northeast as a strategy for poverty reduction. Indeed, the project PRODETUR-NE, aimed to spur mass tourism and to attract foreign capital by following a tourism model of resorts and villages, which fomented the establishment of major international hotels, such as Accord, Marriott, Holliday Inn and Caesar in the region. Regrettably, resorts in the northeast coastal area of Brazil failed to induce local development, causing exorbitant inflation on local property and commodities.\textsuperscript{132} In Vila de Trindade (state of Rio de Janeiro), local residents are charged the same for commodities as tourists and although they possess a special bus pass, the fee remains one of the most expensive in the country.\textsuperscript{133} In Seabra (state of Bahia) and Costa de Sauipe in Mata Sao Joao (state of Bahia), resorts also did not create employment opportunities for local labor and, because of inflation, local people were gradually moved out of the area. In fact, Sauipe is probably the strongest evidence that resorts do not contribute to neither poverty alleviation nor development. Sauipe represents the biggest resort complex venture in Brazil and yet no improvements have been registered in its Human Development Index (HDI) or GINI coefficient.\textsuperscript{134} In aggravation, the resorts of Costa de Sauipe were executed without considering the Preliminary Environmental Impact Assessment (EIA) and currently empty waste into the local river estuary.\textsuperscript{135} It is then evident that resorts in


\textsuperscript{132} Bursztyn, Ivan, Bartholo, Roberto, and Delamaro, Mauricio. 2015. “Turismo para quem?Sobre caminhos de desenvolvimento e alternativas para o turismo no Brasil.” In MTur’s Turismo de Base Comunitária: diversidade de olhares e experiências brasileiras. P.82-83.

\textsuperscript{133} Oliveira, Alexandra Campos. 2015. “Turismo e população de destinos turísticos.” In Turismo de Base Comunitária : diversidade de olhares e experiências brasileiras by Mtur. P.325

\textsuperscript{134} Bursztyn et al. 2015. P.83-85.

\textsuperscript{135} Portela. 2014.
these areas did not reduce income inequalities, did not reduce poverty and certainly did not incorporate environmental sustainability factors into their initial planning.

Notwithstanding, the social implications resorts entail for local people are by far the most worrisome. The edification of resorts is often achieved through the violation of indigenous rights and at the cost of injuring local, low-income groups. For example, in Jericoacoara and Cano Quebrada, state of Ceará, lands were expropriated from the local fishing communities to build resorts, even though the majority of properties were considered areas under environmental protection. This depicts the ability of wealthy powers to bend the law to satisfy economic interests in detriment of disadvantaged groups and the environment. Likewise, in Brejo Grande (state of Sergipe) grave violations of human rights were performed by Norcon, a civil construction company, against the local community of artisanal fishermen. Norcon destroyed and burnt local houses and fishing equipments to pressure the community out of the area so that the enterprise could erect a luxurious hotel, and when local people called the police, the force unit did not even make an appearance. In fact, as Norcon claimed to have bought the territory legally, a fisherman was later arrested under the accusation of stealing coconuts. Even more disturbing is that while the regional entity investigating the denomination of the land found that at least 80% of the area was of public property, not only did Norcon destroyed parts of the local rainforest to build houses, but mangroves

and lakes housing endangered ecosystems were privatized while public official decided to build a bridge and waterway that will also cross the area.\textsuperscript{138}

Two other outrageous cases of violation of human rights associated with resort tourism are found outside the Northeast, both in the state of Rio de Janeiro. The first affecting the community of Zacarias, is found in the municipality of Maricá. The community of fishermen of Zacarias, consisting of around 200 people, is being intimidated to leave the area, to create space for a touristic complex that will accommodate twenty thousand people.\textsuperscript{139} The people of Zacarias date back to the 18\textsuperscript{th} century and have lived for generations from the fish and crustaceous brought periodically by the opening of a sand bar that connects the local lagoon to the sea. However, since public sanitation projects were implemented in 1951 using water from the area, the residents noticed that the sea did not reach Maricá anymore and that fish were scarce and dying, because they were unable to either reach the lagoon or return to sea.\textsuperscript{140} Recently, in 2006, residents found a security guard impeaching their entrance to the village because the area was suddenly deemed private property. After heated local resistance, a 2.2 million m\textsuperscript{2} razor wire fence was implemented to restrict the passage of residents to the coastal area, recently acquired by a luso-hispánic group that planned to create a resort complex worth $8 million, with golf fields and a marina to host more than a thousand boats, under the claims that the area was being ecologically degraded by local slums.\textsuperscript{141}

