

Informality, population aging, educational attainment, and earnings in Brazil

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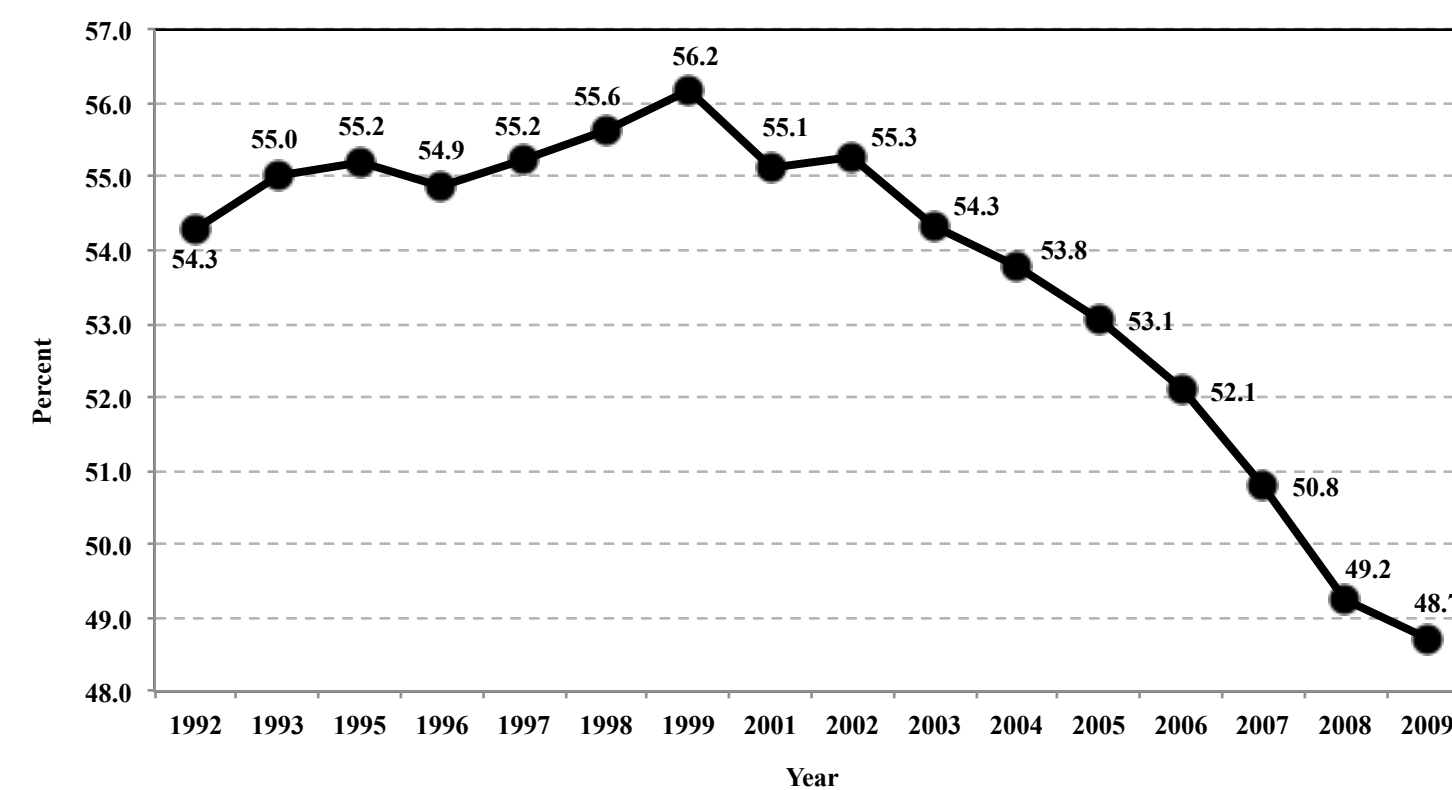
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Objective

- ✓ We estimate the association of changes on informality, age, and educational compositions with earnings of male workers in Brazil.
- ✓ Brazil is passing through a rapid process of demographic and educational changes with large regional and social inequalities.
- ✓ We consider regional variations over time.

Informality Rates



Sources: Neto and Zylberstajn (1999) for 1992–1999; Brazilian Ministry of Labor and Employment (MTE) for 2001–2009.

