

**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

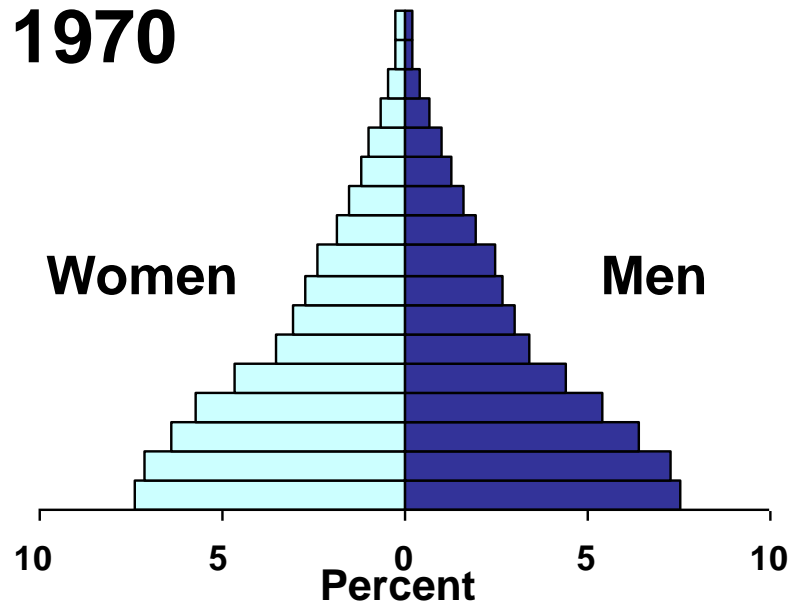
- **The benefits of the dividend are not only determined by the demographic conditions of a society.**
- **Instead, these benefits will occur only with specific economic conditions, state institutions, and family arrangements.**

BRAZIL

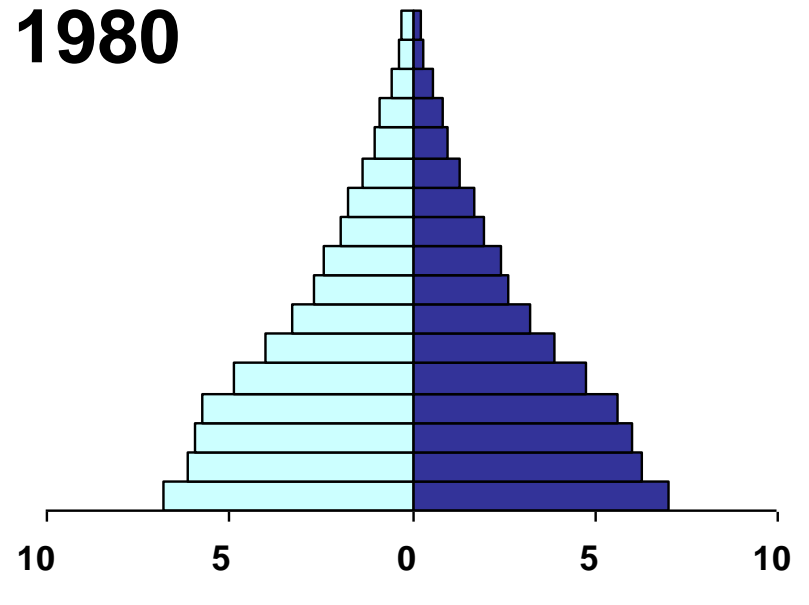
- Fertility declined from 6.3 in 1960 to 2.3 children per woman in 2000.
- The demographic dividend should not be used as a framework to implement strict planning policies.
- Government has to consider the dividend as a population component.
- 1960-2000 Censuses microdata are analyzed.