\textsuperscript{138} Ibid.
\textsuperscript{141} Pereira e Mello. 2011. P.145-146.
The second case, located in the city of Niteroi, depicts the struggle afflicting the community living in Morro das Andorinhas (Hill of Swallows). This hill lies within a preserved reserve of Atlantic Rainforest, which according to Brazilian forest law nº 4.771/1995 does not allow inhabitants. Yet, this hill, surrounded by expensive mansions and condos, is home to a small community of about 37 people dispersed in 14 houses, that because of environmental restrictions, relies little on agriculture and engages more in fishing activities. The Federal Public Ministry filed a civil action against the city of Niteroi, demanding the community of Morro das Andorinhas to evict the area, accusing the residents of causing environmental damage and ‘slumming’ the area. These arguments are fallacious and ironic, since the community is the one responsible for preserving the existing ecosystems and avoiding invasion from both migration and real estate speculation, for many generations. It is clear that integrating Morro das Andorinhas and also Praia do Aventureiro (broached on section 3.2) in a protected area is not just foolish, but it also reflects extreme disregard for native groups, whom despite human activity, have preserved the area for generations and present a lesser threat to sustainability than resort activities.

Overall, the case studies demonstrate that the implementation of a resort project instigates social exclusion and, despite being based on claims of ecotourism is in fact contradictory to sustainability. They also highlight the existence of a double standard in resort arrangements, which are fond of evicting local groups from protected areas under false pretenses of environmental degradation, while omitting the even bigger strains exerted by hotels and condominiums in the exact same area. This shows that

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142 Pereira e Mello. 2011. P.139.
144 Pereira e Mello. 2011. P.147
globalization deeply alters productive structures and power hierarchies, namely in
tourism, as the local becomes influenced by global capital, with local needs nowadays
being subjugated to the unsustainable economic interests of foreign companies.  
Similar issues are also seen in other poor urban areas, including the favelas of Rio de Janeiro.

4.2 Favela tourism

As described earlier, there are great income inequalities between urban and rural
areas, with higher levels of poverty found in rural areas, especially in the Northeast.
However, there are also significant inequalities within urban areas, with the poorest urban
dwellers marginalized into the outskirts of cities, usually in slums. In Brazil, it is
estimated that more than 11 million people reside in favelas under precarious living
conditions. 

Despite high levels of poverty, the favelas of Rio de Janeiro are a growing
touristic destination, attracting 3,5000 tourists per month, of whom 30% are
Brazilian. The favela da Rocinha alone is estimated to attract 2,500 visitors per
month. 

Aware of the tourism potential of favelas, the mayor of Rio de Janeiro
approved a law in 2006 to include the favela da Rocinha in the city’s official tourist
guide, and, in 2013, a local news agency launched the first guide of favela tourism.

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151 Perkins. 2013.
However, there are several economic and social issues associated with its onset. To start, this type of tourism can be argued to be unethical as it exploits the residents of the favelas, marketing their poverty and stigmatizing their lifestyles, which further exacerbates their social exclusion. In addition, research indicates that despite tourism growth in favelas, the economic gains derived from this industry are not properly distributed as to benefit the local community. According to Tourism Concern (an NGO who aims to ensure tourism is practiced ethically and to benefit local people) tourists pay agencies an average of $40 for a tour, yet 60% of them spend just $3 on goods from local residents and only 10% buy a souvenir. Lack of community participation is the major complaint of residents, including the President of Rocinha’s community association, whom asserts that tourism agencies take their profits with them instead of supporting local projects. Indeed, even though Rocinha is the biggest favela in Brazil, with 200,000 inhabitants, and the one with the greatest tourism activity, being explored by 7 tour agencies, only one of these agencies is owned by a resident. Under these circumstances, the prospects of tourism revenues to actually reach the community are extremely small.

