

Sustainable Inclusive Growth in Brazil: *Six Challenges Ahead*

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Laura Müller Machado (IAS/Insper), Camila Soares (IAS/Insper)

CÁTEDRA
Instituto Ayrton Senna

São Paulo
May, 2018

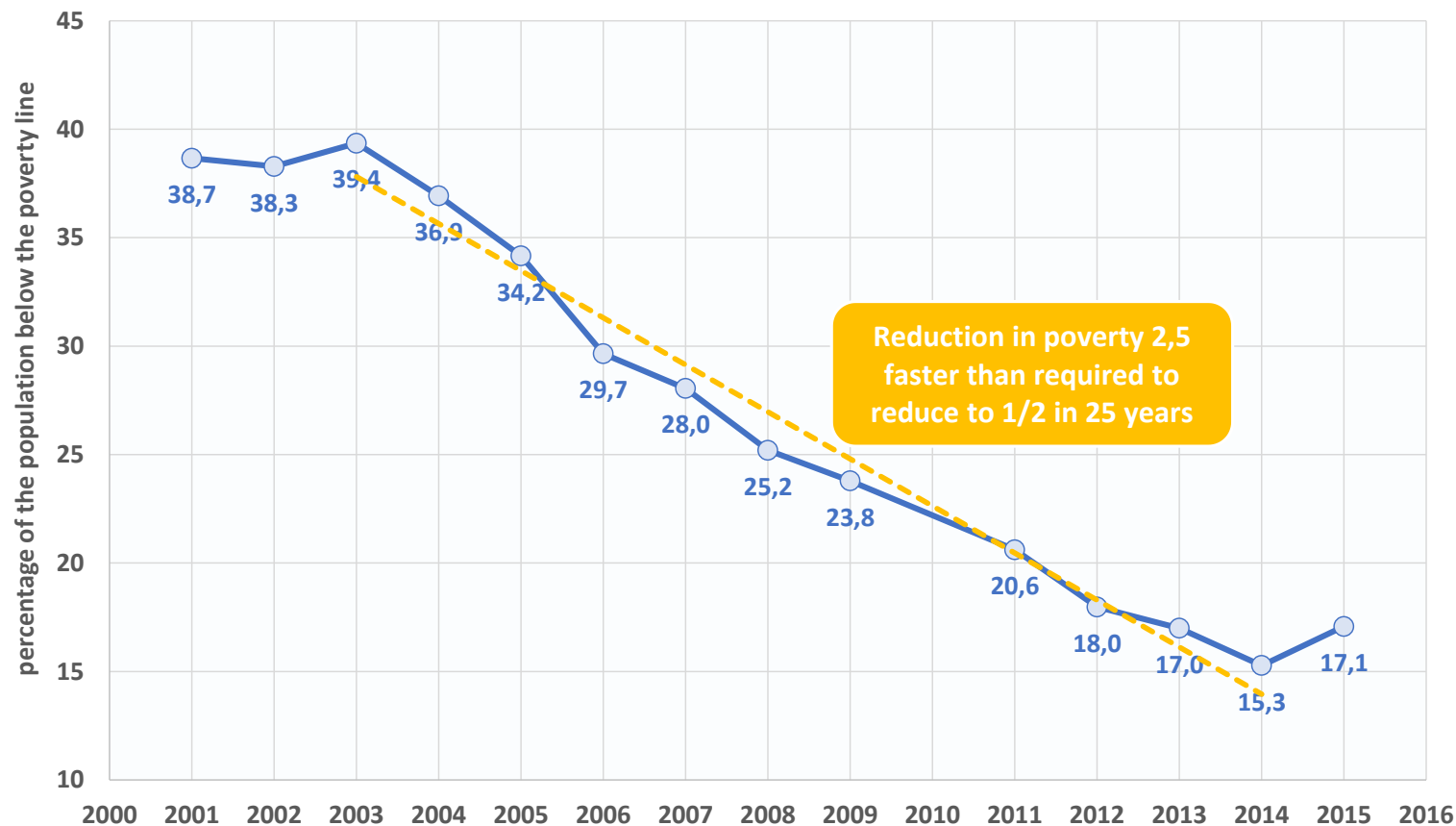


Insper

0 Achievements

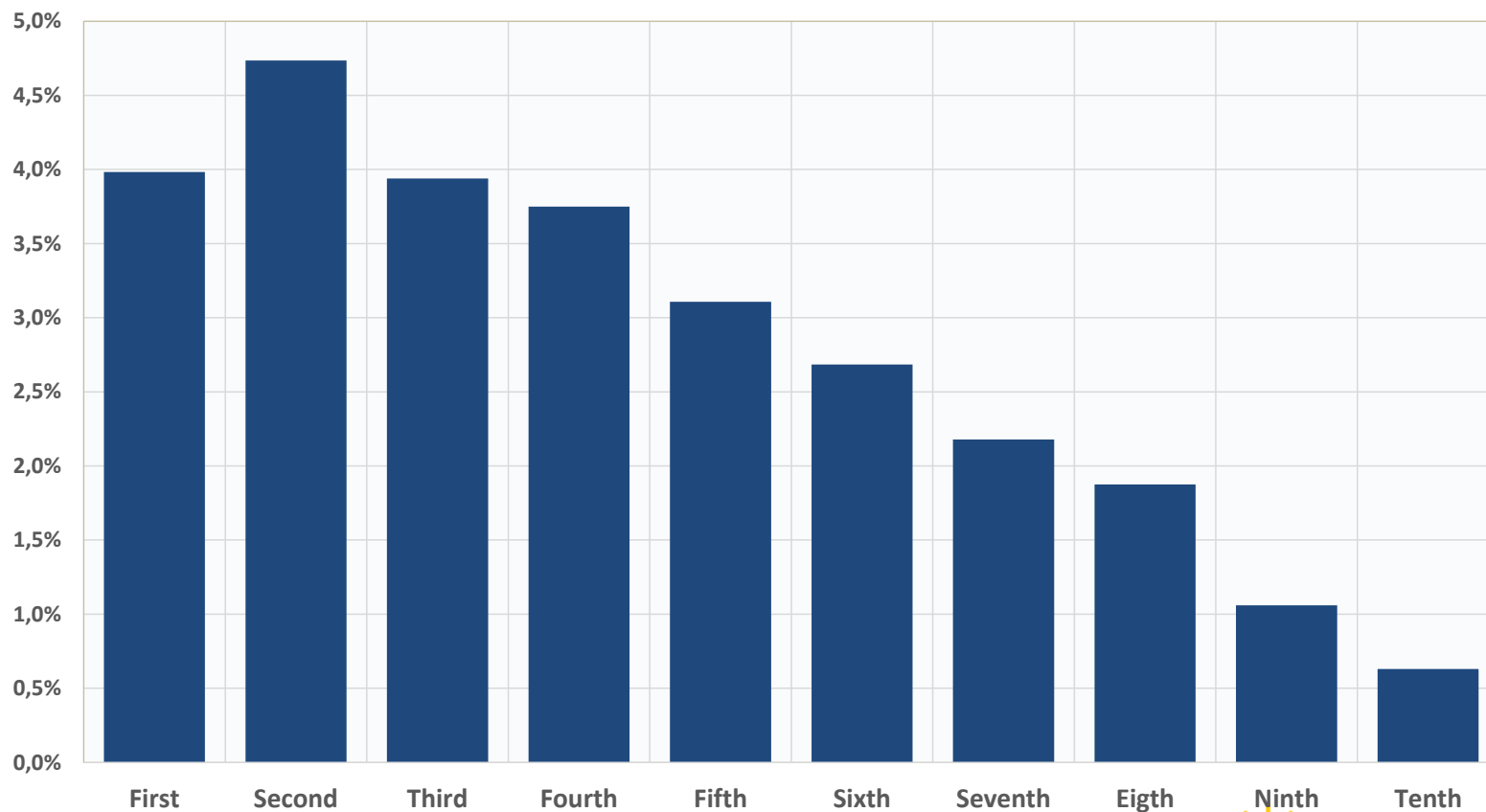
0. Achievements

Evolution of Poverty in Brazil



0. Achievements

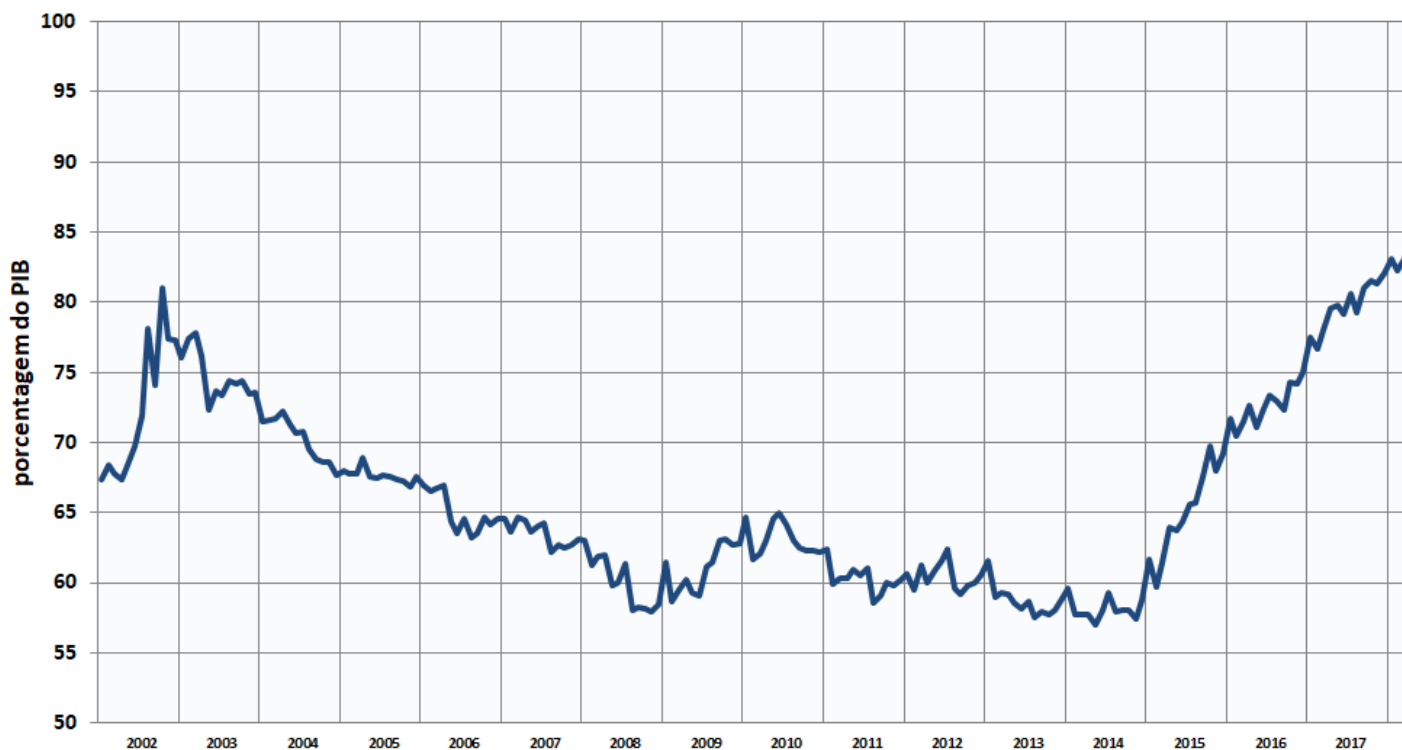
Average annual growth rate of the labor income per worker by tenths of the income distribution: Brazil, 2001-2015



