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## ТУРИЗМЪТ И ГЛОБАЛНИТЕ КРИЗИ

TOURISM AND THE GLOBAL CRISES

ТУРИЗМ И ГЛОБАЛЬНЫЕ КРИЗИСЫ

TURISMO Y CRISIS GLOBALES

ИЗДАТЕЛСТВО "АЙ АНД БИ" 2021







#### ТУРИЗМЪТ И ГЛОБАЛНИТЕ КРИЗИ

СБОРНИК ДОКЛАДИ ОТ МЕЖДУНАРОДНА НАУЧНА КОНФЕРЕНЦИЯ, ОРГАНИЗИРАНА ОТ КАТЕДРА "ТУРИЗЪМ" НА СТОПАНСКИЯ ФАКУЛТЕТ НА ВЕЛИКОТЪРНОВСКИЯ УНИВЕРСИТЕТ "СВ. СВ. КИРИЛ И МЕТОДИЙ", 21 АПРИЛ 2021 ГОДИНА

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#### ТУРИЗМ И ГЛОБАЛЬНЫЕ КРИЗИСЫ

ДОКЛАДЫ ОТ МЕЖДУНАРОДНОЙ НАУЧНОЙ КОНФЕРЕНЦИИ, ОРГАНИЗОВАННОЙ КАФЕДРОЙ "ТУРИЗМ", ФАКУЛЬТЕТ ЭКОНОМИКИ, УНИВЕРСИТЕТ ВЕЛИКО ТЫРНОВО "СВ. СВ. КИРИЛЛ И МЕФОДИЙ", БОЛГАРИЯ 21 АПРЕЛЬ 2021 Г.

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#### TOURISM AND THE GLOBAL CRISES

PROCEEDINGS OF THE INTERNATIONAL SCIENTIFIC CONFERENCE ORGANIZED BY TOURISM DEPARTMENT AT FACULTY OF ECOMOMICS OF THE "ST. CYRIL AND ST. METHODIUS" UNIVESITY OF VELIKO TURNOVO, BULGARIA 21 APRIL 2021 YEAR

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# MEASURES FOR THE PRESERVATION OF JOBS DURING PANDEMICS AND REFLECTIONS AT TOURISM AGENCIES IN THE CITY OF JOÃO PESSOA-PB

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**Abstract:** Due to the pandemic caused by COVID-19 in the world, some measures were taken to prevent contamination and spread of the virus. Some of these measures made it impossible for activities that were not considered essential to function. Tourism agencies in the city of João Pessoa-PB, were one of them. This research aimed to understand how the measures for the preservation of jobs during the pandemic were reflected in the travel agencies of the city of João Pessoa. Characterized as a qualitative research, using semi-structured interviews as a method of data collection. The results showed that the measures adopted by the government, through the aforementioned programs, allowed the sector of tourism agencies a possibility of survival during the pandemic, as well as a perspective of the resumption of activities and billing, which is essential for the survival of all business activity.

Keywords: Tourism agencies; Emergency benefit; Pandemic.

#### 1.Introduction

In December 2019, a virus that caused Coronavirus Disease 2019 or COVID-19 appeared in the world. (Meneses, 2020). Causing an epic health crisis due to the high rate of contagion, prompting governments to take steps to try to contain the spread and collapse of the health system. The main measures were isolation, blockade and quarantine, and leaving home was only allowed for the exercise of essential activities, generating an immense impact on the world economy. One of the sectors most affected by Covid-19 was tourism, as travel was suspended in several countries.

In March 2020, the coronavirus was recognized by the WHO (World Health Organization) as a pandemic, spreading to Brazil in the same month. The measures approved by the bodies' administrative bodies followed the same international protocols: social isolation and commercial and industrial closure (except essential activities), thus keeping people at home (Ministry of Economy, 2020). Initially, many companies took their employees on vacation, but as restrictions continued, a wave of layoffs began. As a measure to try to avoid further

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unemployment, the Brazilian government created the Emergency Program for Maintaining Employment and Income, through Provisional Measure No. 936, published on April 1, 2020 (MP 936/2020), later converted into Law No. 14,020 / 2020.