In general, whereas many residents of Rocinha claim to be living solely from tourism, all residents from a smaller favela, known as Vila Canoa, that are involved with tourism are usually accommodating tourists in their houses and still have another job as the main source of income. Paradoxically, while in Rocinha 80% of residents not

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152 Silva and Souza. 2014.
154 Ibid.
155 This estimates includes informal residents. The official population averages 70,000.
156 Terrero. 2014. P.24
involved in the tourism sector perceive tourism as a positive activity, in Vila Canoa two-thirds assert that tourism only presents disadvantages to the community.\textsuperscript{158} This is due to the fact that although residents of Rocinha don’t believe that tourism provides economic benefits to the community, they agree that it can reduce social stigma and eliminate negative stereotypes, by allowing foreigners to see that the favela is not all about violence, drugs and poverty, as usually portrayed in tourism agencies’ websites.\textsuperscript{159} In contrast, the community of Vila Canoa complains that tourism agencies keep most of the profits and that only the craftsmen and “slab” owners that are included in touristic routes are being exposed to tourists and benefiting economically from this activity, although everyone is subjected to having tourists invading their privacy and entering their homes\textsuperscript{160} without permission.\textsuperscript{161} Moreover, more than half residents in both favelas assert that the communities should be more involved in managing tourism in order to collect greater economic benefits and prevent tourism agencies from publicizing a negative image of the favela.\textsuperscript{162}

Recent efforts have been materialized towards locally-oriented, small-scale tourism in favelas outside Rocinha. For example, in the favela of Santa Marta, where Michael Jackson filmed “They don’t care about us”, small-group tours are being organized by local people, whom travel on foot and expose tourists to local culture and history. Not only are these tours cheaper than those sold by tourism agencies, but at least 15\% to 20\%
of the earnings are required to be reinvested in local programmes.\textsuperscript{163} Two additional community-based projects are being developed in the favelas of Morro do Cantagalo and Vila Pereira da Silva. In the Morro do Cantagalo, because the handcrafts produced by locals were not commercialized to tourists, a project is supporting the training of 65 youth to learn painting and silk-screen to support the local \textit{Association of Autonomous Seamstresses of Morro do Cantagal} to commercialize t-shirts and handcrafted handbags, some impressed with the paintings of local artists.\textsuperscript{164} In the community of Vila Pereira da Silva, Project Morrinho was founded by Nelcirlan Souza de Oliveira, a child whom impressed with the architecture of the favela, created a replica in his backyard. Other children got interested in the idea and at the end they built a 300m\textsuperscript{2} replica, using bricks and recycled materials. Community-based tourism in Vila Pereira da Silva aims to not only attract tourists to the favela but also invest in professional training for residents, targeting children and teenagers in particular, whom are interested in audiovisual arts, art education, Brazilian culture among other courses.\textsuperscript{165}

Finally, there is an important point to emphasize regarding security in favelas. In 2008, police pacifier units were installed in over 29 favelas of Rio de Janeiro, in order to apprehend gangs, reduce violence and increase security in these areas. Positively, the presence of police force did contribute to greater safety and increased tourism in the favelas.\textsuperscript{166} However, as many people were evicted from favelas to create space for the creation of entertainment and service infrastructure to support the 2014 World Cup, the

\textsuperscript{163} Zalamea 2013.
\textsuperscript{164} MTur. 2015. “Experiencias Brasileiras.” In \textit{Turismo de Base Comunitaria: diversidade de olhares e experiencias brasileiras} by Bartholo, Roberto, Sansolo, Davis Gruber, and Bursztyn, Ivan. P.465-466. Letra e Imagem.
\textsuperscript{165} MTur. 2015. P.467-468.
\textsuperscript{166} Perkins. 2013.
presence of police units in favelas also had major repercussions on local people. Since the introduction of police force, properties in the favelas and surrounding hills experienced an inflation of over 100%. In addition, inflation and over appreciation of land in these areas supported the legalization and privatization of water and electricity services, which further increased the costs of living in favelas, indirectly forcing low-income groups to move out. The government spend billions to host the World Cup and nearly a billion to promote tourism in the Northeast, often delaying projects to improve the living conditions of the poor residents of the favelas, even though upgrading 549 slums in Rio would have cost much less, at about $417 million. This again underlies the government preferences towards globalized tourism and large-scale endeavors at the cost of exacerbating existing income inequalities and social exclusion. More severe is that, as income inequalities are shown to contribute to underdevelopment, the government is acting against its own cause, hindering national development in the long run.