Data and Methods

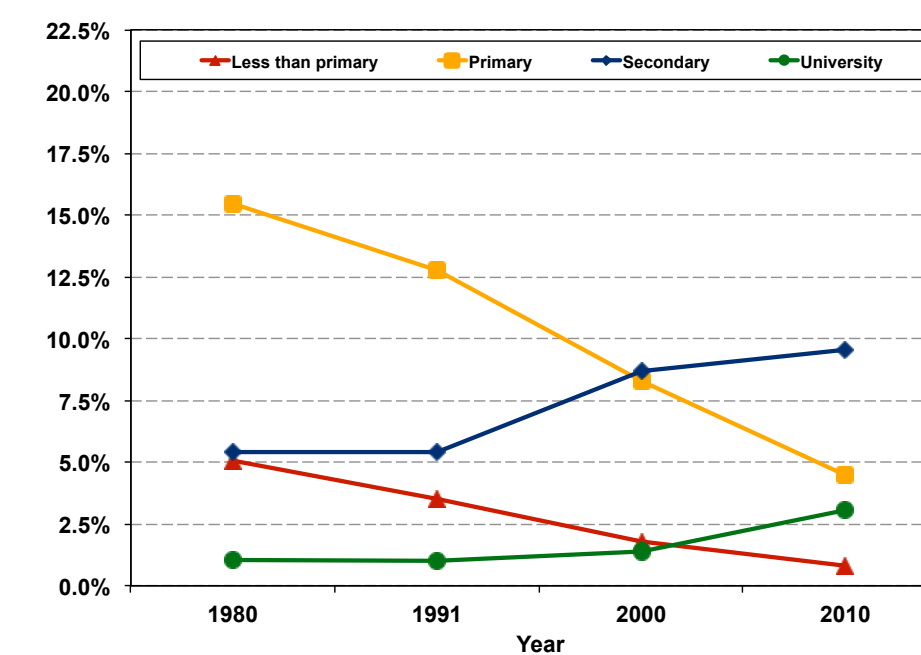
- ✓ We use Brazilian Demographic Censuses microdata (1980–2010).
- ✓ We aggregated Census microdata by year, 502 microregions, and 32 age-education-formality groups.
- ✓ Our main independent variables come from this collapsed database with information on male working population distributed by year, area, and age-education-formality group.
- ✓ The dependent variable is the natural logarithm of individual earnings of male workers.

Discussion

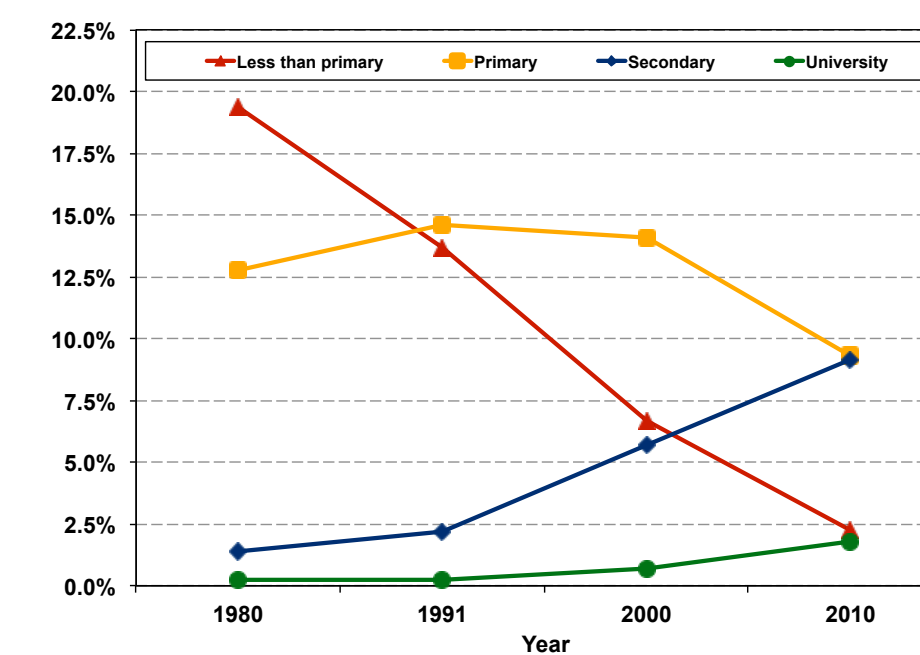
- ✓ Informality, demographic, and educational transitions are correlated with earnings.
- ✓ Proportions of people in age-education-formality groups tend to have negative associations with individual earnings.
- ✓ These effects tend to depress earnings more in the formal sector than in the informal sector.
- ✓ Negative correlations have been increasing in magnitude over time.