As the tourism market was one of the sectors most affected by the pandemic, the objective of this study was to analyze the impacts of Law No. 14.020 / 2020 on tourism agencies present in the city of João Pessoa-PB, as it is a touristic place in Brazil, with natural attractions such as sun and sea and a cultural heritage that attracts many visitors

#### 1.1. Travel agencies in João Pessoa

In this way, tourism agencies offer all services related to tourism, transportation, accommodation, etc. The advances of globalization that stimulate technological growth have brought challenges to this sector, with quick access to information, requiring only a "click". In this sense the consumer (tourist) has a more demanding and often autonomous profile. With all these challenges, tourism agencies seek to keep up with the fast pace of modernity, for this, they seek innovation as their main ally (Buhalis, 2019). The use of the internet not only allows information in real time and at all times, but allows for faster service, with a minimum of waiting time. In addition to personalized services, such as tourism, they cater to an audience that no longer seeks traditional services. The presence in the international market is also one of the effects of technological advances, leading companies to expand their customers and their partnerships.

Currently, one can observe an atypical scenario of pandemic transmission by Covid-19, where social isolation has made a large part of preventive measures in the countries, to reduce the spread of the virus. The effects of the pandemic are numerous and, for the travel agency industry, even more challenging. The city of João Pessoa / PB, located in the Northeast of Brazil, has an intense flow of tourists during the year, but with the pandemic of COVID-19, this flow decreased considerably, due to the protection measures to prevent the proliferation of viruses. These measures reached several segments, the tourism agencies of João Pessoa, were also unable to open to serve their customers. In order that these tourism agencies, as well as other segments of companies, are not harmed, some benefits were granted through the Brazilian government.

Tourism agencies act as intermediaries for tourist services provided by different service providers. Its main function is to promote safe and organized travel for your audience. These travel agencies are important and contribute to boost world tourism (Silva, 2011). Beni (2016) considers that tourism agencies establish an important role that characterizes them as intermediaries and service providers, who inform, organize and execute all the measures

necessary for their clients to can travel. In this way, tourism agencies offer all services related to tourism, transportation, accommodation, etc. The advances of globalization that stimulate technological growth have brought challenges to this sector, with quick access to information, requiring only a "click", the consumer (tourist) has a more demanding and often autonomous profile. With all these challenges, tourism agencies seek to keep up with the fast pace of modernity, for this, they seek innovation as their main ally (Buhalis, 2019). The use of the internet not only allows information in real time and at all times, but allows for faster service, with a minimum of waiting time. In addition to personalized services, such as tourism, they cater to an audience that no longer seeks traditional services. The presence in the international market is also one of the effects of technological advances, leading companies to expand their customers and their partnerships. Currently, one can observe an atypical scenario of pandemic transmission by Covid-19, where social isolation has made a large part of preventive measures in the countries, to reduce the spread of the virus. The effects of the pandemic are numerous and, for the travel agency sector, even more challenging. The city of João Pessoa / PB, located in the Northeast of Brazil, has an intense flow of tourists during the year, but with the pandemic of COVID-19, this flow decreased considerably, due to the protection measures to prevent the proliferation of viruses. These measures reached several segments, the tourism agencies of João Pessoa, were also unable to open to serve their customers. In order that these tourism agencies, as well as other segments of companies, are not harmed, some benefits were granted through the Brazilian government.

#### 1.2 Emergency Program of Maintenance of Employment and Income

The Law 14.020 / 2020 instituted the Emergency Program for Maintaining Employment and Income about provid for complementary measures to deal with the state of public calamity (Brazil, 2020a) recognized by Legislative Decree No. 06/2020, and the public health emergency. of international importance resulting from the coronavirus (Brazil, 2020b), which Law No. 13.979 / 2020 (Brazil, 2020c) deals with and aims, according to article 2, to preserve employment and income; guarantee the continuity of work and business activities; and to reduce the social impact resulting from the consequences of the state of public calamity and public health emergency.

The Program foresaw the possibility for employers, through an agreement with their employees, to reduce their working hours and wages or even suspend the public contract of employment during the calamity in order to avoid dismissals and consisted of paying a benefit to these employees. This benefit was paid for through Union resources, and employers must, after signing the agreements, report it to the Ministry of Economy. The benefit was credited

based on the monthly amount of unemployment insurance to which the criteria are entitled, under the terms of art. 5 of Law No. 7,998 / 1990 (Brazil, 1990).

In the event of proportional reduction in working hours and wages, the benefit applicable was the percentage corresponding to the value of the unemployment insurance and the expected reduction of 25%, 50% and 70% remained, other percentages occured, however, these cases, only were authorized through collective bargaining.