In sum, unlike expected, favela tourism is not contributing to poverty reduction and development of poor urban areas. Nonetheless, it appears that inappropriate management of tourism activities by outsiders is the main factor underlying the failure of tourism to induce economic growth in the favelas. Thus, the variable hindering tourism from reaching the poor is not this type of tourism per se, but the lack of local participation in planning tourism activities and governmental disinterest in improving the economic

168 Ibid.  
situation of poor urban dwellers. Therefore, for favela tourism to truly contribute to the socioeconomic wellbeing of the urban poor, local residents need to be directly involved as tourist guides in order to give equal opportunities to local craftsman, hostels and restaurants to interact with tourists. Governmental and private investments in infrastructure and social programmes also need to be in place to support tourism activities in the favelas and ensure poor people have access to basic social services.

4.3 Rural tourism

Around 18 million (51%) of people in rural areas of Brazil live in poverty, lacking adequate access to sewage and water systems as well as health and education services. Women, youth and indigenous are the poorest, with 27% of women living in rural areas being in charge of farms and children because their husbands are out looking for work. In terms of poverty reduction, tourism in rural areas appears to be more effective than resort tourism in utilizing local goods and services, boosting local economy and generating income for low-income groups. Indeed, there are officially 122 properties in Brazil engaged in rural tourism, from which 54.2% are managed by women. Whereas in 67.2% of cases, rural tourism is complementary to the existing agribusiness, only in 32.8% is tourism the main source of income. Nonetheless, even though rural families in Minas Gerais claim that guava plantations are their main source of income, tourism is the activity that completes the financial gap in times of low productivity.

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Overall, 61% of endeavors in rural tourism guide visitors to areas of production and engage them in everyday activities, 39% allow tourists to participate in the harvest and 32% take tourists to trails.\textsuperscript{174} Aware of the significance of tourism for rural areas, the municipality of Sao Paulo is offering vocational training in rural tourism to those interested in working the new rural tourism route.\textsuperscript{175} Yet, numerous obstacles need to be surpassed for rural tourism to prosper. For example, with the exception of a few states that have enacted local laws related to rural tourism, the lack of national legislation on this specific category of tourism hinders this activity by treating it as other urban forms of tourism. Specific policies aimed at reducing bureaucratic and financial burdens that may incite farmers to just remain in the informal sector are hence of great urgency.\textsuperscript{176}

Nonetheless, agriculture and rural tourism in Brazil is gradually gaining public attention thanks to the social programs subsidized by the government, such as PNAE, Ater, Pronaf and PNTRAF (supported by Traf network). The PNAE is a program that commercializes local food products to schools; Ater provides technical assistance for the expansion of rural activities, Pronaf is the national program aimed at strengthening family run agriculture enterprises,\textsuperscript{177} and implemented in 2004, PNTRAF is the National Program of Rural Tourism in Family Agriculture. PNTRAF was promoted by Rede Traf, a multilateral partnership between public, private entities and NGOs to support family farming as a means to fostering sustainable rural development.\textsuperscript{178}
Besides government support for agribusiness and local public initiatives in stimulating local tourism, community-based tourism in rural areas is a recent trend that is gaining popularity in the country. Although only 5 of the 50 community-based projects selected by the Ministry of Tourism are directly targeting rural tourism, the appreciation for traditional agriculture and local farming is a feature inherent to all selected projects, because they rely on a genuine practice of ecotourism that is of low-impact and essentially sustainable. In rural tourism, local people are in charge of the natural and cultural preservation of their own territory but also given a chance to increase their income generated through farming and to ultimately revert migration fluxes from rural to urban areas.  

