

AGE STRUCTURE AND ECONOMIC GROWTH IN BRAZIL

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POPULATION DEBATE

- In 1974, developed and developing countries had an important debate on population growth and economic development.
- In recent years, the scientific consensus has shifted after studies in East Asia.

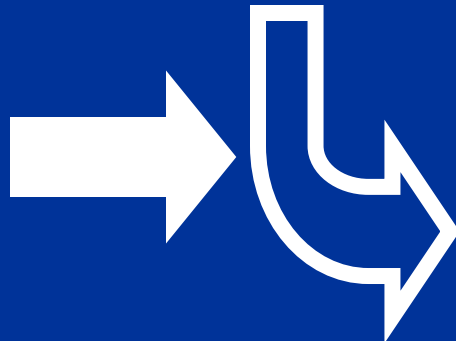
DEMOGRAPHIC DIVIDEND

Fertility decline



Growing ratio of workers

Public policies



Economic growth

POLITICAL BACKGROUND

- **President Lula emphasized that Brazil has to overcome starvation and social inequality.**
- **Changing age structure gives the opportunity to reduce poverty and provide economic growth.**

OBJECTIVES

- Investigate the influence of changing age distribution on local labor markets.
- Analyze past, present, and future policies with government agencies.
- Create a debate about shifts in the age structure with policymakers and civil society.

DATA AND VARIABLES OF INTEREST

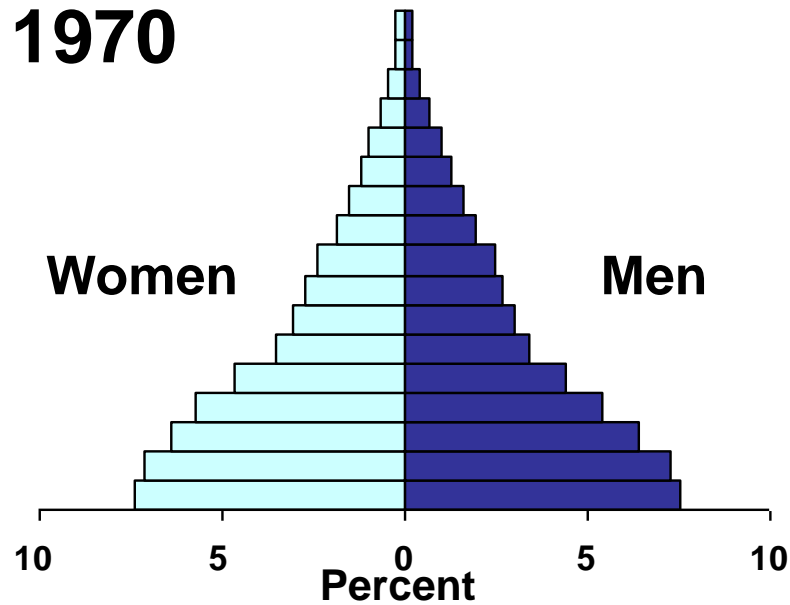
- **Data:**
 - **1960-2000 Censuses**
 - **1976-2003 National Household Surveys**
- **Dividend can benefit society through:**
 - **Better enrollment in formal education**
 - **Increasing labor force participation**
 - **Higher earnings per capita in a community**

DEMOGRAPHIC TRENDS

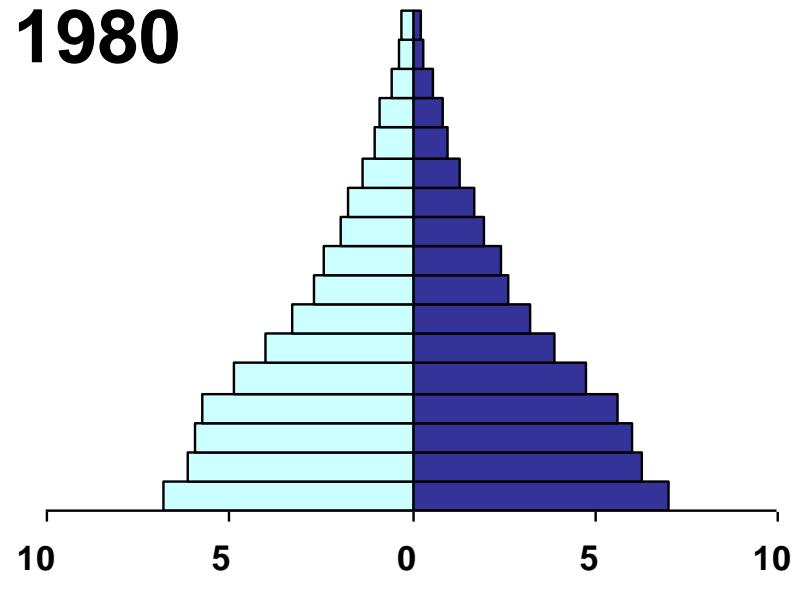
- **Fertility has been declining since the 1960s.**
- **Dependency ratio fell in the last few decades.**
- **By 2030, dependency ratio will increase.**
- **The country has differences in the age distribution across states and municipalities.**