1 Better Targeting

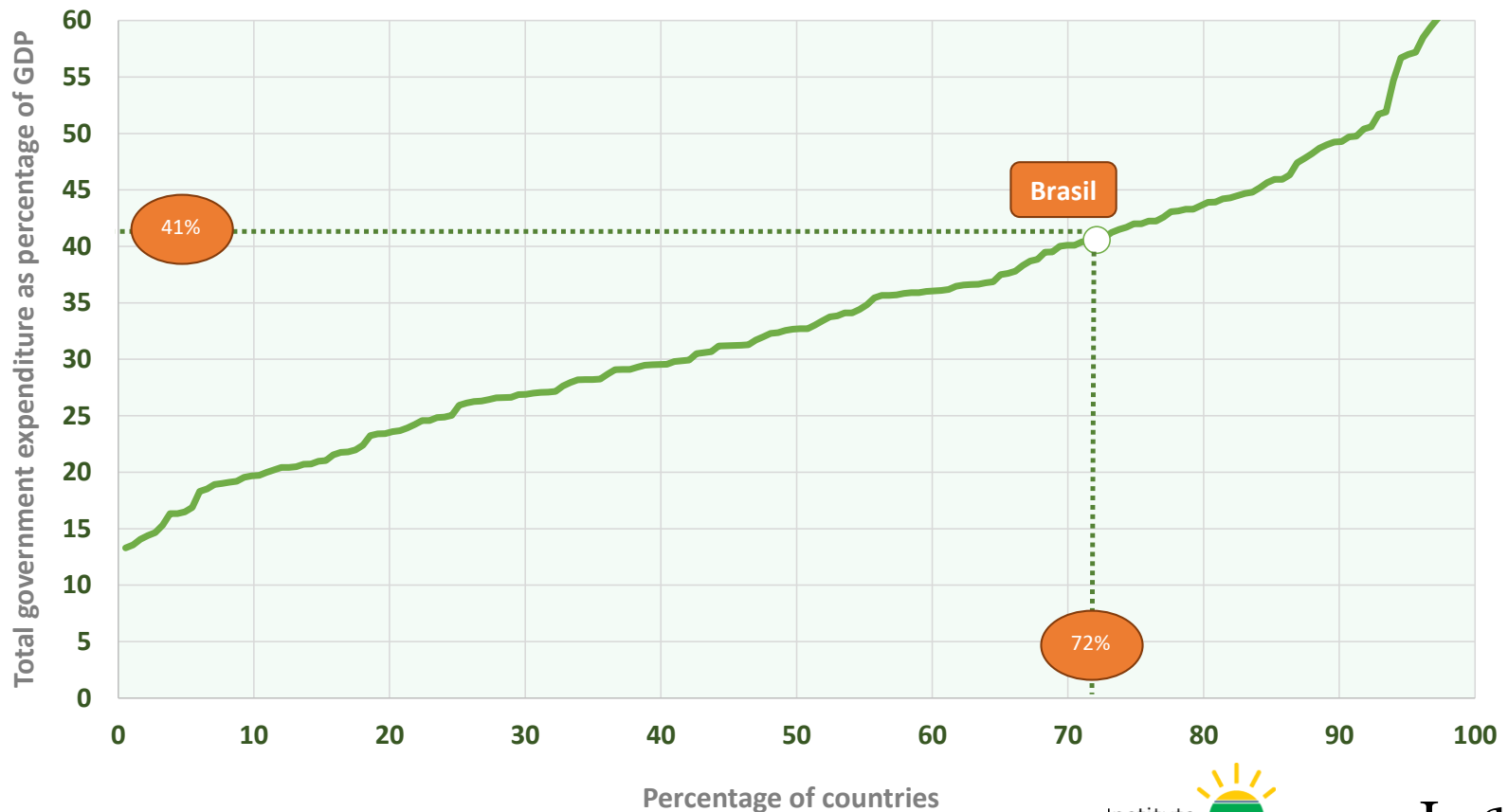
1. Better Targeting

Evolução da dívida bruta do governo geral como porcentagem do PIB



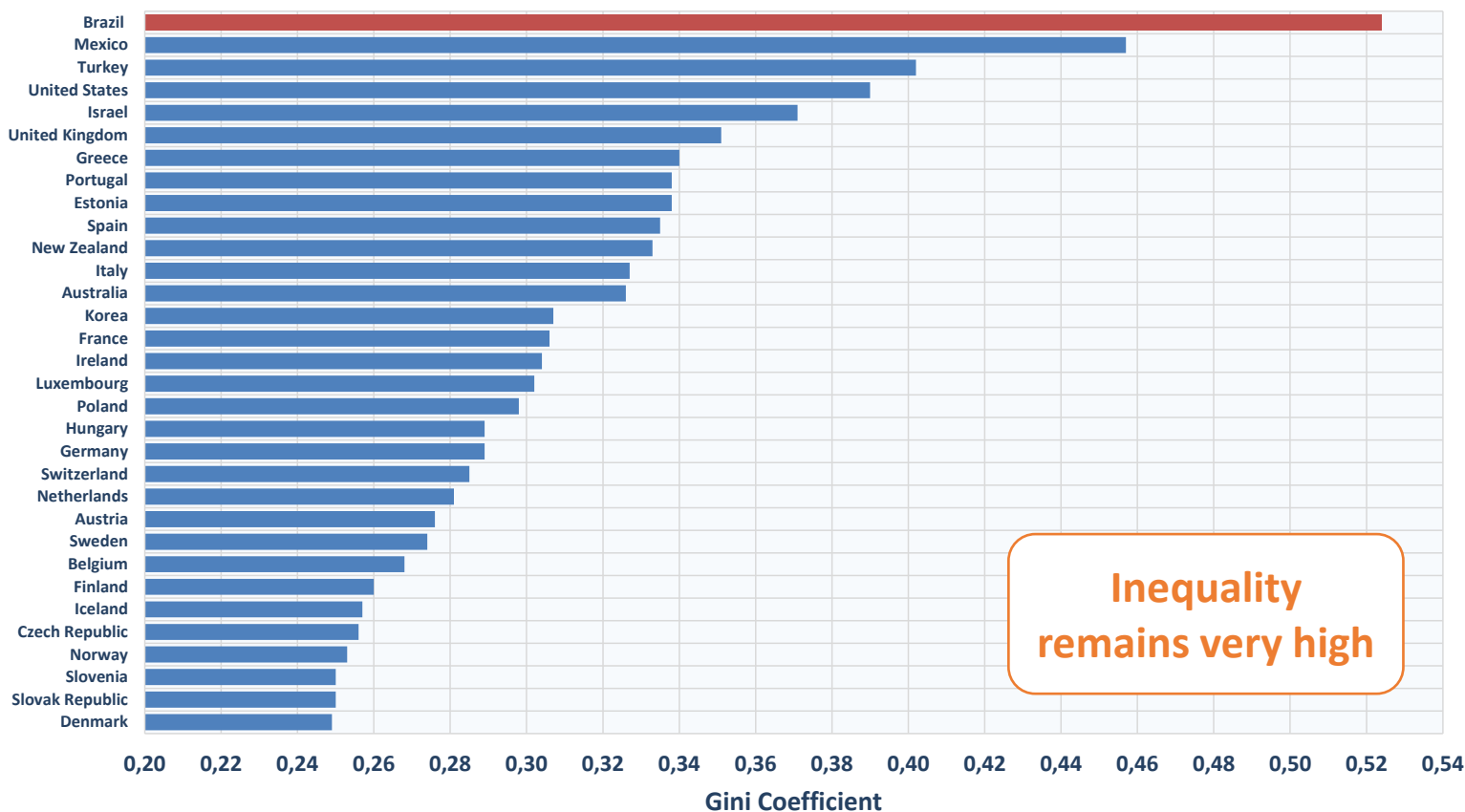
1. Better Targeting

Distribution of countries according to total government expenditure as a percentage of GDP



1. Better Targeting

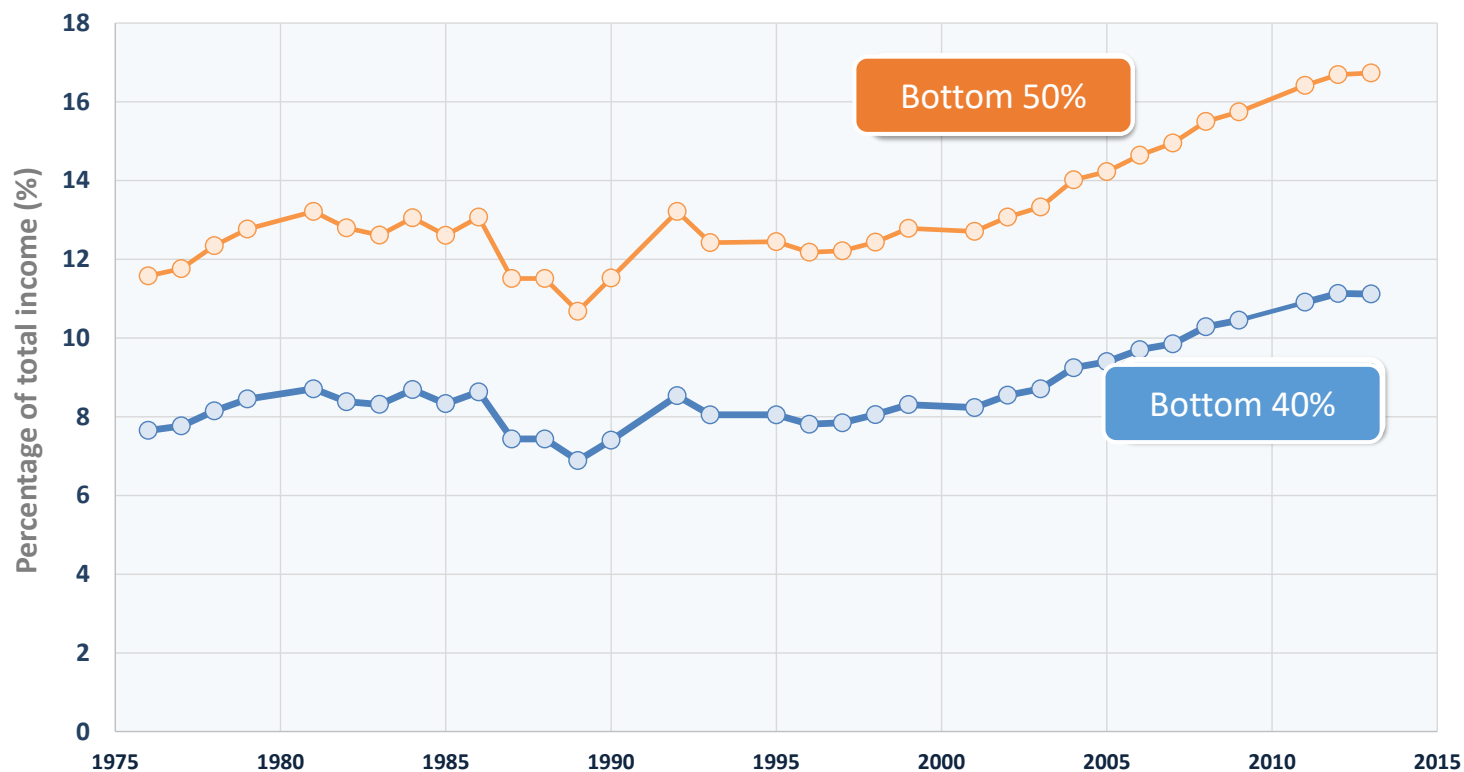
Income Inequality in High and Middle Income Countries: 2012



Inequality
remains very high

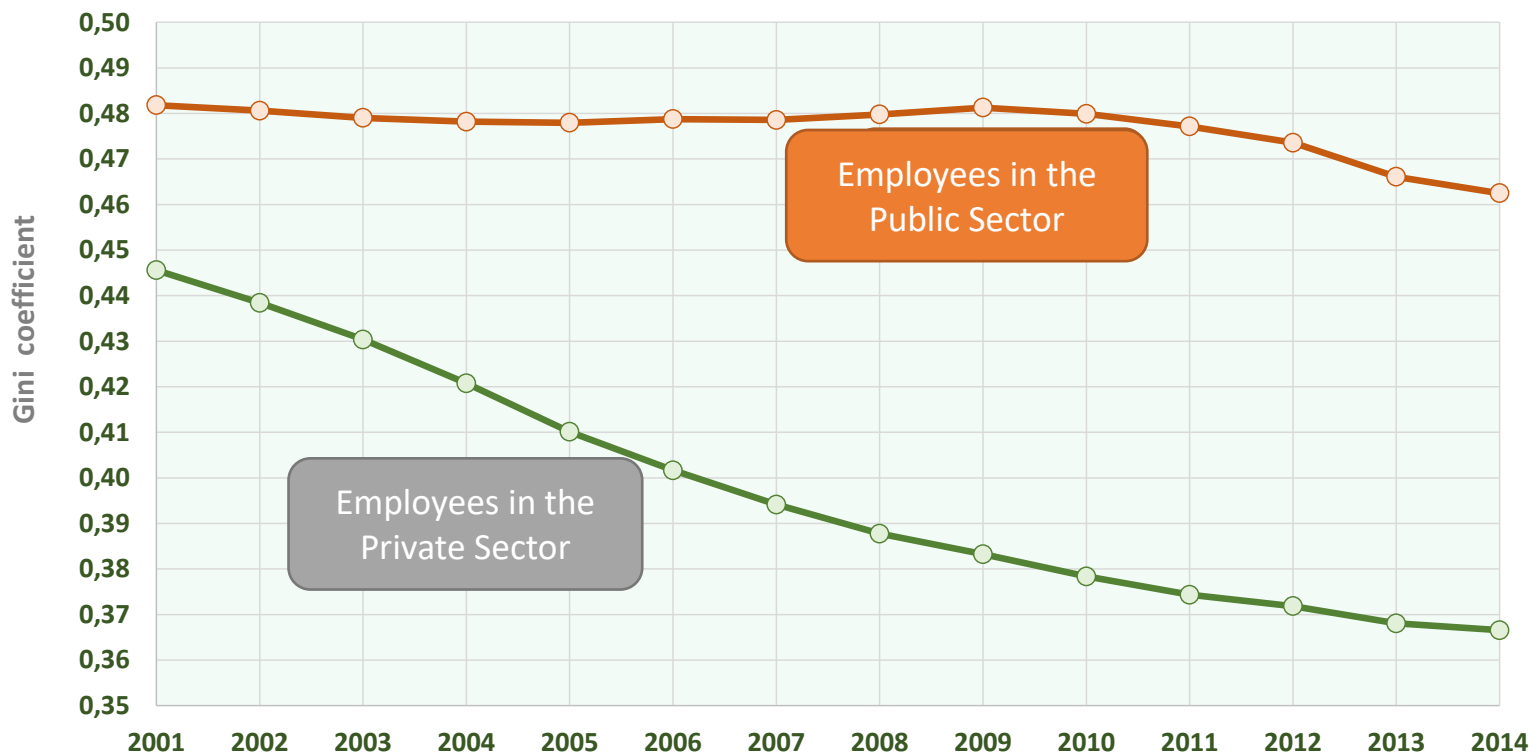
1. Better Targeting

Evolution of the percentage of the total income going to the poorest 40% and 50% in Brazil



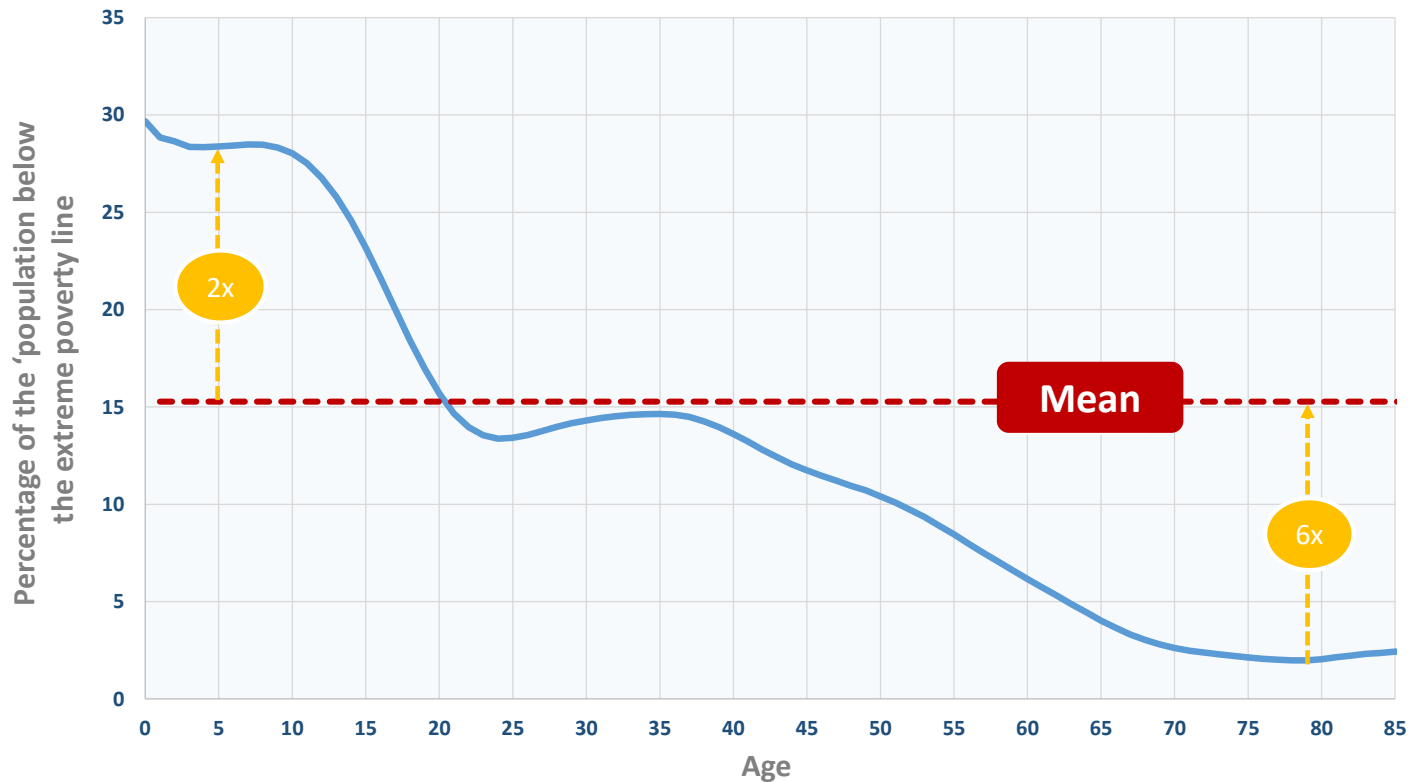
1. Better Targeting

Evolution of the wage inequality among employees in the public and private sectors