Rural tourism is an activity predominantly governed by families. In Venda Nova do Imigrante, state of Espirito Santo, and Serra Geral in Santa Catarina, agrotourism encompasses 70 properties and 300 families, and engages 180 families, respectively. As 88.1% of rural properties involved in tourism are mostly family-based, Pronaf and PNTRAF are programs of great relevance for advancing rural development that are further enhanced by community-based tourism, including in Brigadeiro, Minas Gerais. In Brigadeiro, Cepec (Centre for Research and Cultural Promotion) is currently introducing rural families to PNTRAF and preparing them to receive visitors in order to boost their income while maintaining their regular activities. In the municipality of Dois Irmãos (Two Brothers), state of Rio Grande do Sul, 91% of rural establishments are oriented

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181 Se abre. 2015.
182 Mtur. 2015. P.443.
towards family farming and here, the prefecture opened the PRIT program to provide rural families the necessary financial resources to engage in tourism, charging a very low interest rate of 1%.\textsuperscript{183} Local rural syndicates are promoting the creation of municipal markets and partnerships with local schools, in order to commercialize their products directly to customers and provide greater nutritional value to children’s meals.\textsuperscript{184} Similar attempts to link local farmers to tourism consumption is observed in Tijuca Boa Vista, state of Ceara. Here, tourism activities are completely managed by the association of local residents and directly benefit local residents through employment in the local hotel and restaurants and also local farmers and fishermen, since all the products consumed by tourists are provided in full by the local association.\textsuperscript{185} Finally, it is worth mentioning the inception of community-based tourism in Santo de Amaro, in Maranhao state, a municipality listed as one of the poorest in Brazil with an HDI score of 0.512. In this municipality current efforts are being made to spur tourism, invite visitors to participate in agricultural, animal farming, fishing and ceramic activities in hopes of instigating local economic growth and development.\textsuperscript{186}

In sum, aligned with principles of sustainability and predominantly managed by the local population, rural tourism is still a precocious activity that nonetheless holds great potential for reducing poverty and income inequalities through the creation of sustainable employment opportunities in low-income areas. Rural tourism also presents minimal threats to the environment as it is usually low-scale and, by accommodating tourists in either local houses or small inns, does not require the appropriation of large spaces.

\textsuperscript{183} Blanco. 2015. P. 352
\textsuperscript{184} Blanco. 2015. P.253
\textsuperscript{185} Mtur. 2015. p.421.
\textsuperscript{186} Mtur.2015. p.423
5 Considerations on tourism governance

The main goal of this paper was to understand how tourism contributes to poverty alleviation and development in Brazil, but throughout the research it became evident that matters of governance strongly influence the extent to which tourism is manifested as either beneficial or immoral. The role of both states and the private sector in using tourism as a tool towards reducing income inequalities is at best ambivalent. On one hand, although the mission of the National Plan of Tourism is to promote economic growth that is balanced, socially fair, culturally dynamic and environmental-friendly, the government has many times joined forces with private businesses in opposition to this goal, by supporting the construction of resorts, hotel complexes and projects towards mass tourism without considering the implications these endeavors will instigate on local groups, especially in the Northeast. On the other however, it seems that the public sector is the main agent fostering rural tourism and that public institutions at the state and municipal levels are frequently more effective at reinvesting tourism revenues in the local economy than the private sector, namely in the case of Bombinhas (state of Santa Catarina). In Bombinhas, public authorities implemented an environmental fee from tourists and, after paying tariffs and maintenance fees, generated a net profit of R$1.6 million, from which more than half a million was used to rent public bathrooms to be placed in the beaches for a period of six months. Several other good practices in tourism are also being developed by public authorities at the local level. Whereas in Boa Vista (state of Roraima) the public sector is investing in sanitation and drainage methods

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to eradicate overflow from heavy rains, in Povoado da Barra Grande (state of Bahia), a major touristic centre, the Secretary of Tourism and the Secretary of Agriculture organizes a weekly fair to link local farmers to tourists, and vice-versa.189