AGE STRUCTURE IN BRAZIL

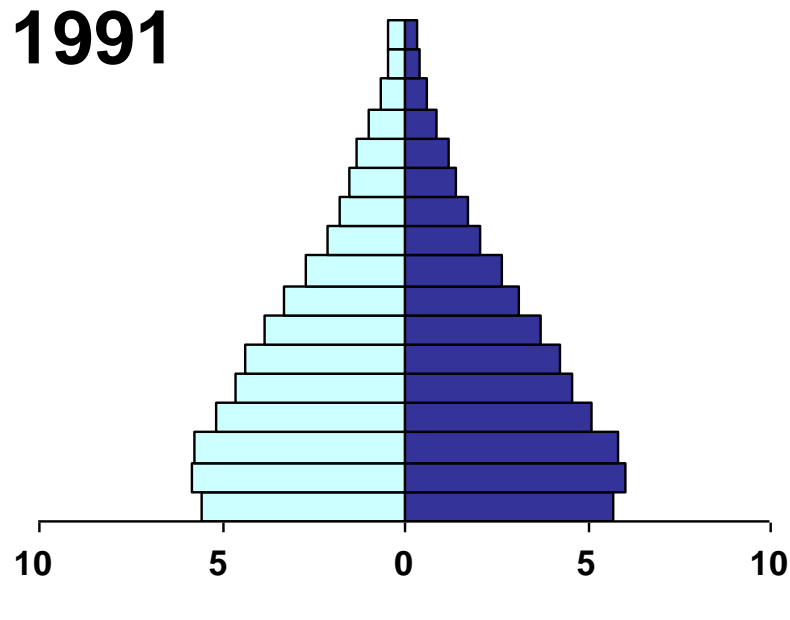
1970



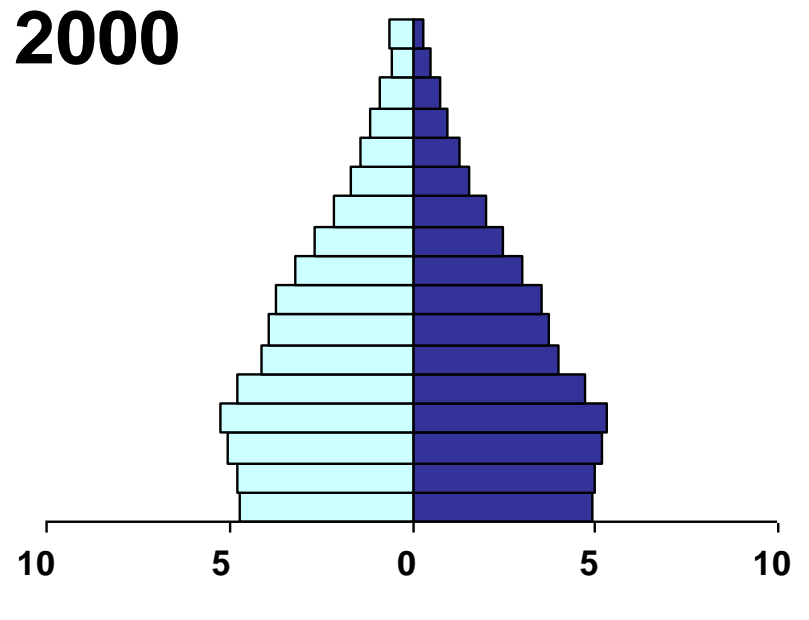
1980



1991



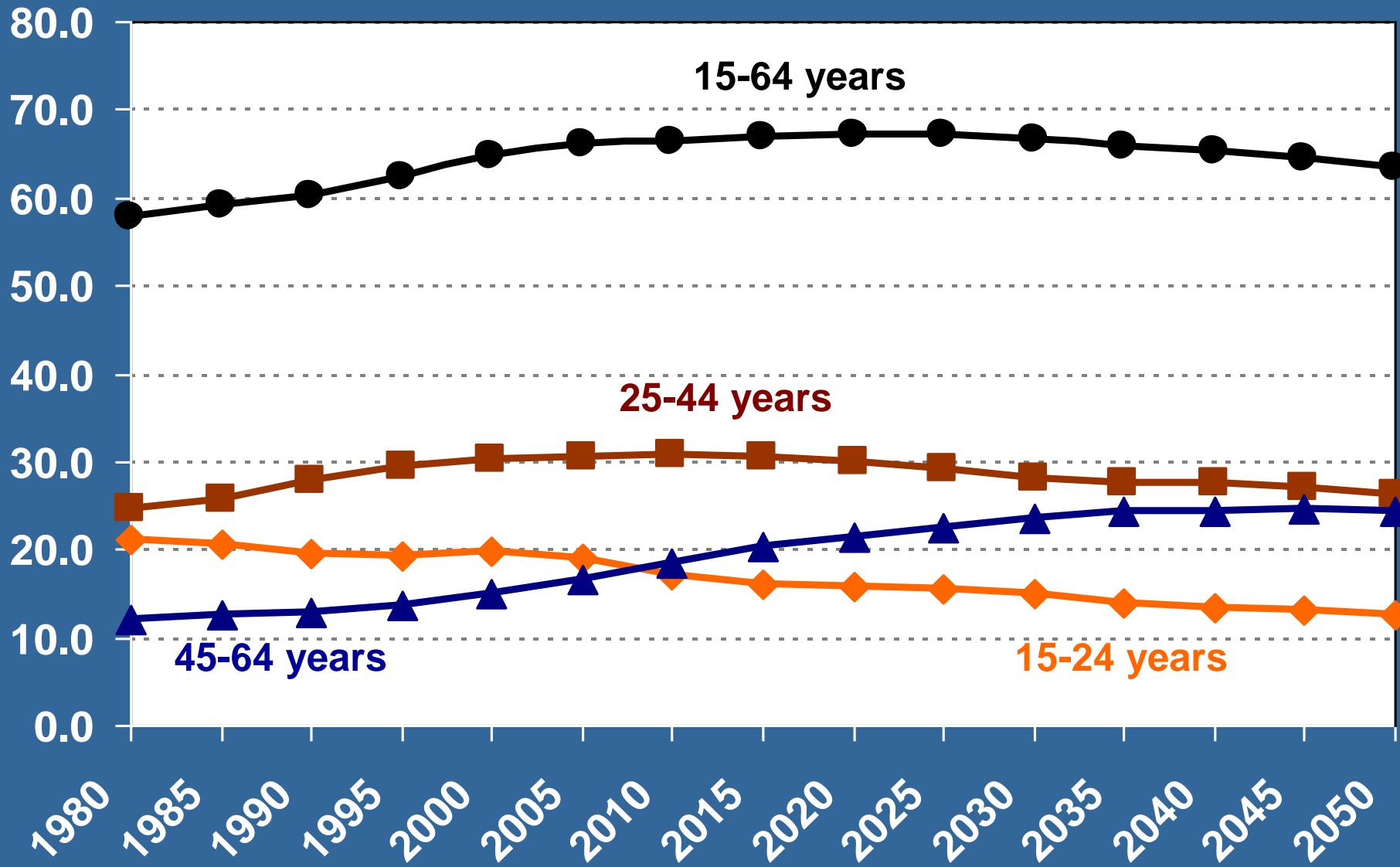
2000



Source: Brazilian Census Bureau (IBGE).

POPULATION IN LABOR AGES

Percent



Source: Oliveira (2004).