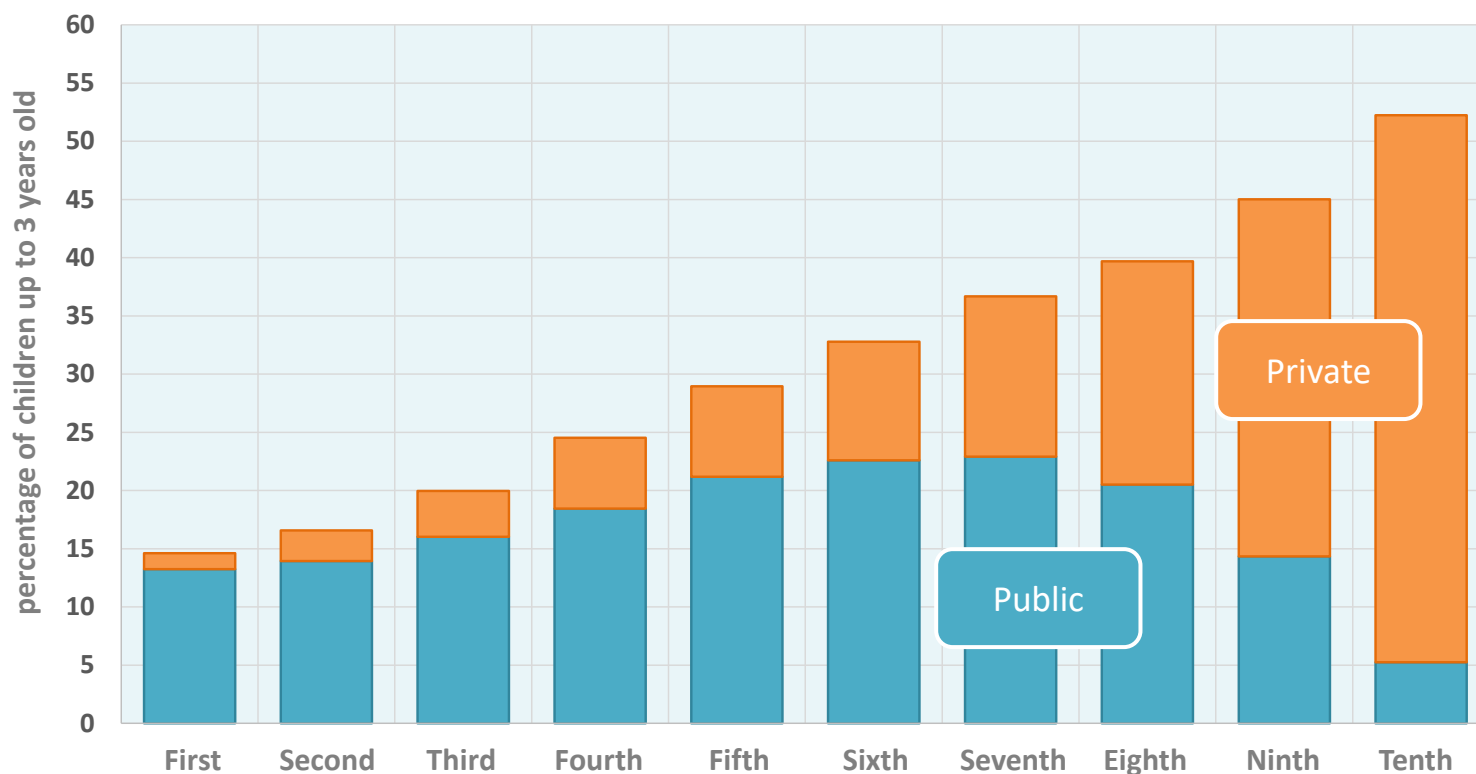
1. Better Targeting

Age Profile of the Extreme Poverty Rate



1. Better Targeting

Access to Daycare Centers (children up to 3 years old) by tenths of the income distribution: Brazil, 2015

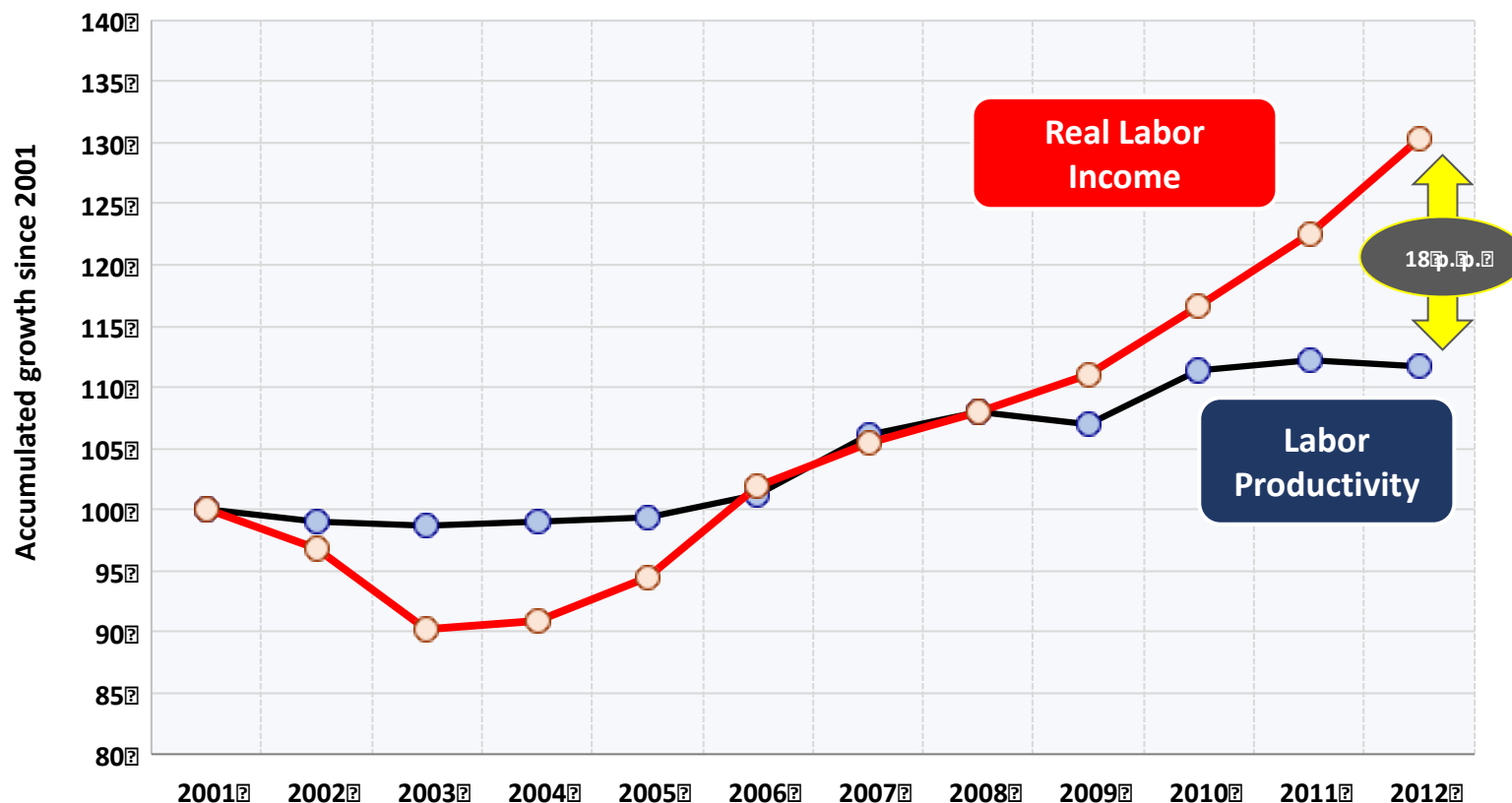


Fonte: Estimativas produzidas a partir da Pesquisa Nacional por Amostra de Domicílios (PNAD).

2 **Balanced growth of earnings and productivity**

2. Balanced growth of earnings and productivity

Labor Productivity and Real Labor Income
(2001=100)



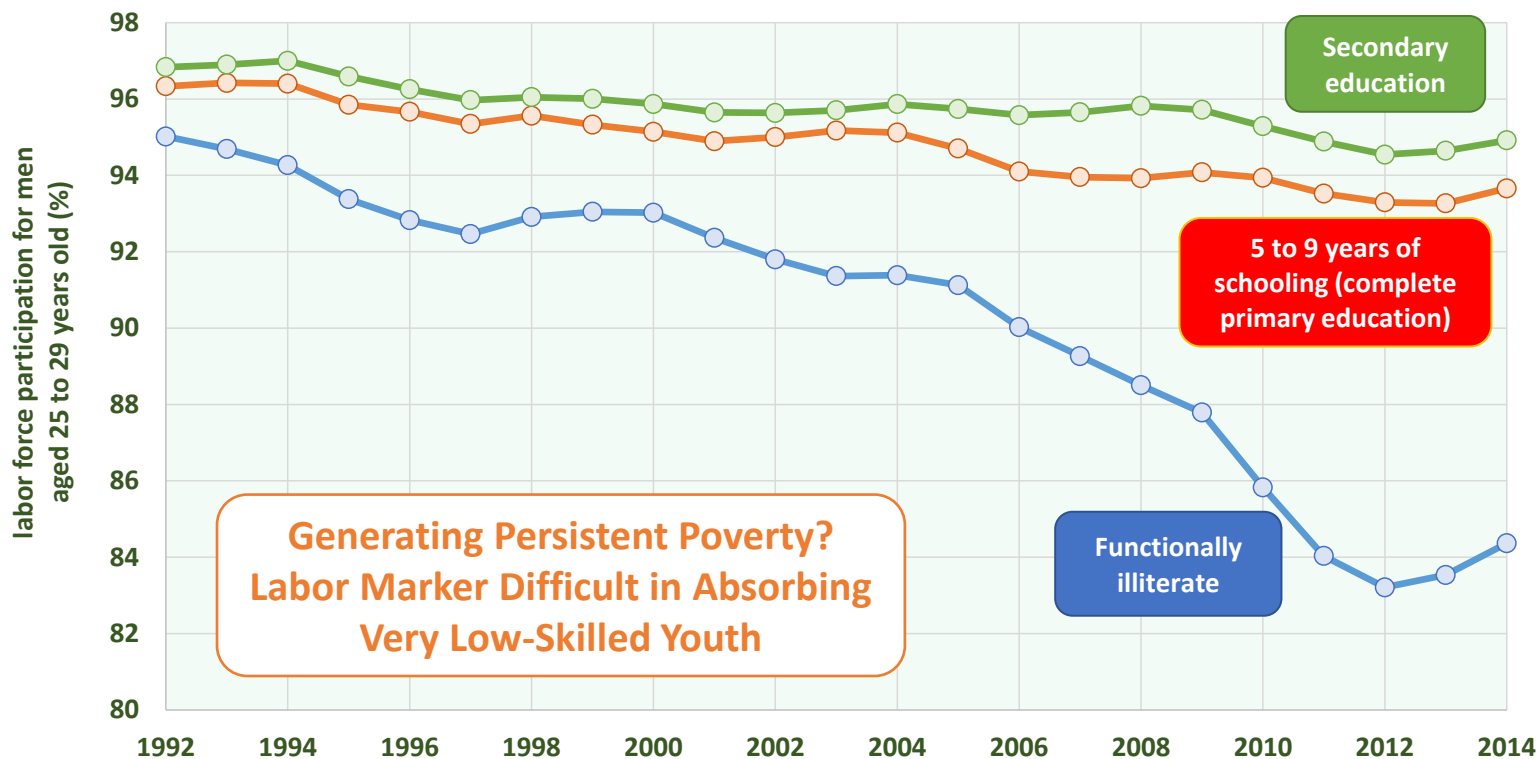
Nota: Renda deflacionada com INPC; PIB com deflator implícito do PIB.

Fonte: Renda, Pesquisa Nacional por Amostra de Domicílios (PNAD/IBGE); PIB, Sistema de Contas Nacionais (SCN/IBGE).