Distribution of Male Population

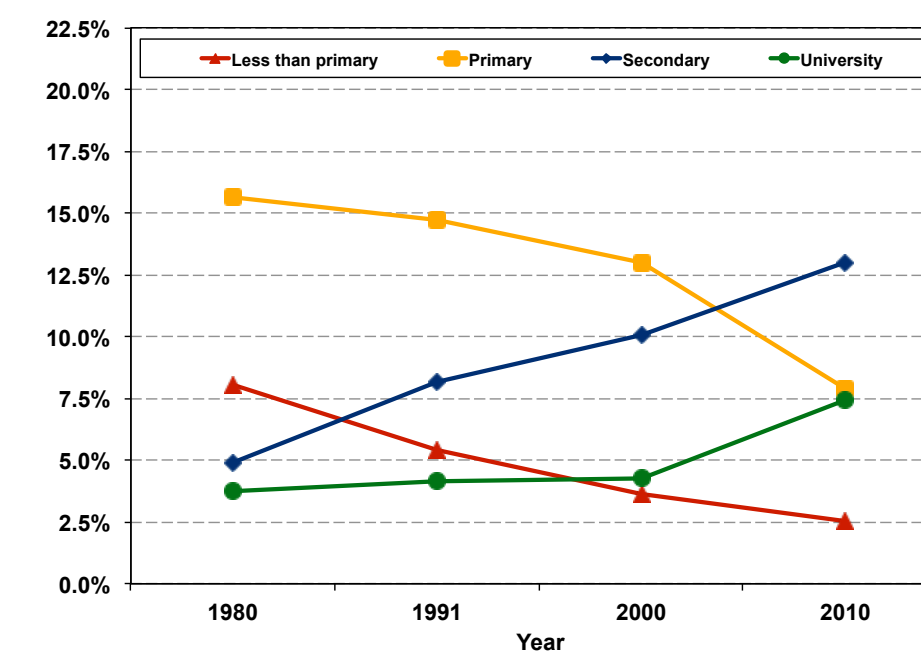
15–24, Formal



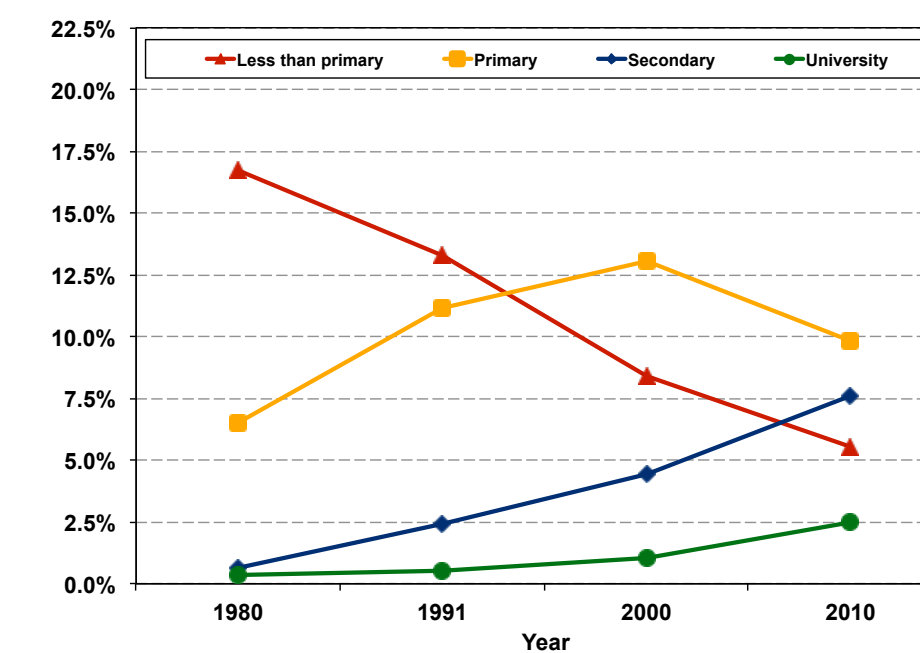
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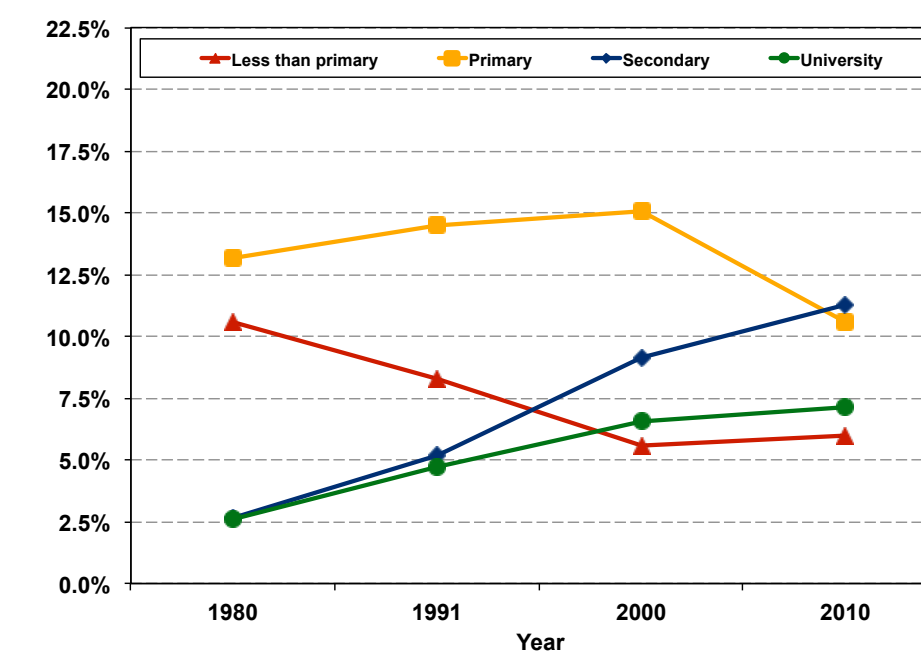