In the case of temporary suspension of the employment contract, during that period, any provision of services by employees is called suspended, as well as the payment of wages by employers. In this case, the benefit payment was equivalent to 100% of the unemployment insurance amount, with the exception of companies that earned in the calendar year 2019, annual gross revenue exceeding R \$ 4,800,000.00 (four million and eight hundred thousand reais), in which the benefit was paid at the percentage of 70% of the unemployment insurance amount and the remaining 30% was paid by employers, as indemnity aid, without characterizing the salary provision.

During the term of the suspension of the employment contract, the employee could not perform any type of work activity to the employer, even if partially or through a "home office", if this occurred, the suspension would be out of character and the employer should pay for the payment, remuneration and social and labor charges related to the entire period, as well as to answer for the penalties provided for in the legislation in force and in the collective labor instruments.

Since April 1, 2020, such measures were authorized through MP 936/2020, and initially the term for reducing the working day and salary was valid for 90 (ninety) days, and for suspension of the employment contract was valid for 60 (sixty) days. After the conversion into Law No. 14.020 / 2020, decrees were published extending these deadlines and both started to have the same duration. In such cases, the employer who had previously signed agreements could agree on a further period, which added to the previous ones already completed, totaled a maximum of 240 (two hundred and forty) days, not exceeding the date of December 31, 2020, defined in the Law as the last day of the state of public calamity, which has not yet been extended

The law also covers the "intermittent, which was a type of contract created by the labor reform and incorporated into the CLT, consisting of employees, with a bond, under a work regime with periods of sporadic work activity, interspersed with periods of inactivity, and these, since that hired before April 1, 2020, if they had an employment relationship with more than one employer, were entitled to the emergency benefit, however, without a fixed monthly

amount of R \$ 600.00 (six hundred reais). This type of work is used in tourism due to seasonality.

#### 2. Methodology

Once emphasizing the theoretical contributions, it was highlighted the methodology that guided this research. Characterized as a qualitative descriptive research, due to its importance in knowing first the object of study, as well as its particularities, so that only then the researcher can understand the dynamics of what is being studied. First, a bibliographic and documentary research was carried out, using articles, books and documents made available on the internet that dialogued with the object of study.

After this process, as a method of data collection, a structured online interview was used, due to the social isolation caused by the pandemic of COVID-19. The interviews occured through from applications that enable real-time communication like WhatsApp and Google Meet, so it was possible to interview 8 managers of tourism agencies in the city of João Pessoa, registered in the Brazilian Association of Travel Agents of Paraíba -ABAV -PB.

#### 3. Analysis and discussion of results

For data analysis, categorical content analysis (ACC) was performed, which, according to Bardin (2016), corresponds to two objectives: overcoming uncertainty and enriching reading. In this way, for the accomplishment of this research, three fundamental phases were accomplished based on the literature of Bardin: the pre-analysis, the exploration of the materials and the treatment of the results that are the inferences and the interpretation. The categorization process was carried out after the material selection process, from a fluctuating reading and exploration. The categories as well as the subcategories were formed from the repetition of words in the interviews, seeking to align with the objective of this research. According to Silva and Façanha (2015), there is no rule for naming categories and subcategories. Thus, the categories and subcategories of this research were formed:

## 3.1 Category 01- measures implemented in tourism agencies to preserve jobs during a pandemic

a) Wage reduction, hours worked and suspension of wage contract.

This subcategory refers to the measures that were adopted by the interviewed owners and managers of the tourism agencies, which contributed to the preservation of their employees' jobs. This subcategory covers some of the measures present in the emergency benefit during the state of public calamity, in order to preserve employment and income, guaranteeing the

continuity of business and work activities and reducing the social impact, due to the consequences caused by the state of calamity public.

Respondents were asked whether they were aware of the emergency benefits taken by Law No. 14,020 / 2020, during the state of public calamity. In response, all respondents answered yes, that they were aware of these measures, and resorted to some of them. According to the answers, it was possible to understand that, interviewees 1 and 6, resorted to the benefit used, as a measure for the preservation of their employees' jobs, the proportional reduction of working hours and wages; interviewees 3, 4 and 5 used the benefit for a temporary suspension of the employment contract; respondent 2, on the other hand, used both a proportional reduction in working hours and wages, as well as a temporary suspension of employment contracts.

It was identified that interviewee 7 has knowledge about the benefit, however, there are none of them. The justification for this statement is related to the fact that there are no employees in the company, being only two partners. However, the interviewee acknowledged that these emergency measures were important to help COVID-19 cope with the economic crisis. "Yes, the measures had good results in a relief to employers and workers" (interviewee 7). Thus, the interviewee recognized the importance of the benefit both for the continuity of business activities and for the preservation of jobs. Interviewee 8 is aware of the said emergency benefit, however, she did not use it. The reasons why they were not used can be understood from the excerpt of your interview:

[...] Every company should be careful to save a certain amount of money for any eventuality. We did not fire any employee and although they stayed at home, they all continued to receive their salary. They were not the cause of this "crisis". Nor should they pay for it. To get to the question, these "benefits" can help small businesses (Interviewee 8).