3 Productive Inclusion

3. Productive Inclusion

Evolution of the Brazilian labor force participation rate among men aged 25 to 29 years-old, by their educational level: 1992-2014



Generating Persistent Poverty?
Labor Market Difficult in Absorbing
Very Low-Skilled Youth

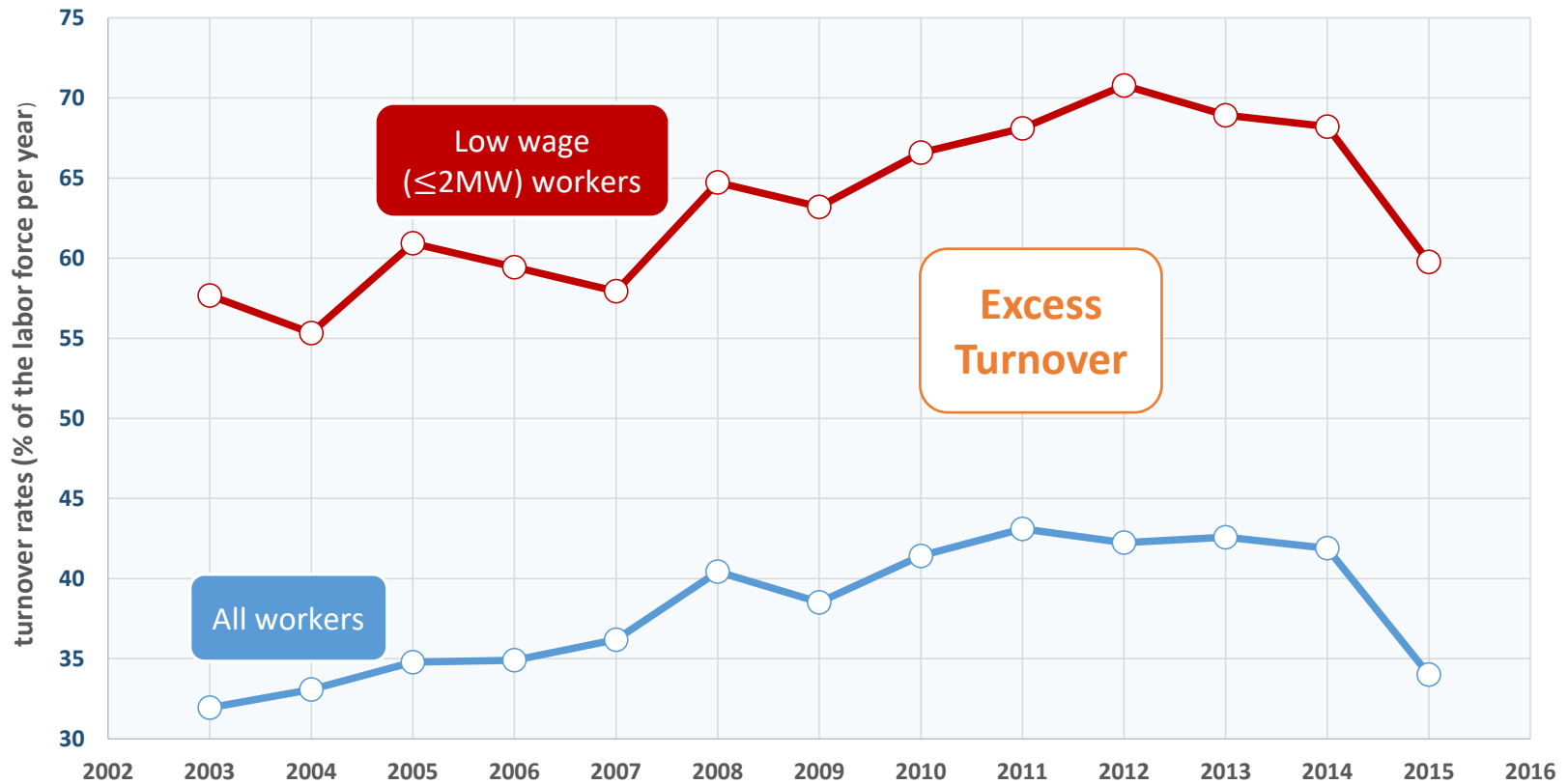
Functionally
illiterate

Secondary
education

5 to 9 years of
schooling (complete
primary education)

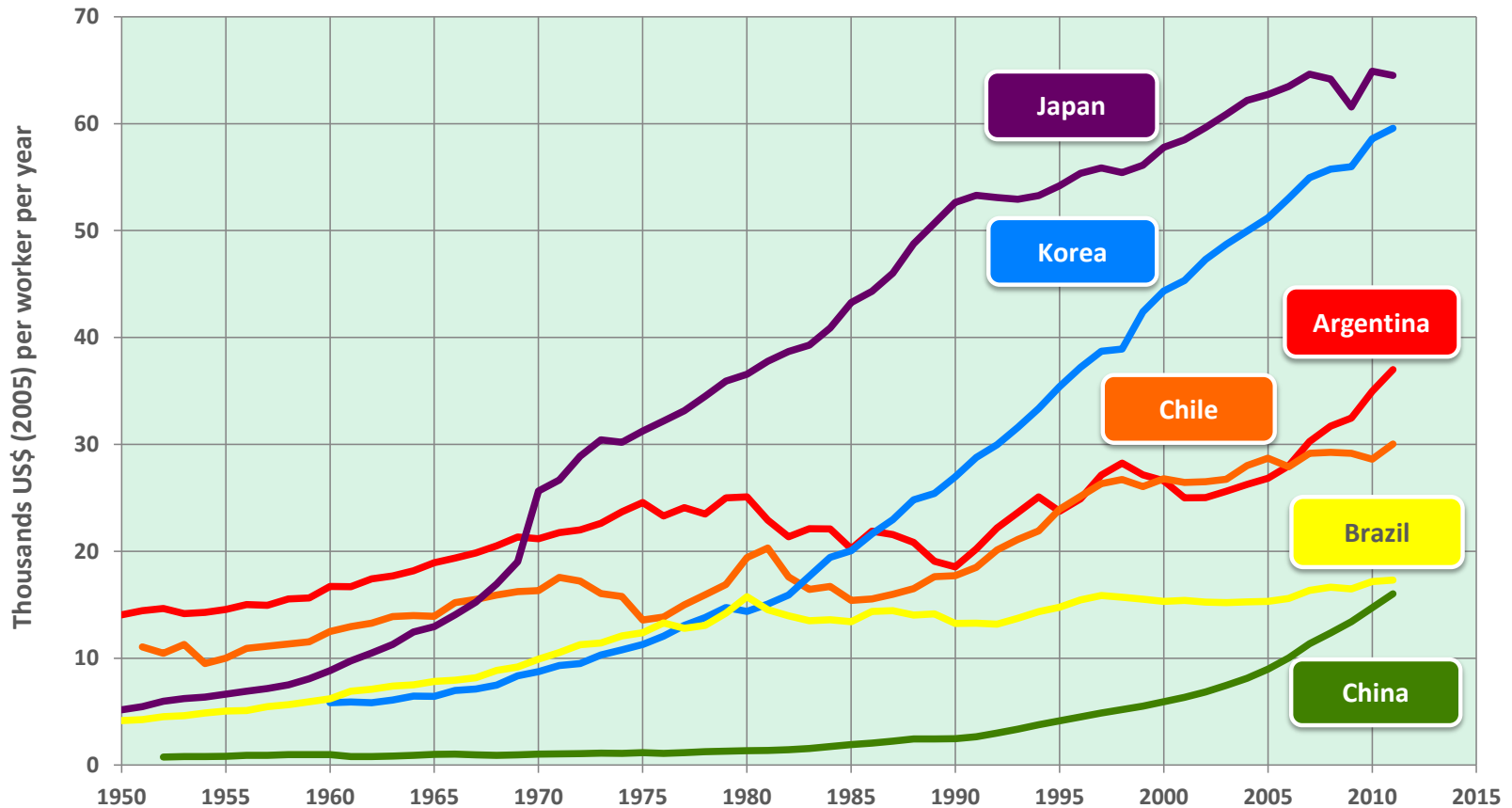
3. Productive Inclusion

Evolution of Turnover Rates among Brazilian Formal Employees: 2003-2015



3. Productive Inclusion

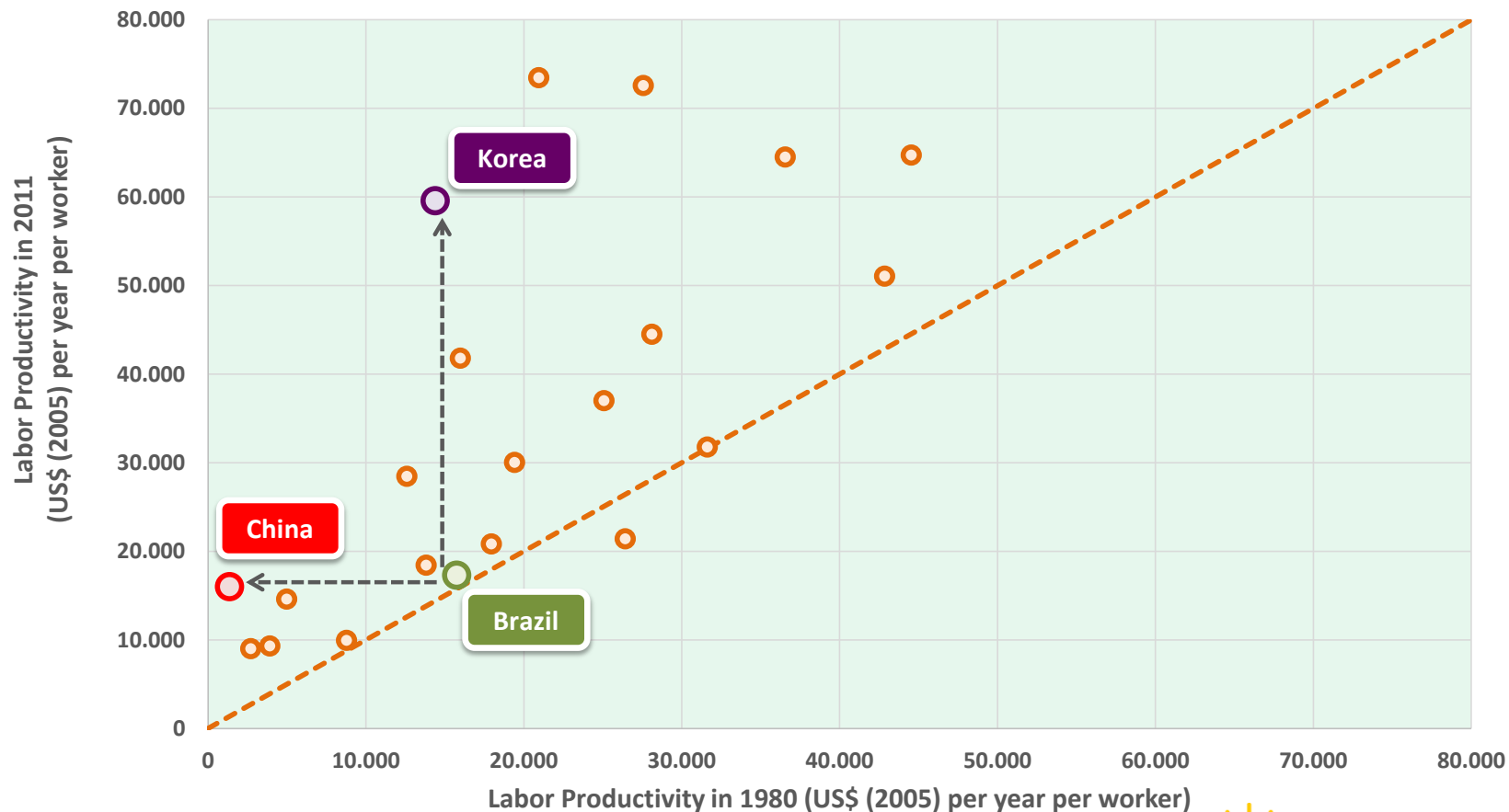
The Evolution of the Average Labor Productivity
Selected countries: 1950-2011



Source: SAE/PR based on the Penn World Tables.
Labor productivity as GDP/worker (Real GDP at constant 2005 national prices).

3. Productive Inclusion

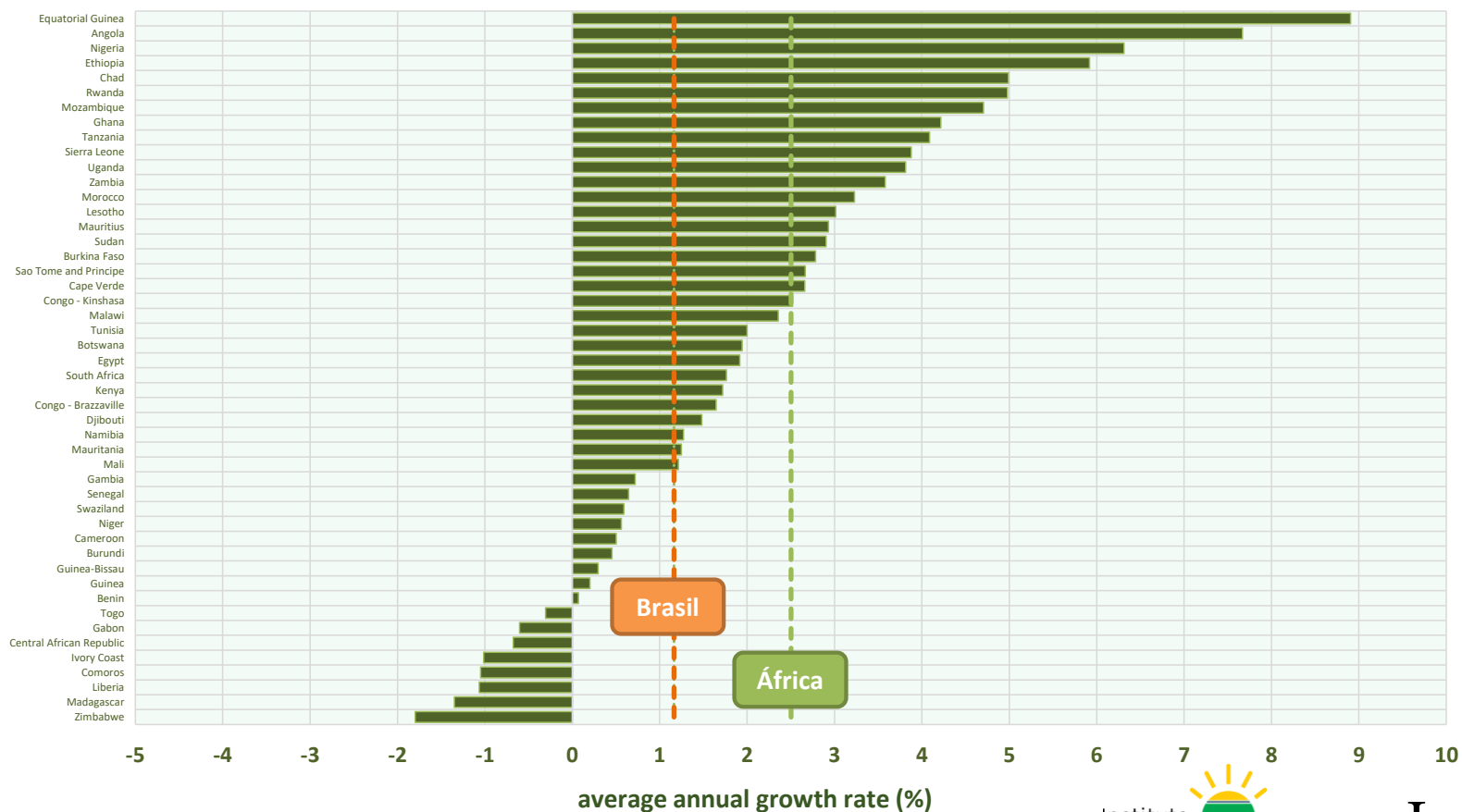
Ratio between labor productivity in 1980 and 2011



Source: SAE/PR based on the Penn World Tables.
Labor productivity as GDP/worker (Real GDP at constant 2005 national prices).