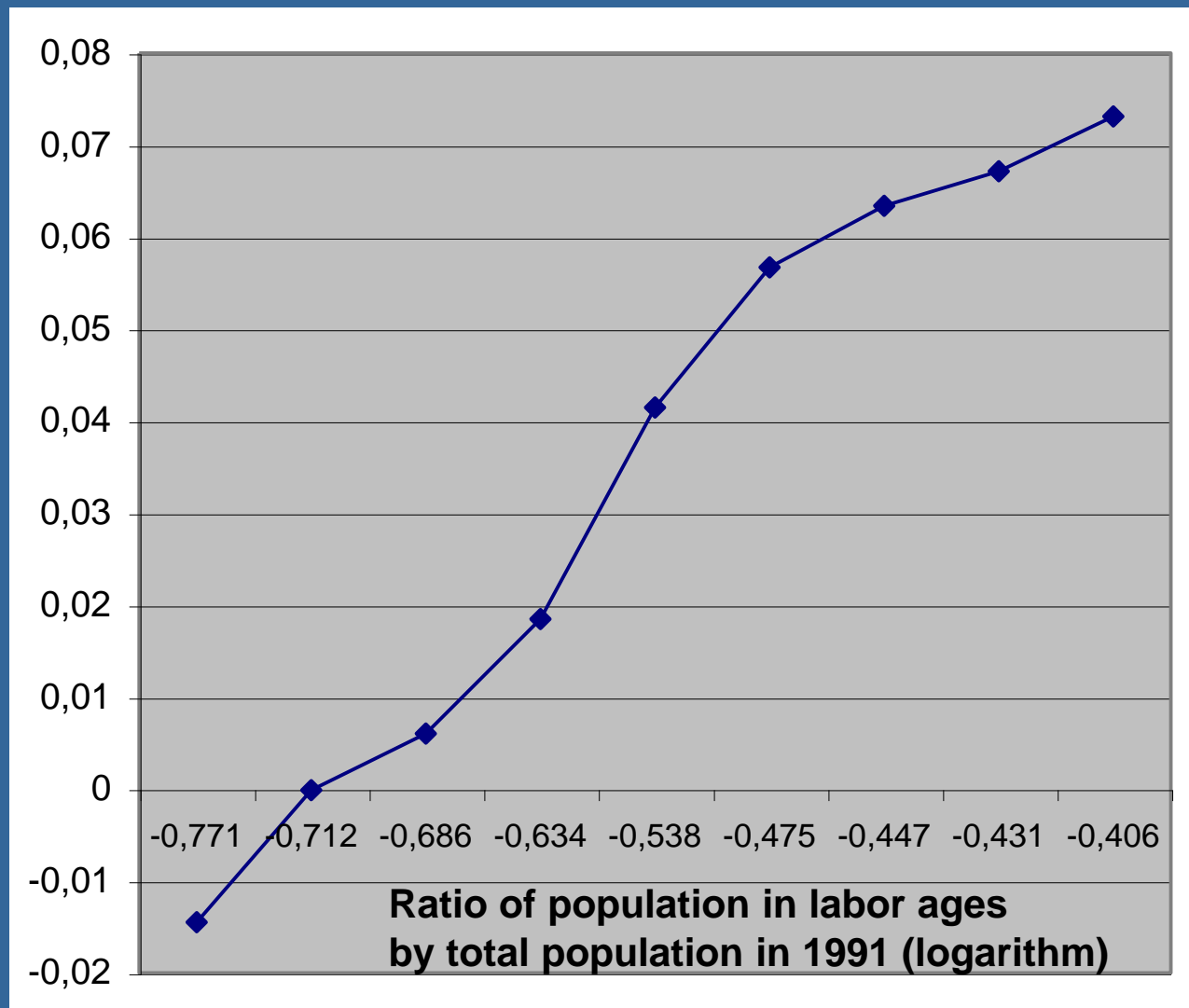
DIVIDEND IS ALREADY HELPING

- 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.

EARNINGS PER CAPITA

- 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



Source: Rios-Neto (2005).

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.**