DEMOGRAPHIC DIVIDEND IN BRAZIL: AN ANALYSIS OF AGE STRUCTURE AND DEVELOPMENT

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DEMOGRAPHIC DIVIDEND

- Falling birth rate results in a smaller proportion of population at younger ages and in a higher proportion at adult ages.

- It creates a good environment for a society in terms of economic development.
FORMS OF ACTION

- The consequences of the fertility decline on the age structure can justify the family planning in an imposing approach.

- On the other hand, the demographic dividend can be seen as a logical potentiality for the country development.
POSSIBLE BENEFITS

- The benefits of the dividend are not only determined by the demographic conditions of a society.

- Instead, these benefits will occur only with specific economic conditions, state institutions, and family arrangements.
Fertility declined from 6.3 in 1960 to 2.3 children per woman in 2000.

The demographic dividend should not be used as a framework to implement strict planning policies.

Government has to consider the dividend as a population component.

1960-2000 Censuses microdata are analyzed.
AGE STRUCTURE IN BRAZIL

1970

Women

Men

1980

1991

2000

Percent

Source: Brazilian Census Bureau (IBGE).
DIVIDEND IS ALREADY HELPING

- One might think that the economic recession in the 1990s reduced the demographic dividend in Brazil.

- However, municipal-level data shows that earnings stagnation would be much more dramatic without the demographic dividend.
The proportion of the total population in labor ages had a positive impact on the growth of earnings per capita in the 1990s.

This process happened in the municipal level, even with the increase of informal economy and unemployment rates.
GROWTH OF MUNICIPAL EARNINGS PER CAPITA, 1991-2000

EDUCATION IMPROVEMENT

- The decline in the proportion of population at younger ages was crucial to the success of the expansion of schooling attainment implemented by government policies.

- The rise in mother's education increased the demand for school enrollment.

- However, low-income families have smaller demand for children education attainment.
IMPLICATIONS

- Findings suggest that the demographic dividend has an important role in the growth of municipal earnings per capita.

- Because of Brazilian inequality, universal public policies do not seem to be the best option, such as observed in the education findings.

- One example of focalized policy is the one transferring earnings to low-income families that keep their children in school (*Bolsa Família*).
RECOMMENDATIONS

- The demographic dividend has to be taken into account to generate new policies or improve existing ones.

- Policies should focus on the transfers of earnings to the low-income and less-educated population groups.

- The National Population Council should take a lead to include the population analysis in the agenda of other ministries.
SUMMARY

- The most important challenge for the Brazilian society is to generate employment for the people entering the labor force, as well as to improve their educational skills.

- The Brazilian government has to implement new policies in order to face the new national demographic characteristics.

- If government policies and civil society do not act in the next years, the aging population will become a social problem.