3. Productive Inclusion

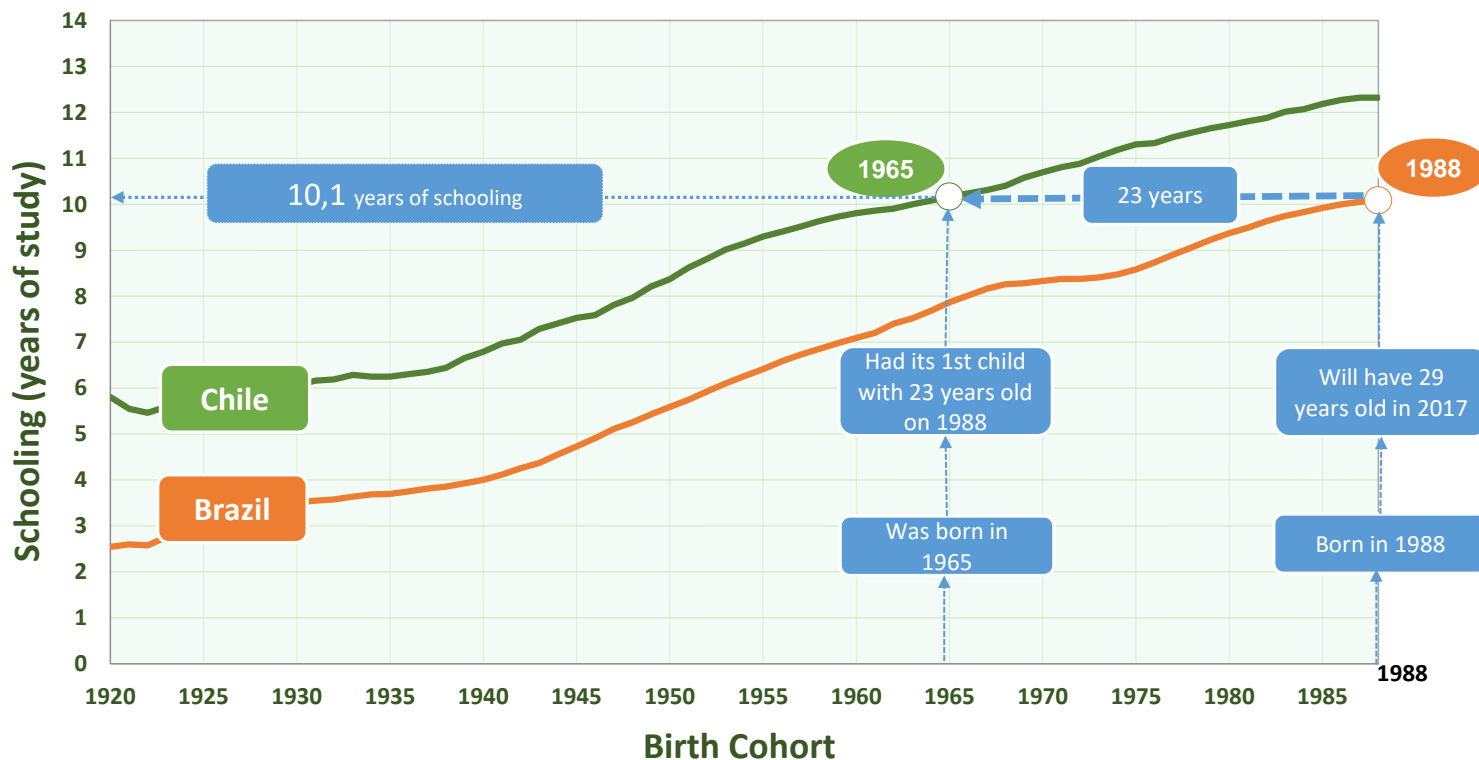
Average annual growth rate in labor productivity:
Africa 2001-2011



4 Opportunity for Acquiring Skills

4. Opportunity for Acquiring Skills

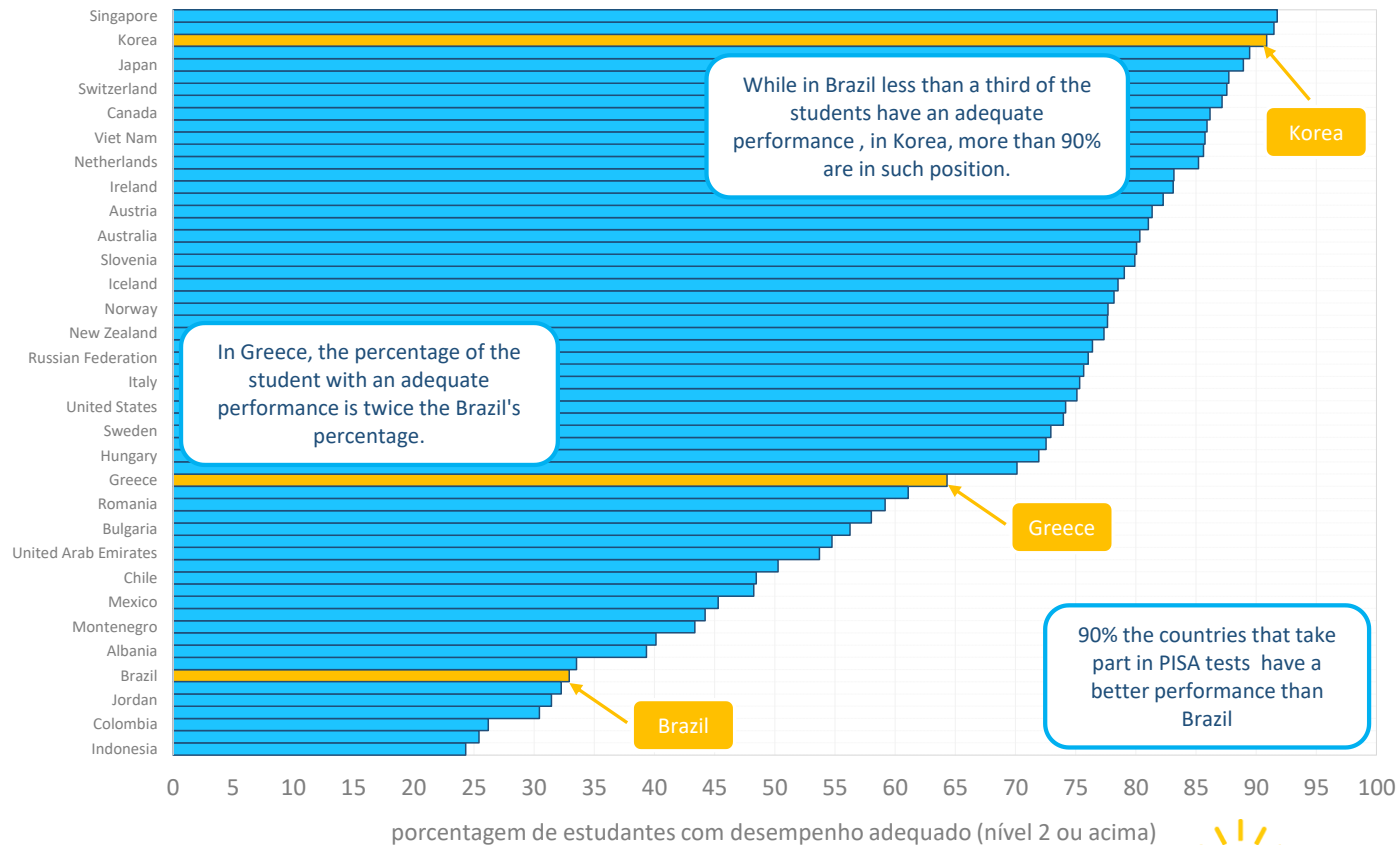
Evolution of Schooling by Birth Cohort: Brazil and Chile



Font: Estimations generated on the basis of/ according to 2003's "Pesquisa Nacional por Amostra de Domicílios"(PNAD) and to "Encuesta de Caracterización Socioeconómica Nacional" (Chile) de 2013.

4. Opportunity for Acquiring Skills

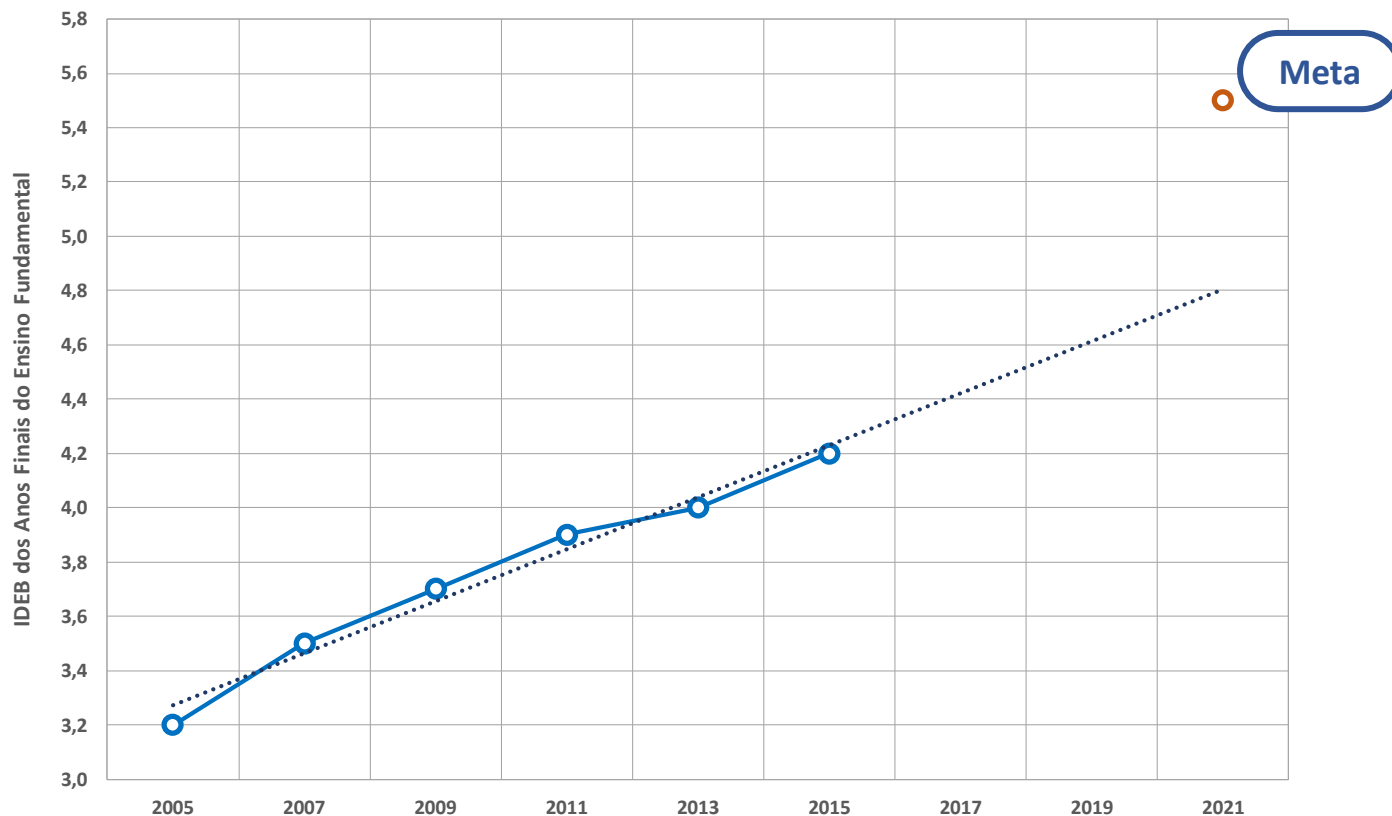
Student's Percentage with adequate performance:
PISA 2012



90% the countries that take part in PISA tests have a better performance than Brazil

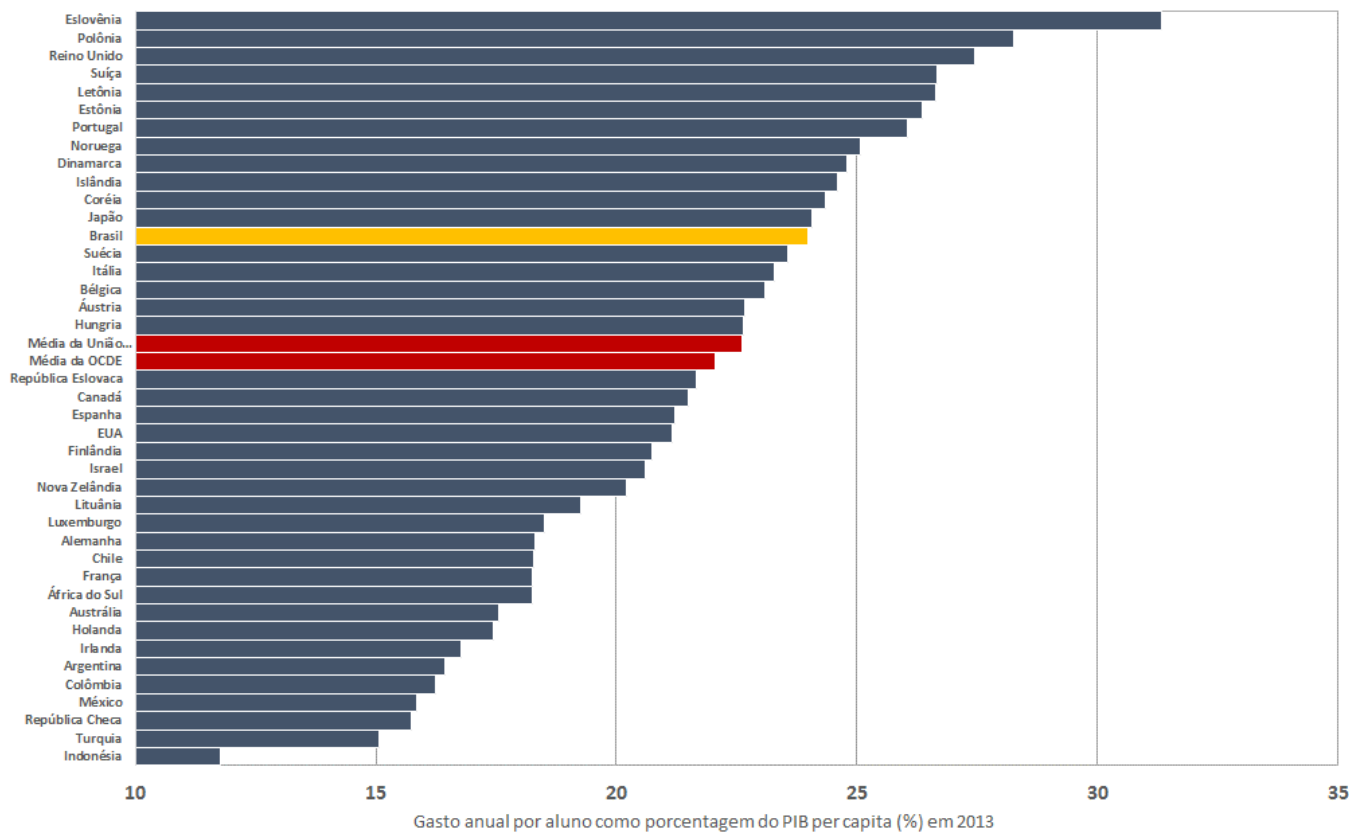
4. Opportunity for Acquiring Skills

Índice de Desenvolvimento da Educação Básica (Ideb):
Anos Finais do Ensino Fundamental, Escolas Públicas