Similar contradictions are observed within the private sector. Despite the predatory behavior of real estate companies and foreign transnational corporations associated with mass tourism and resort arrangements, most jobs (82%) in the tourism industry in Brazil come from the private sector, where as public employment in tourism only accounts for 14% of total jobs created by this sector.190 Moreover, the private sector is increasingly investing in practices aligned with principles of sustainability. Hotels have adopted renewable energy technologies, namely through the Pro-Hotel Program, funded by the IFC- *International Finance Corporation*, a member of the World Bank Group, and Canada’s government. Currently, 100 hotels in Brazil have joined this program, which supports improved energy-efficient technologies that can save each hotel about 57,000 megawatt hours per year and increase their income by 15%.191 It is important to mention that the private sector also contributes to the provision of basic infrastructure in less developed areas. In favelas, until recently, neither the state nor private tourism agencies showed a concern in how tourism revenues were distributed as to benefit the local poor. Yet, most of the economic progress achieved in favelas was funded by the private sector, namely the IDB- *Inter American Development Bank*, which invested in basic

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infrastructure, social services, land titling and community development. IDB’s project
Favela-Bairro contributed to a 15% raise in household incomes, improved access to
water and school attendance and increased informal forms of documenting ownership. ¹⁹²

Professional communities also play a major role not only in monitoring tourism
initiatives are practiced sustainably but also in attracting tourists. For example, in Mata
de São João (state of Bahia), the IBJ Instituto Baleia Jubarte is promoting the
implementation of a strategic tourism program to attract visitors for the observation of
whales and to sensitize them towards the importance of natural preservation. Part of the
earnings are used to fund further research while the remaining stays with the local
tourism agencies, which are trained by the IBJ to follow international regulations related
to the observation of marine mammals. ¹⁹³ Finally, another example is the municipality of
Pirenopolis (state of Goiás), an influential ecotourism destination. Here, IPEC Instituto de
Permacultura e Ecovilas do Cerrado (Institute of Permaculture and Ecovillages of
Cerrado) implemented a project called Habitats in Schools, in which school patios are
transformed in live laboratories to teach children how to manage existing resources as to
avoid future depletion of the environment. The neighborhoods surrounding the
participating schools are also involved in the project, adopting simple and low-cost
technologies towards sustainability in their own houses. Tourists in Pirenopolis can visit
the schools and neighborhoods under this project and learn about sustainable agricultural
practices, renewable energy and low-impact housing. ¹⁹⁴

In general, despite some negative examples, the contribution of both the government and the private sector is nevertheless intrinsic to local economic growth as communities usually lack the necessary capital for the provision of basic sanitation and social infrastructure to spur their local economy. Without partnerships, several projects would not have materialized. From these, it is relevant to pinpoint the creation of a reliable waste management system and recycling facility in the town of Jericoacoara; the commercialization of souvenirs in Curitiba (Paraná) with profits returned to civil society or reinvested in the city’s social projects; and the elaboration of the Ciclotur Chapada do Araripe in the state of Ceará, which stimulated investments in road signs and encouraged local people to engage in private lodging of cyclists and tourists. 

Basically, better results in tourism are found whenever all spheres of governance (public, private and civil society) work towards a common goal. Civil society organization, private businesses and the government are gradually coming together to support community-based tourism and fostering human development at the local level.

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Conclusion

Globalization often acts as an antagonist to local development for it is based on the current capitalist system that, for the most part, encourages the accumulation of wealth, and is sustained by great levels of production and consumption. In a world increasingly interconnected, the pressure to attend to global demands may come at the risk of investing in mega infrastructure in urban areas while marginalizing the development of rural areas. Indeed, this study corroborates that the majority of tourism activities in Brazil concentrate in coastal and urban, rather than rural areas, while those that accrue the greatest profits from this activity are not necessarily the areas that depend the most on tourism activities for subsistence. Higher revenues are found in coastal areas, state capital cities and in just a few municipalities, which demonstrates that the distribution of income generated by tourism is more relevant in understanding why income inequalities persist than tourism growth per se. Increased earnings in tourism do not automatically reduce poverty or instigate development unless they are properly distributed as to benefit low-income groups.

As the case study of Brazil demonstrates, economic interests linked to mass tourism and resort endeavors tend to dominate over the needs of local people, even though research shows that mass tourism in Brazil is correlated to serious social issues, such as child labor, sex tourism and social exclusion. In contrast, community-based tourism, a small-scale tourism that engages local people in managing tourism activities, is shown to be sustainable, growth-inducing and a promising strategy to spur local development.