This behavior may be related to the size of the company, as it is noted by the interviewee's speech, that his company is not small and this may be one of the reasons that contributed to maintaining its employees, as well as their respective salaries. Therefore, possibly as companies that are suffering the most from the COVID-19 calamity, they are small companies, which have no reserves, nor the capital needed to remain in a calamity state like the current one.

#### b) Dismissal of employees

This subcategory reports to the measures taken by the owners and managers of tourism agencies in João Pessoa, in view of the difficulties caused by Covid-19. When asked to respondents, if in the period between March 2020 until now, there was a reduction in the number of employees, respondents 1, 4, 7 and 8 replied that there was not. Respondents 2, 3, 5 and 6

replied that yes, there was a reduction in employees during this period. Interviewee 2 reported that there were two layoffs during this period. Interviewee 3, on the other hand, stated that he had a reduction of 5 employees. Interviewee 5 explained that there was a reduction in the number of his employees and that contracts for 6 employees were canceled. The results demonstrated, possibly, that these companies were not able to maintain themselves because the measures established by the emergency aid were not sufficient, another reason may be related to the familiarity of the employees in carrying out their activities remotely.

#### 3.2 Characteristics of tourism agencies

#### a) Number of active employees

This subcategory refers to the number of active employees in tourism agencies in the city of João Pessoa. From the interviewees, it was possible to identify that the companies have between 2 to 34 active employees, even in the face of the difficulties caused by COVID-19, which led the authorities to implement measures such as social distance, preventing companies from opening their physical stores, serving only by remote access.

The results showed, possibly, that most companies managed to retain their employees due to the contributions of the emergency benefit and due to the fact that some of these companies have a financial reserve. It can be understood from the excerpt of the respondent's answer 9 that when asked if these auxiliary benefits in coping with the economic crisis caused by the pandemic of COVID-19, thus obtaining the following answer: "They were essential for the maintenance of jobs and company's financial health". Thus, it is observed that the emergency benefit contributions to the maintenance of employees' jobs, as well as to the needs of some companies in the city of João Pessoa.

#### b) Financial health of the company

This subcategory represents the measures that were carried out through the emergency benefit that brought as a result the financial health of the tourism agencies in the city of João Pessoa. According to interviewee 2 "These aids prevented a greater number of layoffs. Without them, more workers would be fired." interviewee 6, on the other hand, reports that, "palliative measures reduced the loss for 3 months. We are completing 12 months of losses. "For interviewee 1, these measures" were essential for the maintenance of jobs and the company's financial health. "For interviewee 4, the measures were not very effective. Interviewee 5, on the other hand, reports that these measures were fundamental. Interviewee 3 says that these measures were important, yes.

The results demonstrate that the majority of the interviewees, considered the measures of the emergency benefit, positive and important to maintain the financial health of the companies and the maintenance of the jobs.

#### 4. Final considerations

The present study focused on measures to preserve jobs during the COVID-19 pandemic and its effects on tourism agencies in the city of João Pessoa-PB. The results of this research demonstrate that all the owners and managers of the travel agencies that were interviewed in this research, are aware of the emergency benefit. Most managers use benefit measures to keep their employees active and, at the same time, ensure the company's financial health. The measures observed were a reduction in working hours and wages and suspension of employment contracts. It was also observed that there was a significant number in relation to the dismissals of employees by the companies interviewed, reaching a total of 13 dismissed employees. The number of active employees in these companies varies from 2 to 34 people. Therefore, most respondents understand that emergency benefit measures are important and essential to keeping their employees and their company active.

The results obtained in the research are indicative that the measures adopted by the government, through the aforementioned programs, allowed the sector of tourism agencies a possibility of activities during the pandemic and a prospect of resuming activities and billing, essential for the activities of all business activity. Although the data were obtained from a relatively small sample, it was possible to observe that the results are a trend throughout the Brazilian territory, as it is public knowledge because it was widely disseminated by the media in Brazil that the program was widely adopted by companies in the country. Thus, making the inference of the results for the entire population becomes viable and, consequently, the perspective of the resumption of activities and billing, essential for the areas of all business.

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