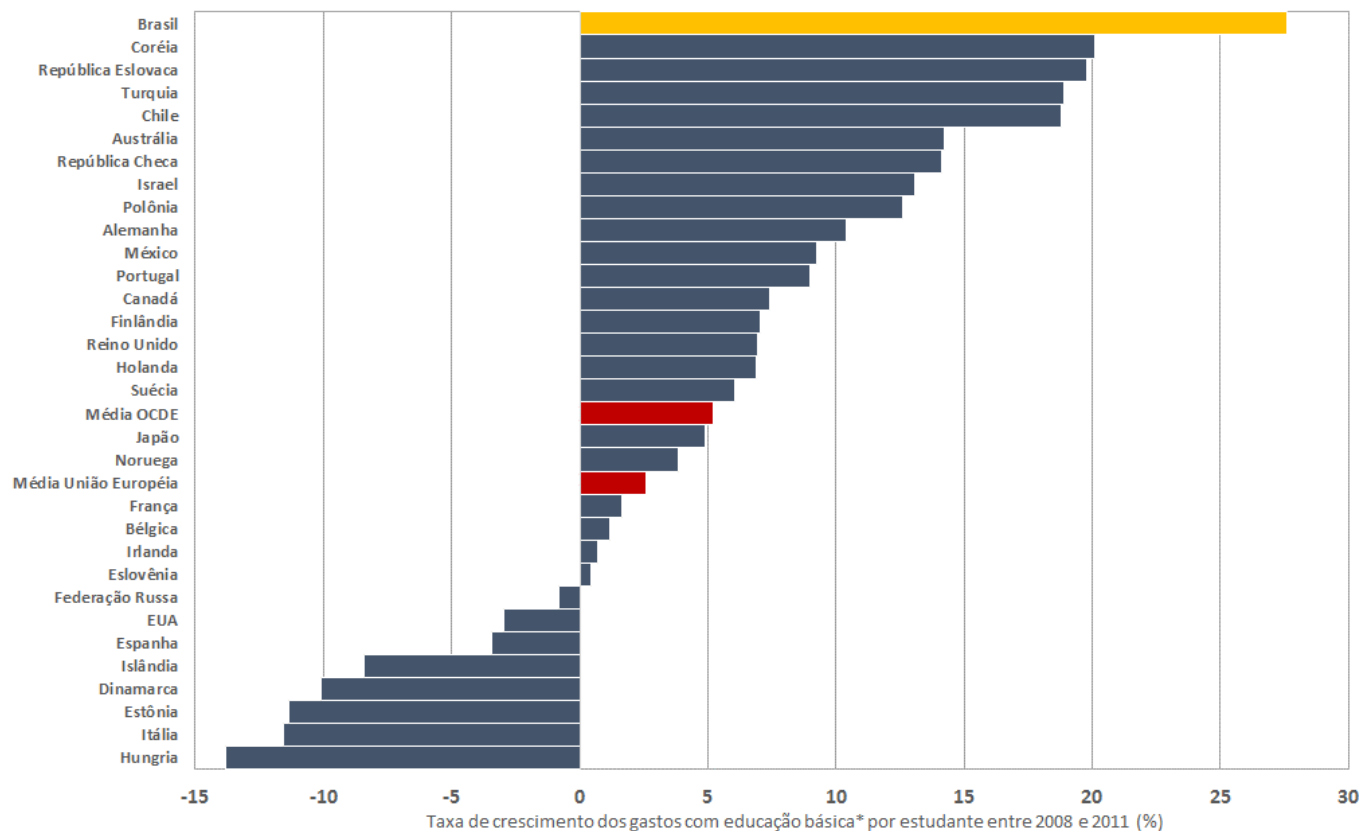
4. Opportunity for Acquiring Skills

Gasto anual por aluno na educação primária como
porcentagem do PIB per capita em 2013



4. Opportunity for Acquiring Skills

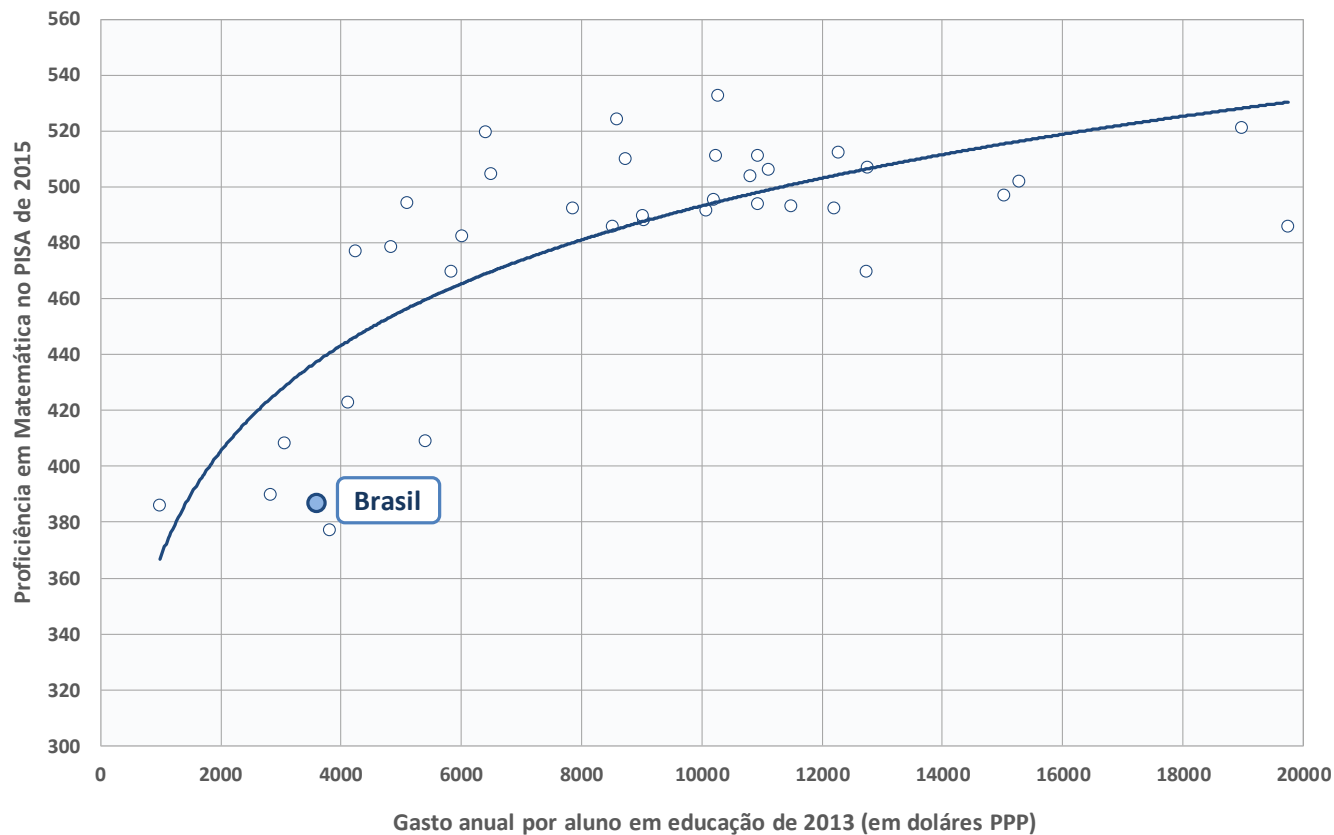
Taxa de crescimento dos gastos com educação básica* entre 2008 e 2011



* Considera-se como Educação básica a Educação primária, Educação secundária e Ensino pós-secundário não superior (ou não terciário), ou seja, os níveis 1, 2, 3 e 4 da Classificação Internacional Normalizada da Educação.

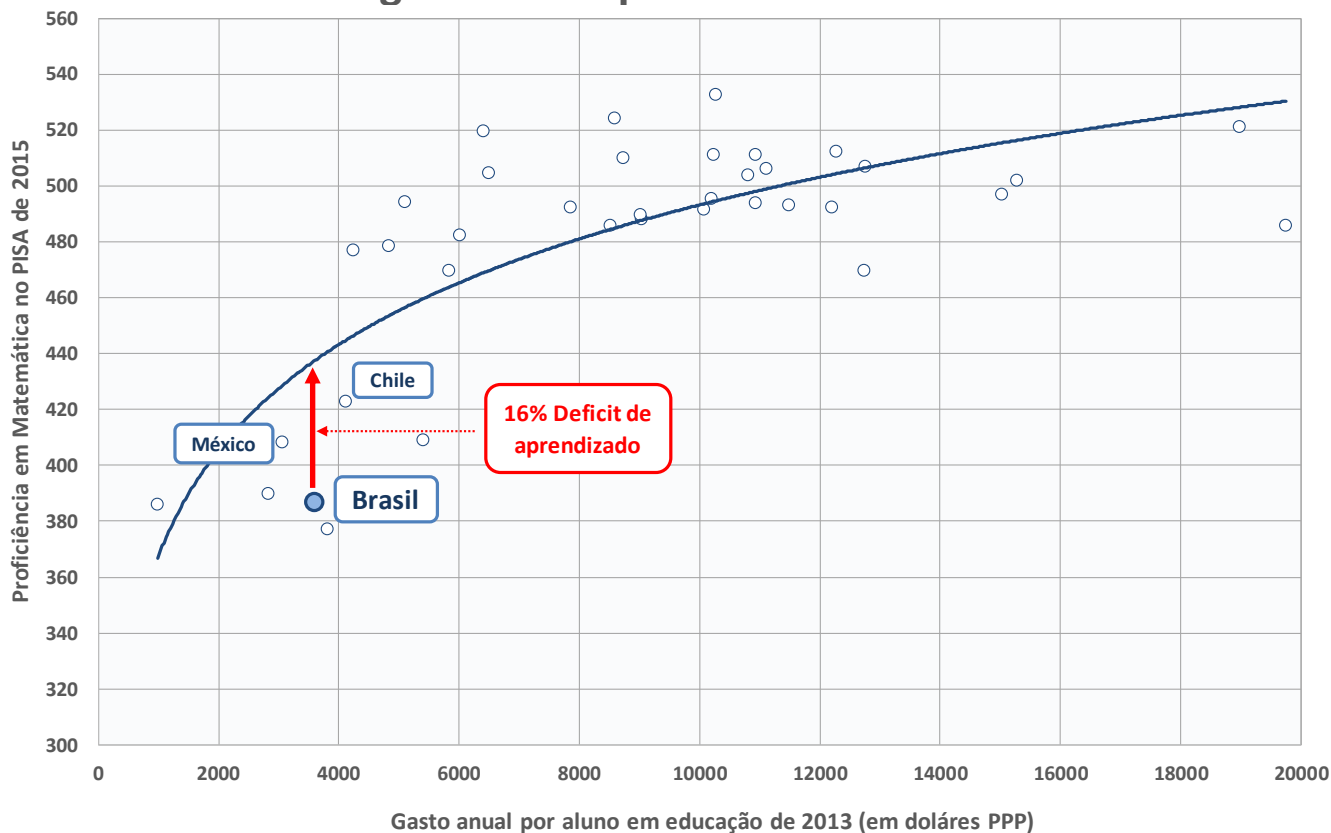
4. Opportunity for Acquiring Skills

Relação entre desempenho em Matemática no PISA 2015
e gasto anual por aluno em 2013