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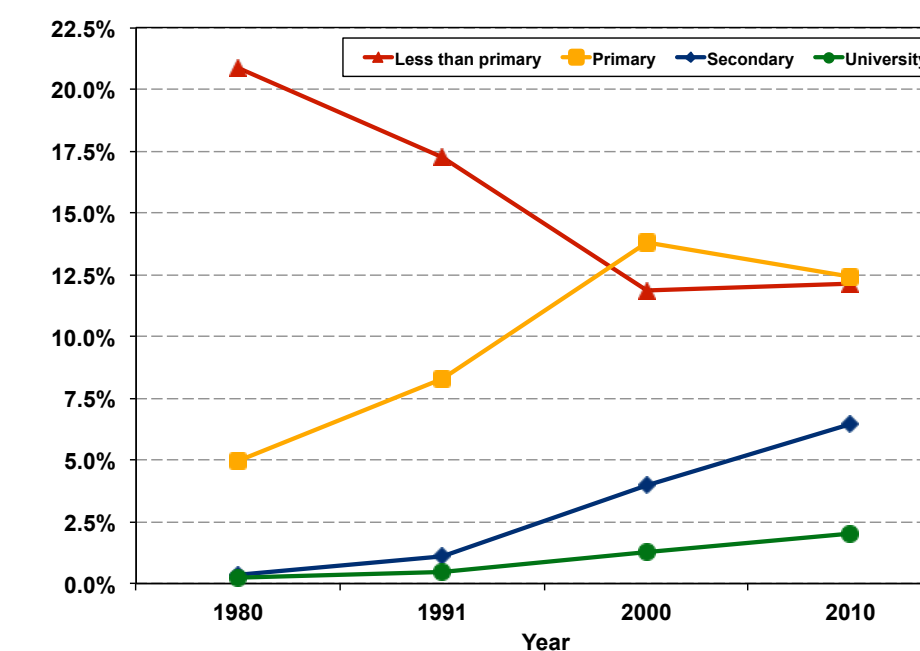
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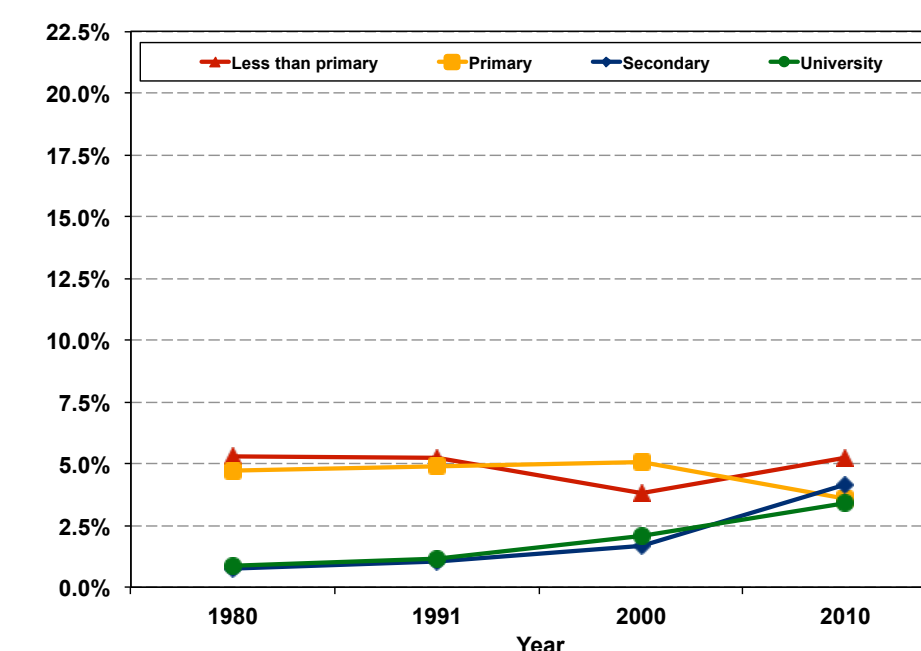
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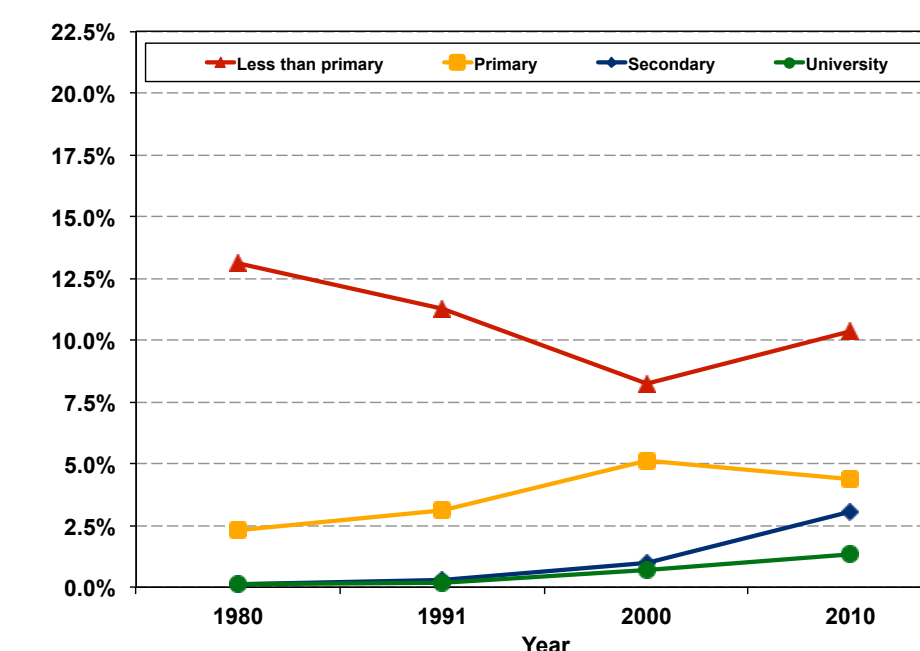
35–49, Informal