AGE STRUCTURE IN BRAZIL

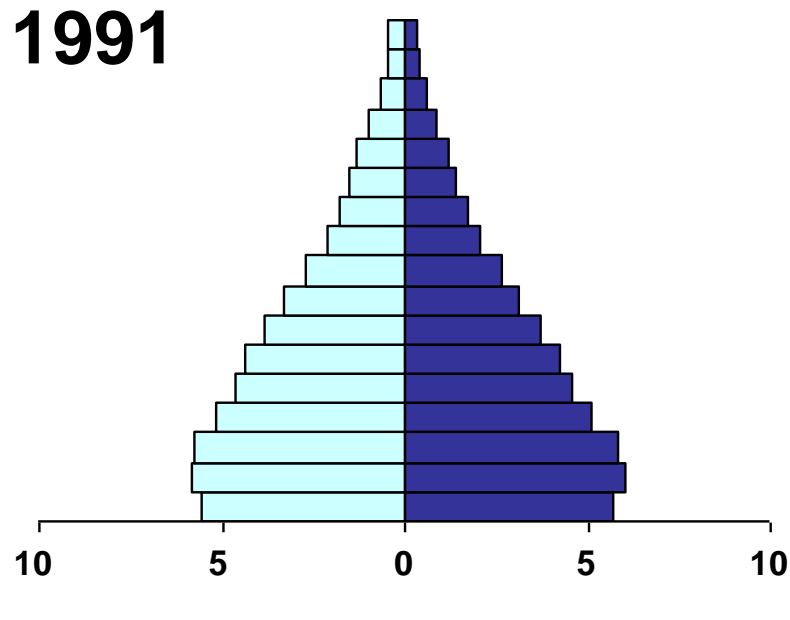
1970



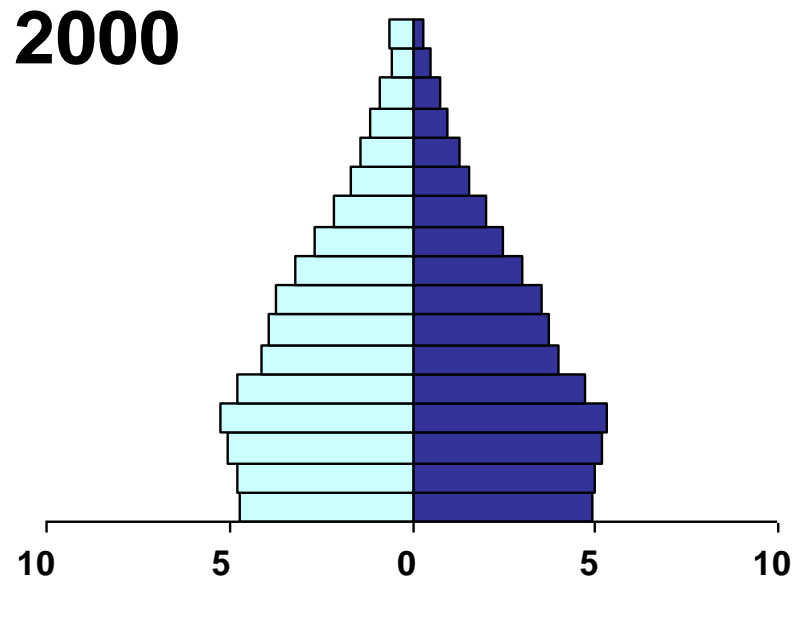
1980



1991

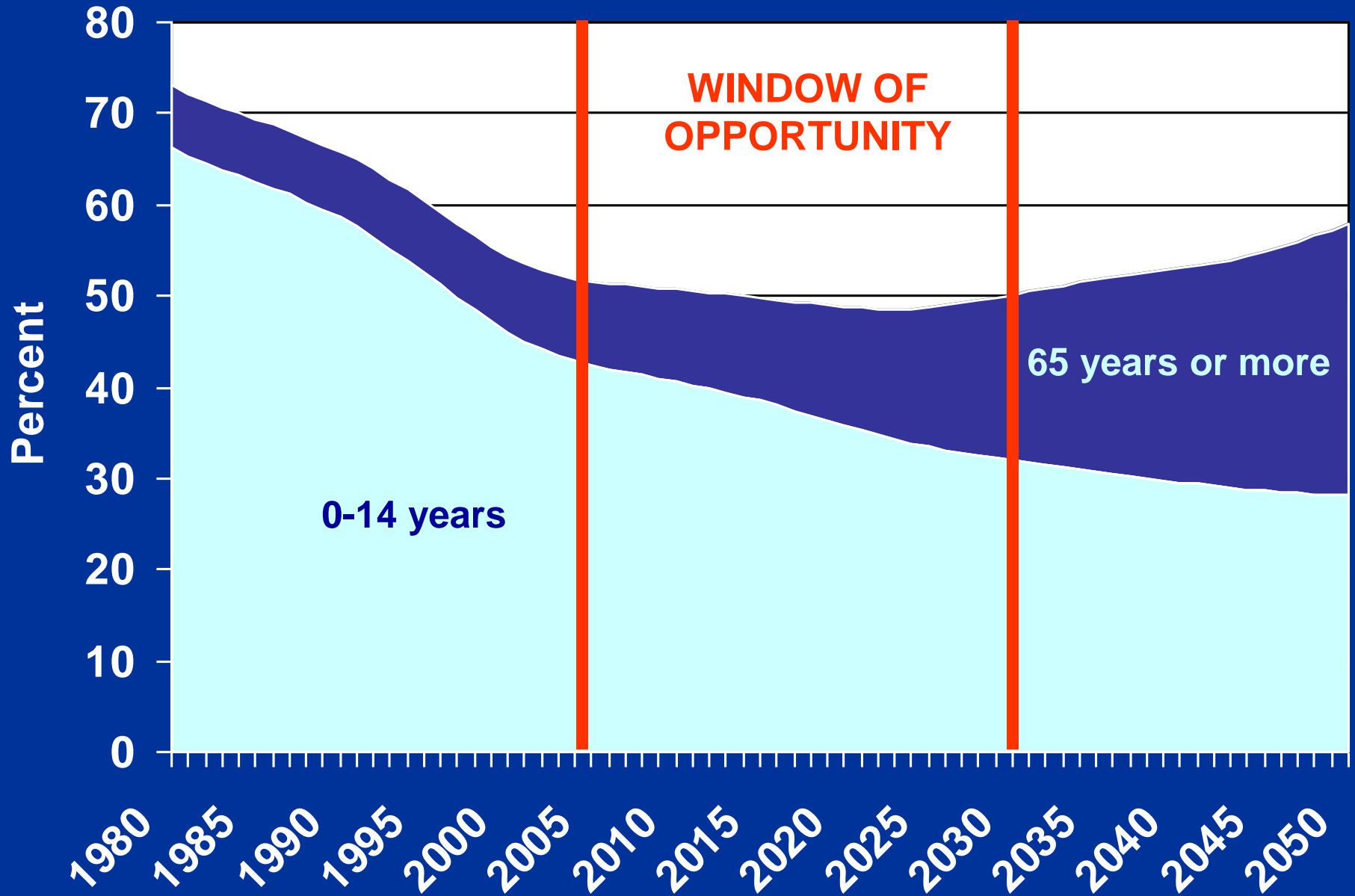


2000



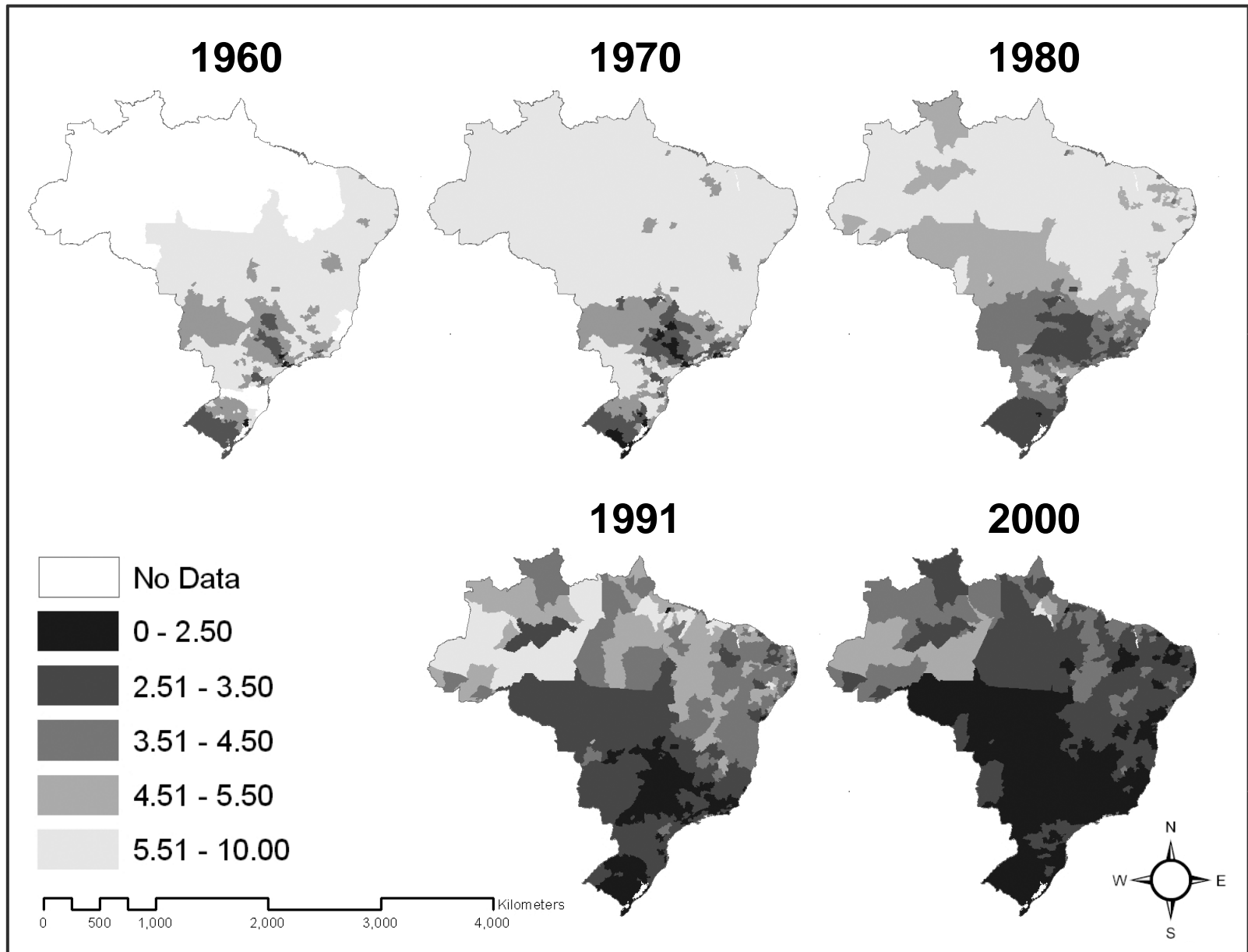
Source: Brazilian Census Bureau (IBGE).

DEPENDENCY RATIO IN BRAZIL



Source: Brazilian Census Bureau (IBGE).

TOTAL FERTILITY RATE IN BRAZIL



Source: Population Research Center (PRC).

PUBLIC POLICY CHALLENGES

- **Brazil needs to generate employment and better education to improve productivity.**
- **Stipends to families whose children remain in school are an important social policy.**
- **New policies or improvements in existing policies are required.**
- **The role of the national population council (CNPD) has to increase, building a coalition.**

RECOMMENDATIONS

- **Complete first policy reports by July 2006.**
- **Between July 2006 and February 2008:**
 - **Propose new or altered policies**
 - **Publish reports and papers**
 - **Provide public discussion**
 - **Generate resources for further research**

SUMMARY

- **In order to triumph over social inequality, such as proposed by Lula, demographic changes create a scenario to overcome poverty and generate economic growth.**
- **If government policies and civil society do not act in the next years, the aging population will become a social problem.**