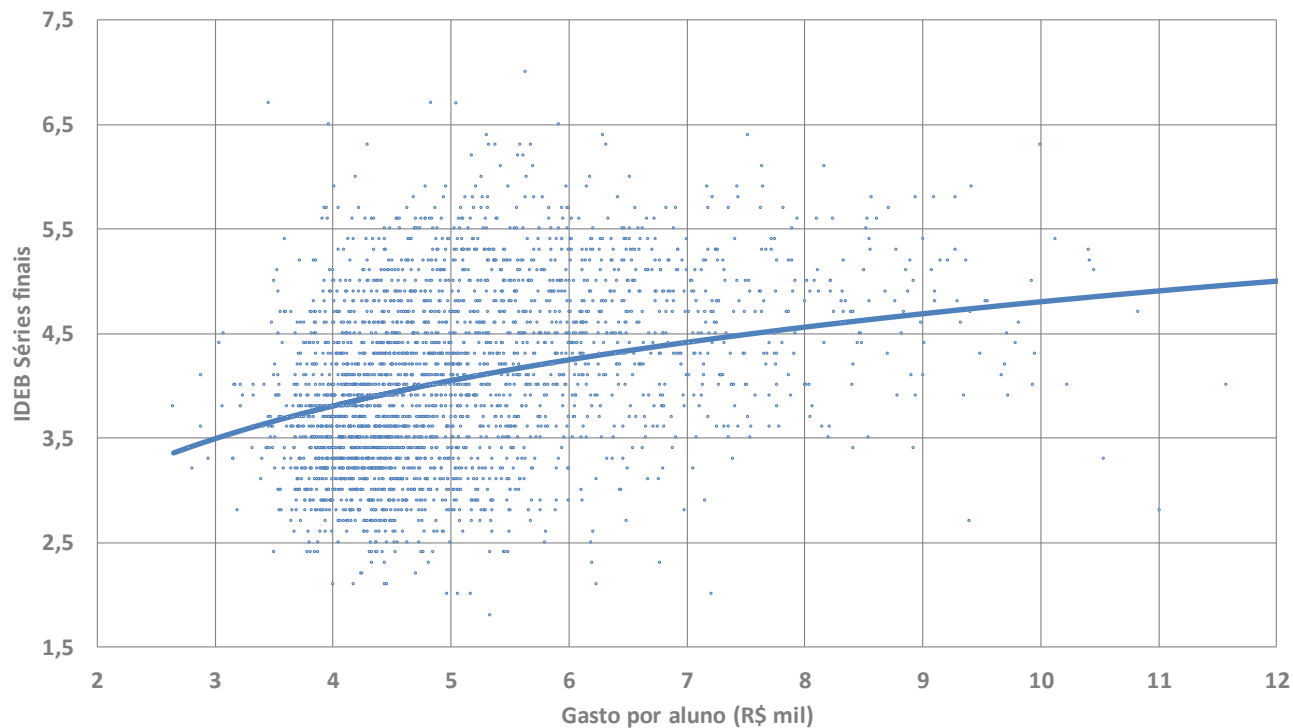
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Relação entre desempenho em Matemática no PISA 2015
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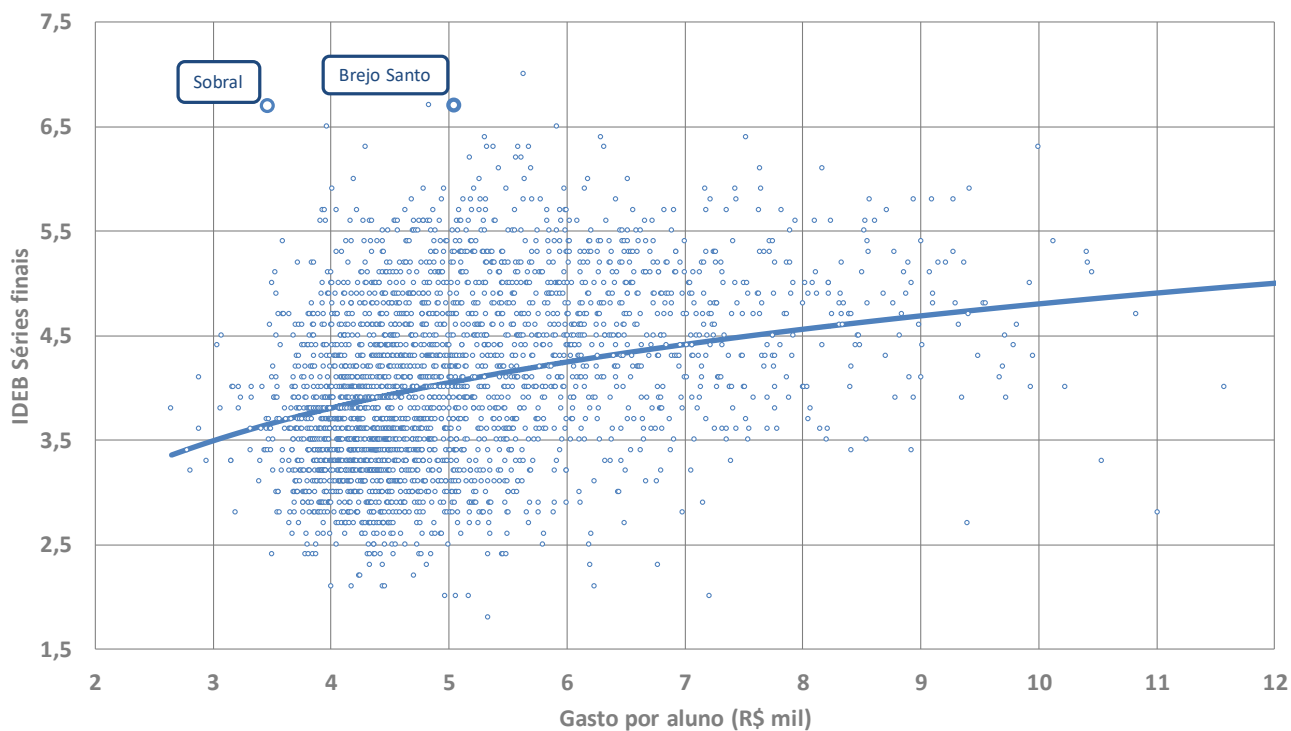
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Relação entre o gasto por aluno e o aprendizado pelo IDEB nas séries finais: Brasil, rede municipal, 2015



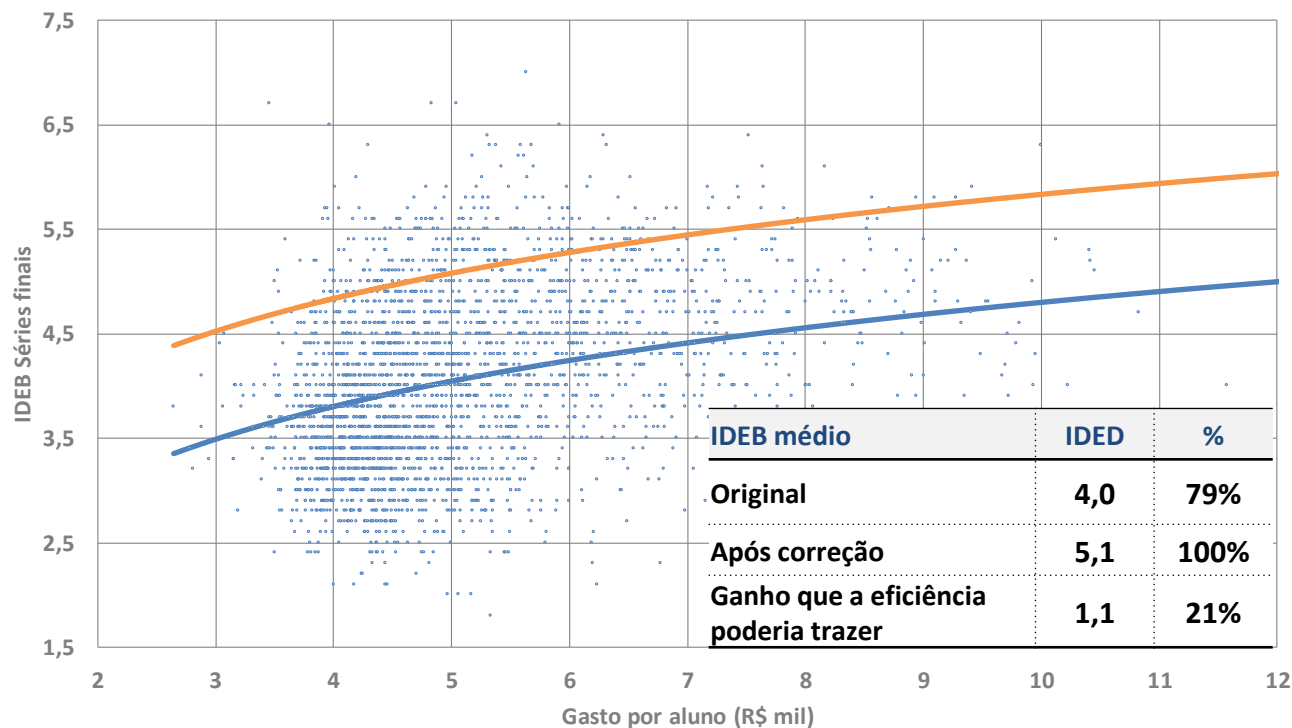
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Relação entre o gasto por aluno e o aprendizado pelo IDEB nas séries finais: Brasil, rede municipal, 2015



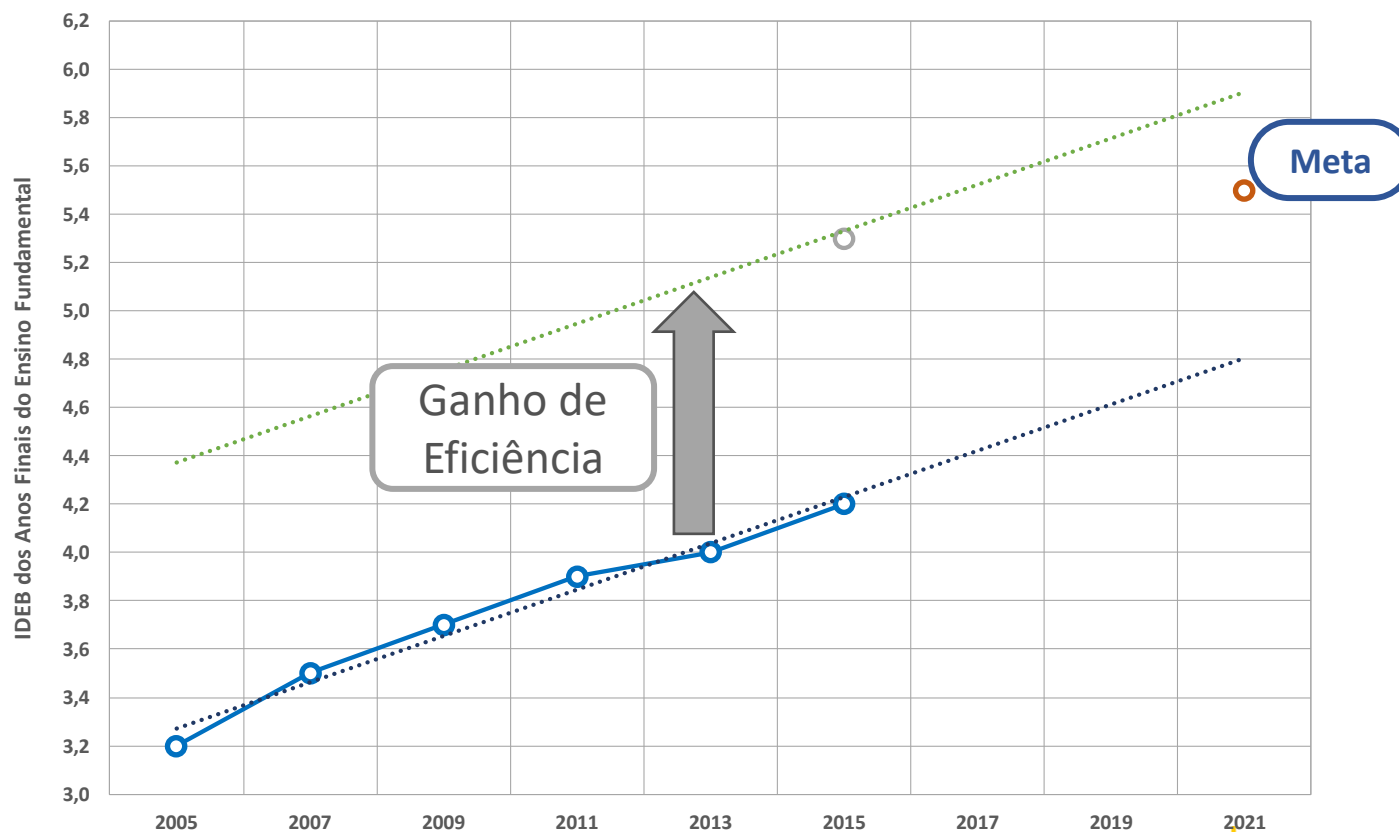
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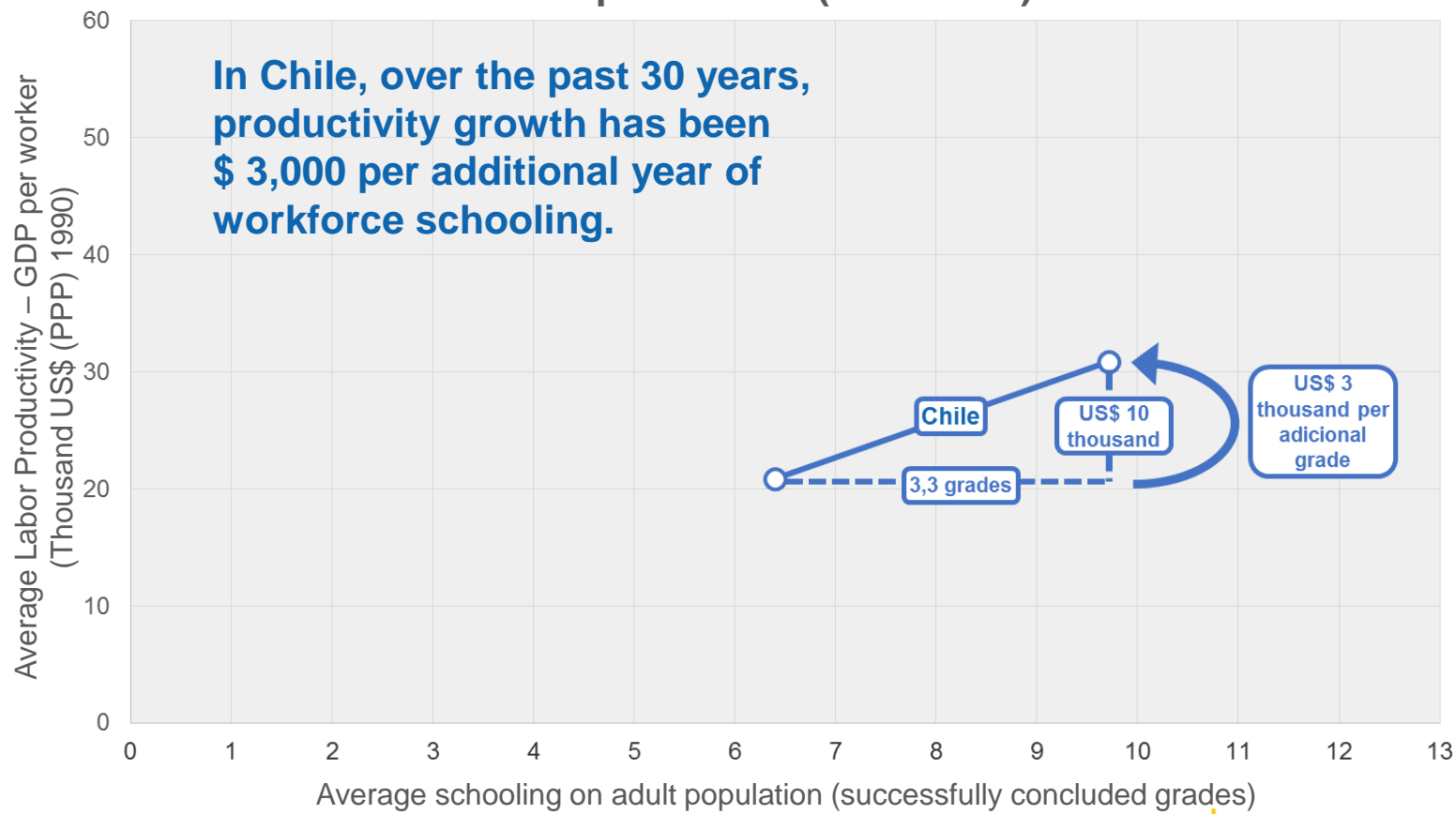
Índice de Desenvolvimento da Educação Básica (Ideb):
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5 Connectivity between education and economic activity