50–64, Formal



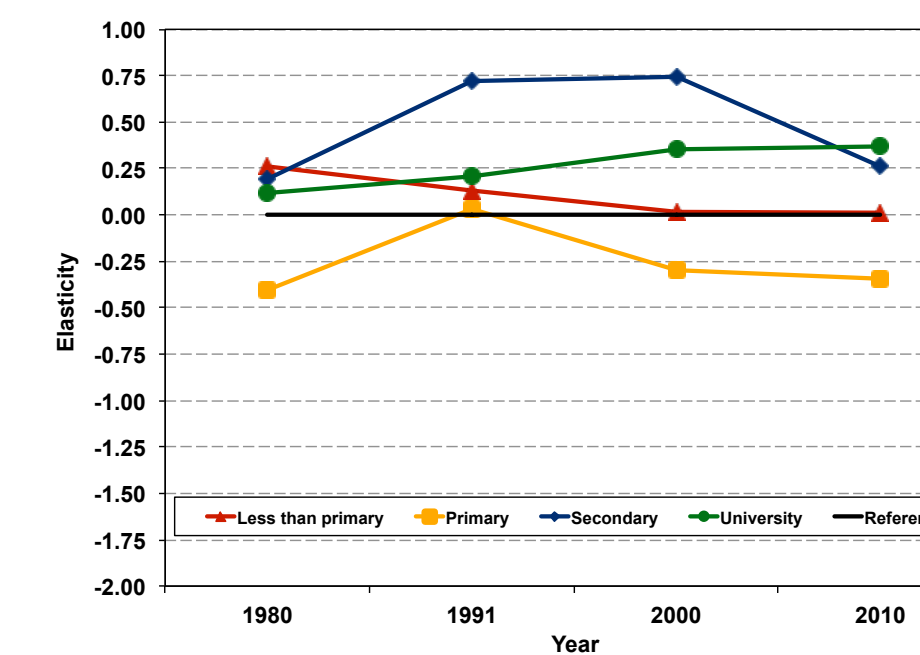
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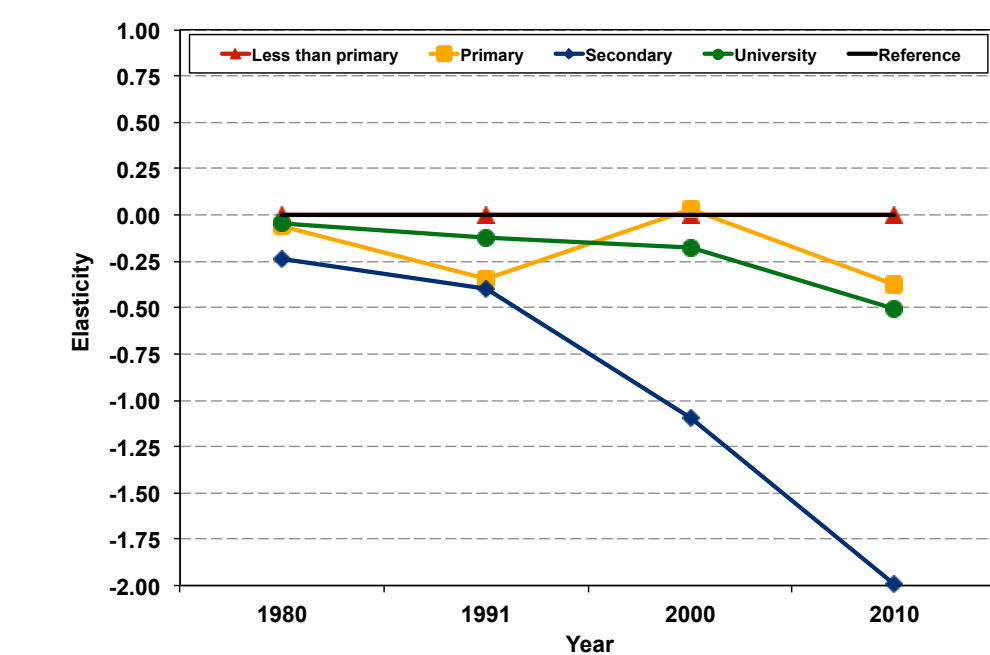
Source: 1980–2010 Brazilian Demographic Censuses.