Regarding types of tourism, it is concluded that resorts are neither sustainable nor do they contribute to poverty reduction and local development. On the contrary, resorts
severely strain the environment and are often built upon social injustice and marginalization of local groups. In comparison, rural tourism appears to be the most significant type of tourism in reaching low-income groups and improving poverty, because it is directly managed by rural families. Unlike initially presumed, favela tourism does not seem to contribute to local development or to generate significant income to local residents. However, the variable playing the greatest weight at determining whether tourism materializes into economic growth and poverty reduction in favelas, is local participation. Recent programs that engage local people in tourism activities are shown to substantially improve local income and to create additional employment opportunities for local residents. It is thus concluded that favela tourism has also the potential to reduce poverty as long as local groups are engaged in managing this activity.

Of course, as this study implicitly illustrates, there are underlying issues of accountability and corruption that need to be addressed for socially just development to be attained. Nevertheless, local participation in decision-making can be the first step towards strengthening institutions and preventing economic interests to prevail over the social rights of the poor. Systems must be put in place to allow local residents to directly vote in specific topics concerning their community and in this process, impartial entities should be involved in providing reliable information to residents about a given tourism project, to ensure outcomes are not a product of corporate malevolence and manipulation.

In sum, although the size and type of tourism certainly matter, governance, specifically local participation, is the main factor mediating the impact of tourism on development. Hence, for globalization and capitalism to truly induce economic growth and reduce poverty, greater cooperation must be seen among states, the private sector and
civil society at the local level. Altogether, as international pressure to endorse in the
global market significantly decreases developing countries’ ability to control the
provision under which tourism and globalization is to unfold, IMF and World Bank
Structural Adjustment Programmes that frequently incentivize indebted developing
countries to earn foreign capital through tourism need to be reviewed as to ensure that
foreign capital is not dominated by multinational corporations and high levels of
expatriate labor, which are linked to higher economic leakages, provide fewer economic
and social benefits and are therefore less likely to induce local development. Moreover,
rather than injecting capital on one mega project, entrepreneurs and governments need to
invest in poor areas in order to stimulate the local economy, reduce income inequalities,
and ultimately foster genuine national development.

At last, global paradigms viewing industrialization as incumbent to development
need to be replaced by the understanding that legitimate development is localized and
attends to the needs of underprivileged groups. States undoubtedly face great challenges
in managing resources efficiently, without hindering their ability to compete in the
international market. Nonetheless, states have a responsibility to look after its citizens’
well-being and, in a world globally concerned about hunger, poverty and social injustice,
placing profits over people’s rights is no longer a viable option.
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Appendix II

Brazilian Map of Tourism

Source: MTur
Appendix III

Map of Multidimensional Poverty in Brazil 2010 (%)
APPENDIX IV  Community-based projects selected by the Ministry of Tourism in 2008

Source: MTur 2015
### Characteristics of Establishments by size

**Appendix V**

<table>
<thead>
<tr>
<th>Number of establishments</th>
<th>Units</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism industries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-9 persons employed</td>
<td>Units</td>
<td>155,251</td>
</tr>
<tr>
<td>10-49 persons employed</td>
<td>Units</td>
<td>38,291</td>
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<tr>
<td>50-249 persons employed</td>
<td>Units</td>
<td>3,761</td>
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<td>250+ persons employed</td>
<td>Units</td>
<td>290</td>
</tr>
<tr>
<td><strong>Overall economy</strong></td>
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<td></td>
</tr>
<tr>
<td>0-9 persons employed</td>
<td>Units</td>
<td>2,424,339</td>
</tr>
<tr>
<td>10-49 persons employed</td>
<td>Units</td>
<td>463,918</td>
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<tr>
<td>50-249 persons employed</td>
<td>Units</td>
<td>79,010</td>
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<td>250+ persons employed</td>
<td>Units</td>
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<td><strong>Tourism industries</strong></td>
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<tr>
<td>0-9 persons employed</td>
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<td>Percent</td>
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<td>Percent</td>
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<tr>
<td>250+ persons employed</td>
<td>Percent</td>
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<td><strong>Overall economy</strong></td>
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<td>0-9 persons employed</td>
<td>Percent</td>
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<td>10-49 persons employed</td>
<td>Percent</td>
<td>15,5</td>
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<tr>
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Source: IPEA, 2010