Effects of Distribution on Earnings

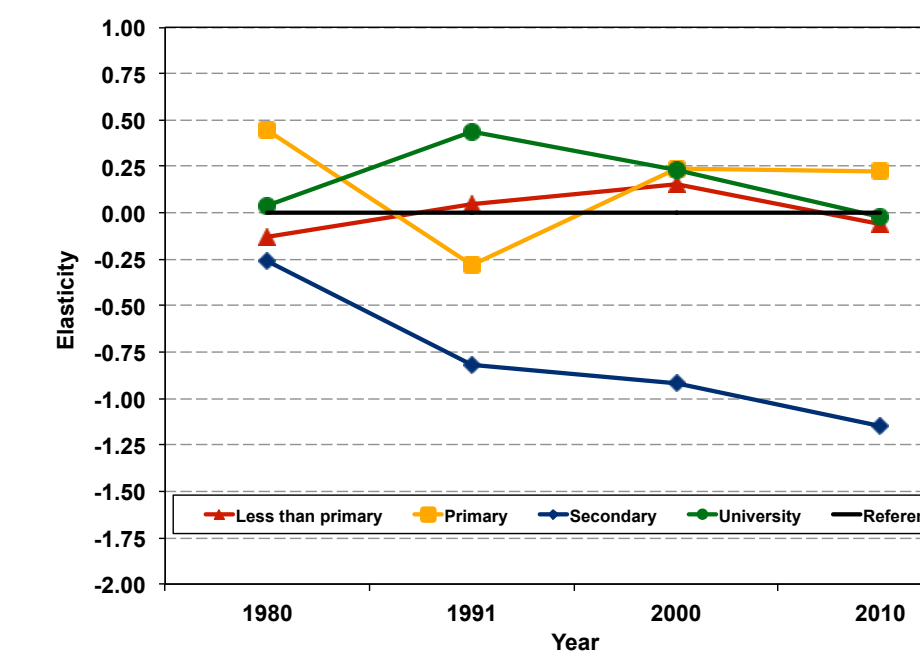
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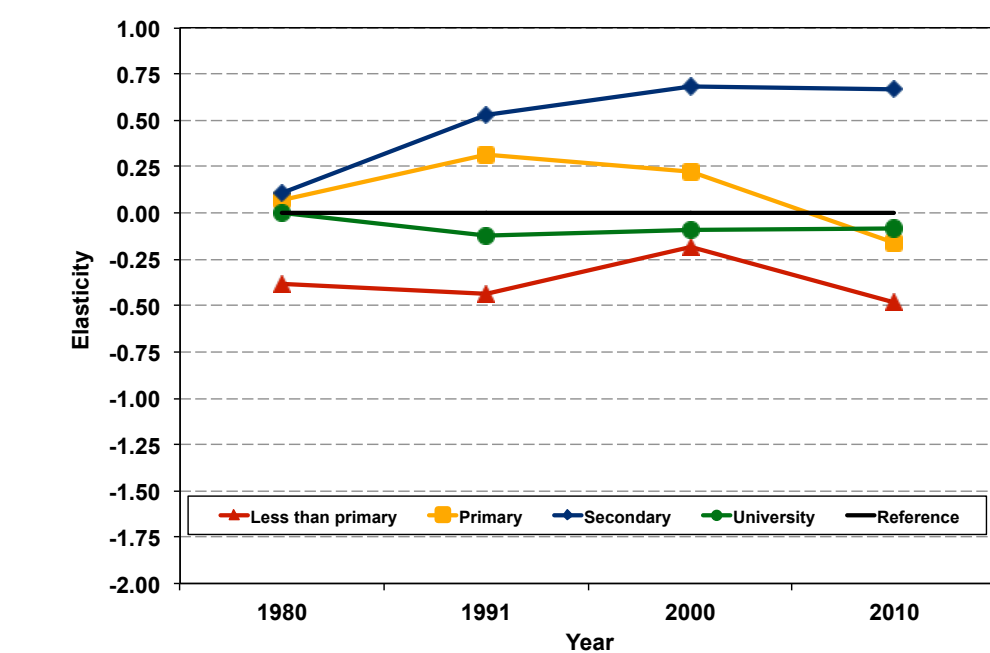
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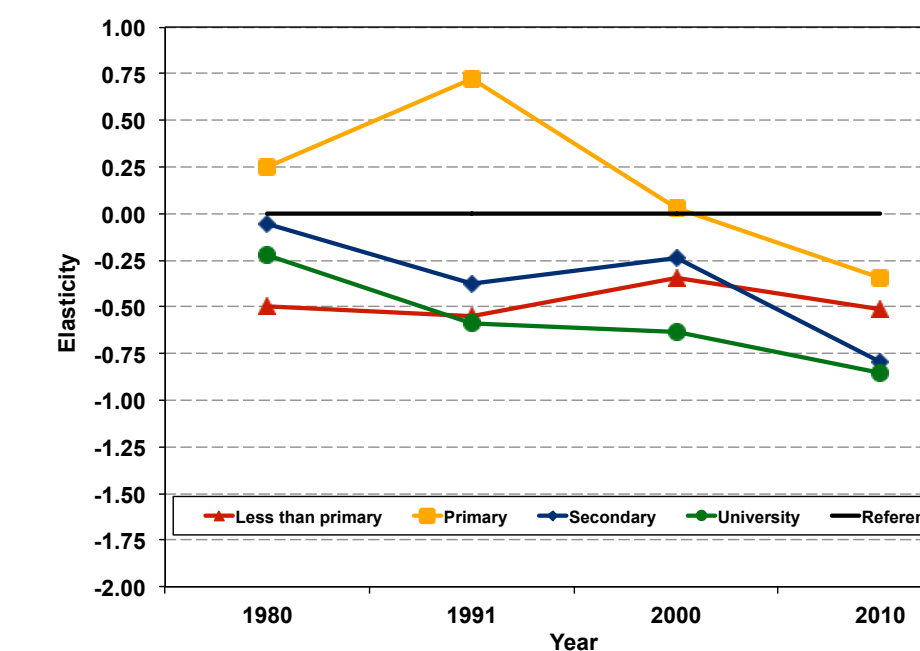
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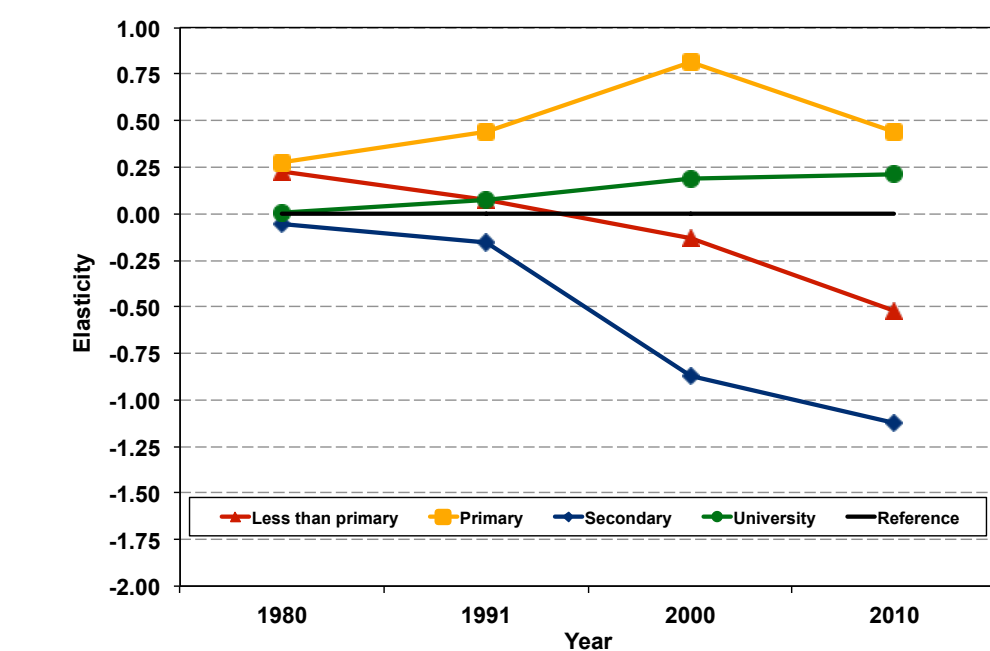
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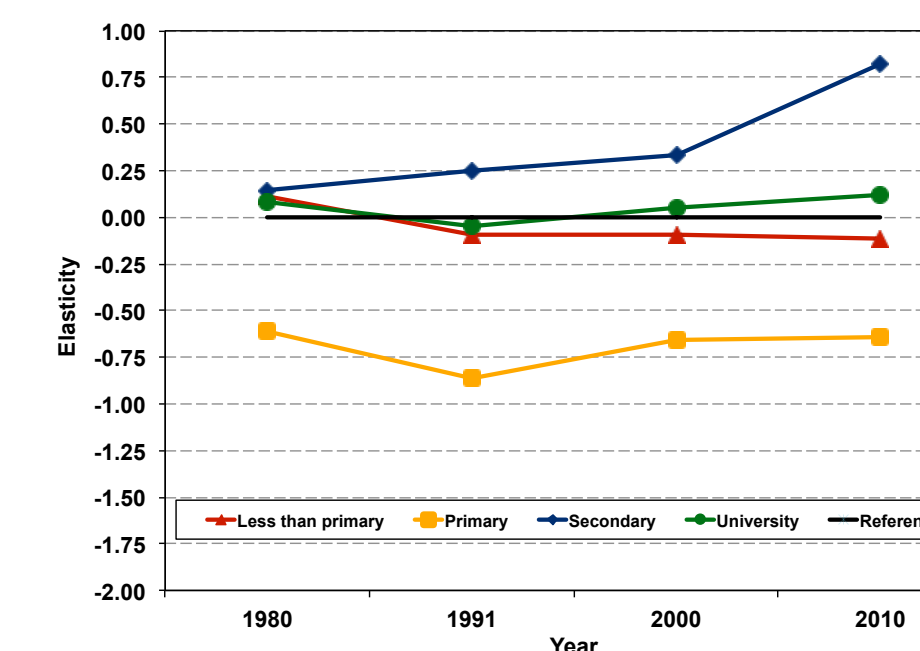
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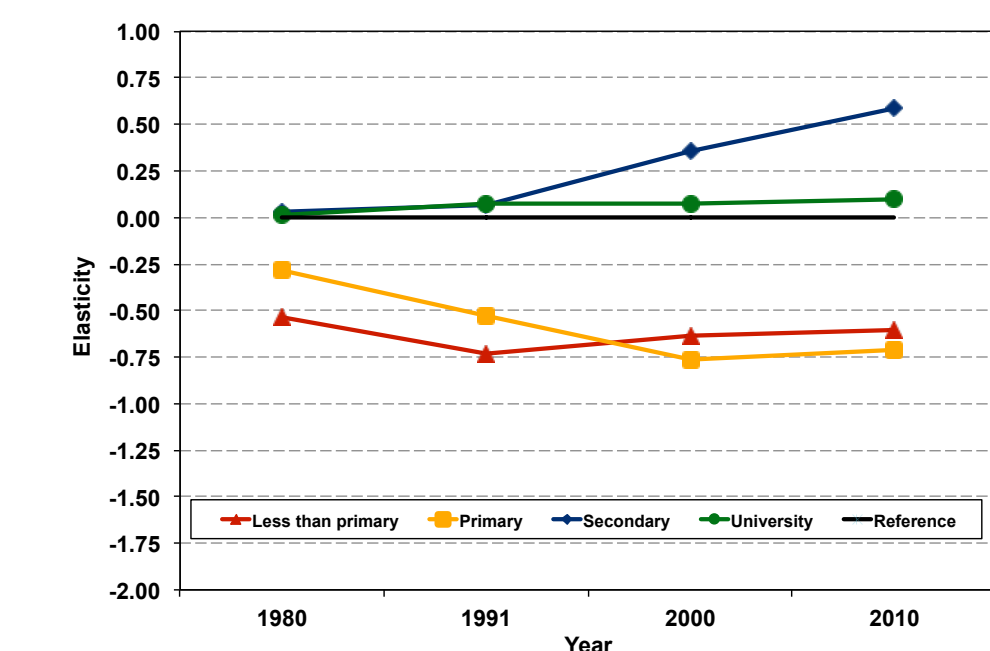
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Source: 1980–2010 Brazilian Demographic Censuses.