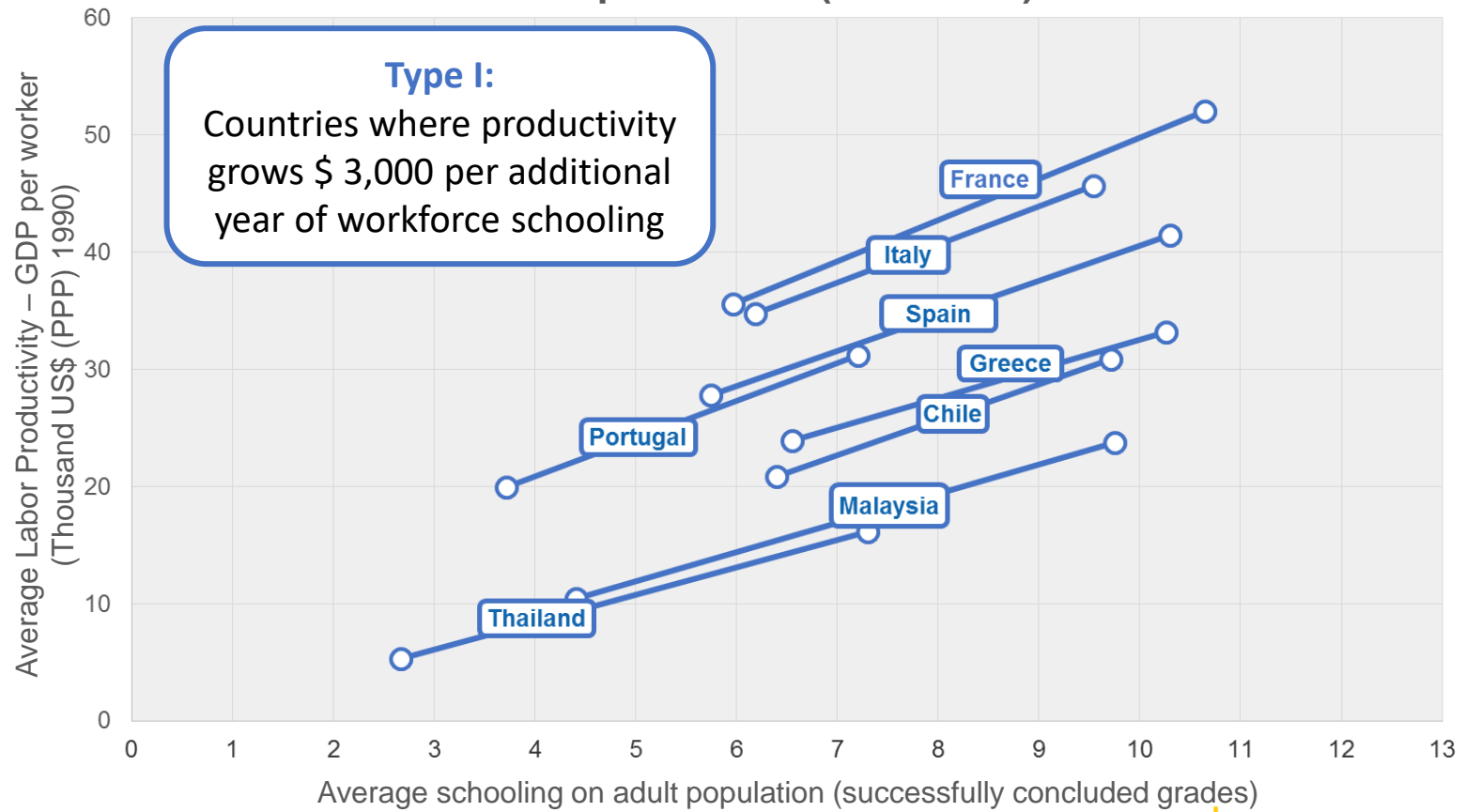
5. Connectivity between education and economic activity

Evolution of schooling in adult population and labor production (1980-2010)



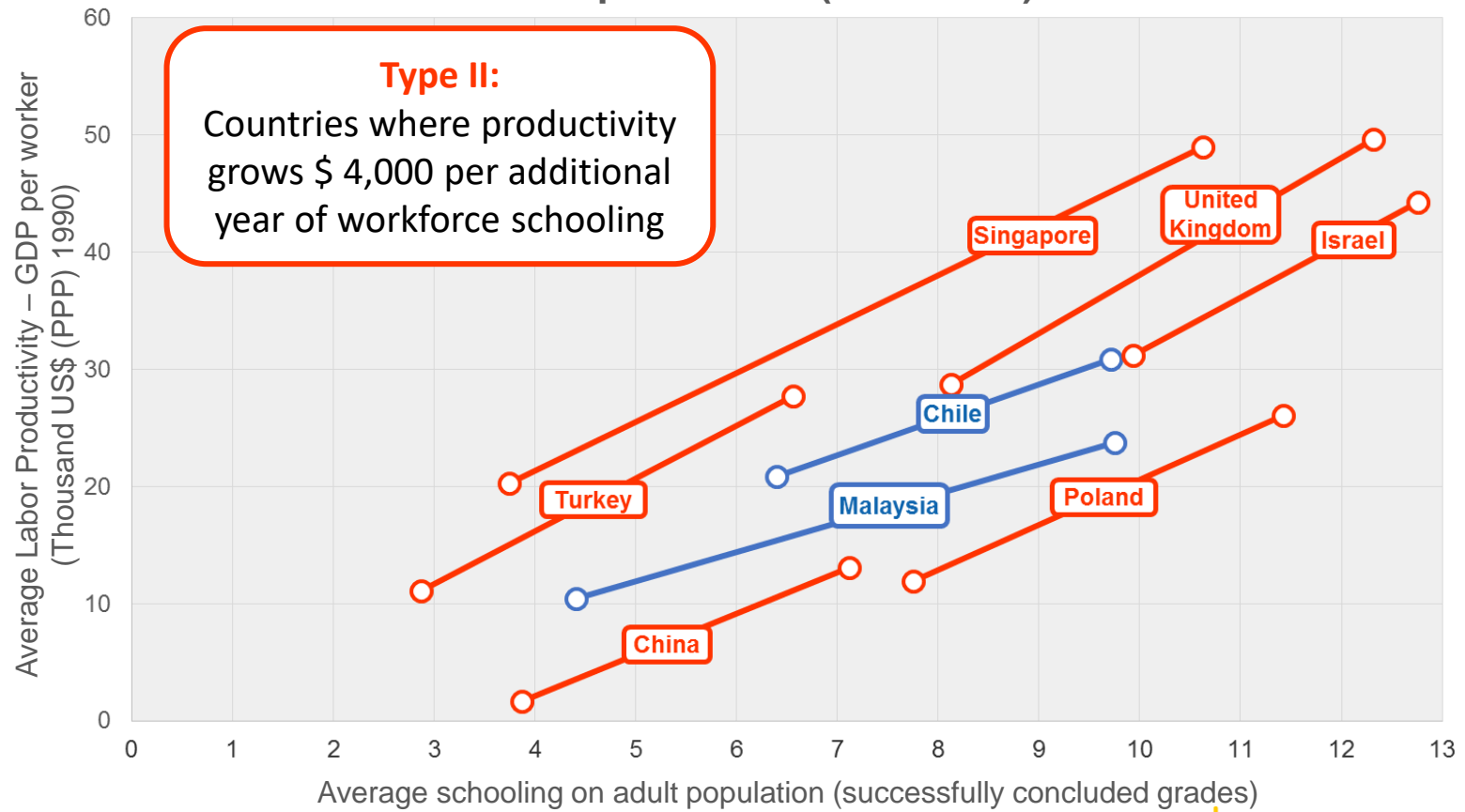
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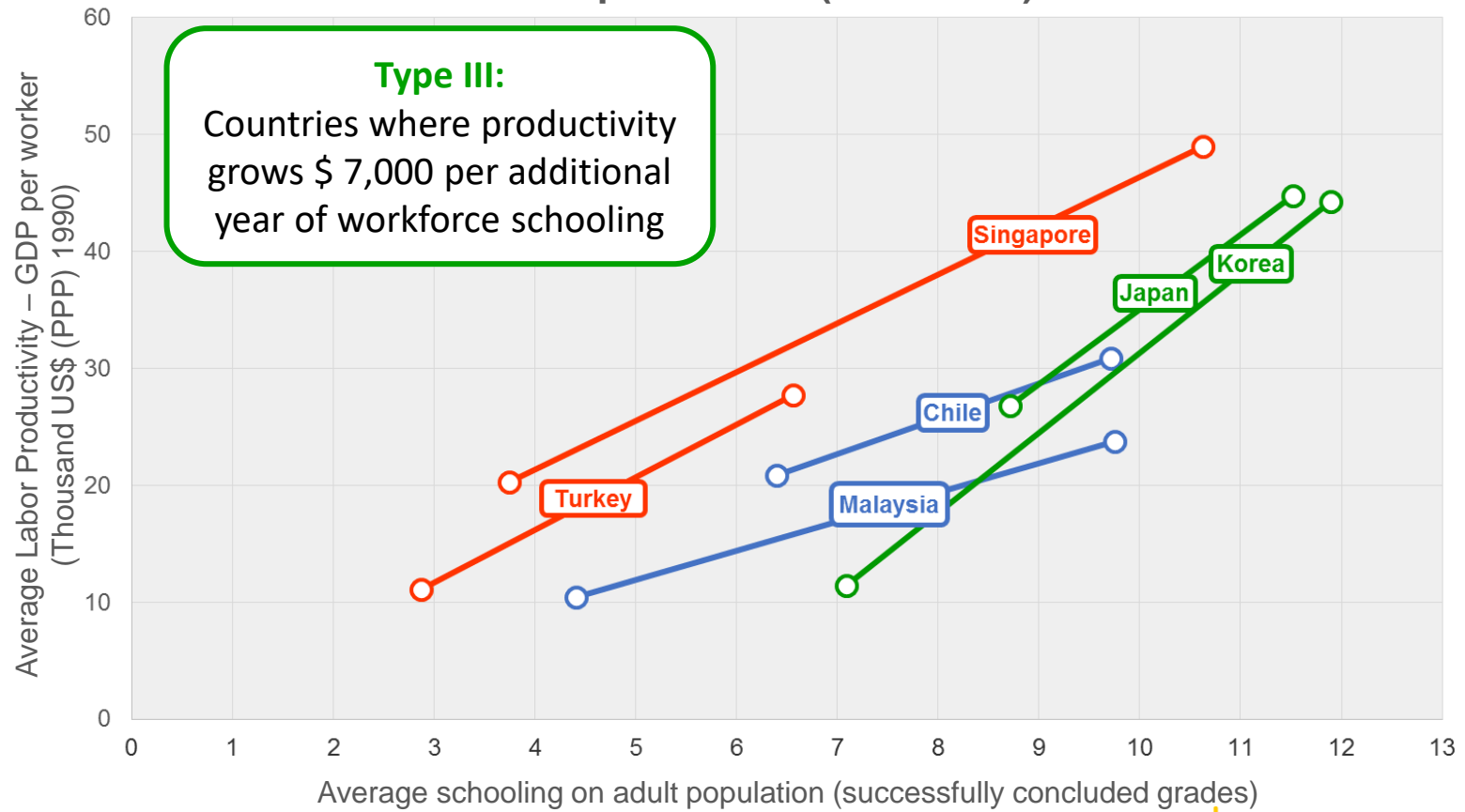
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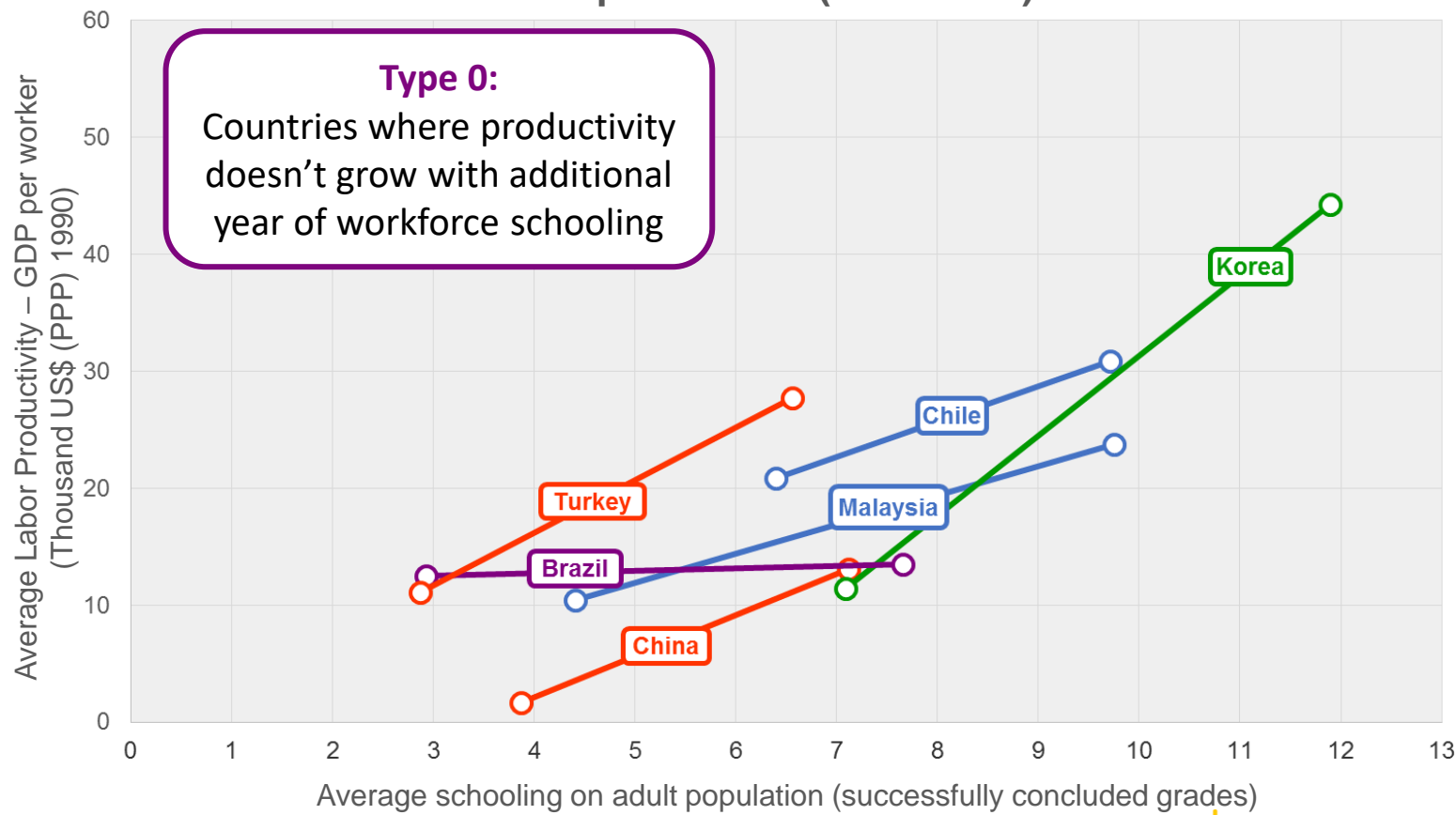
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5. Connectivity between education and economic activity

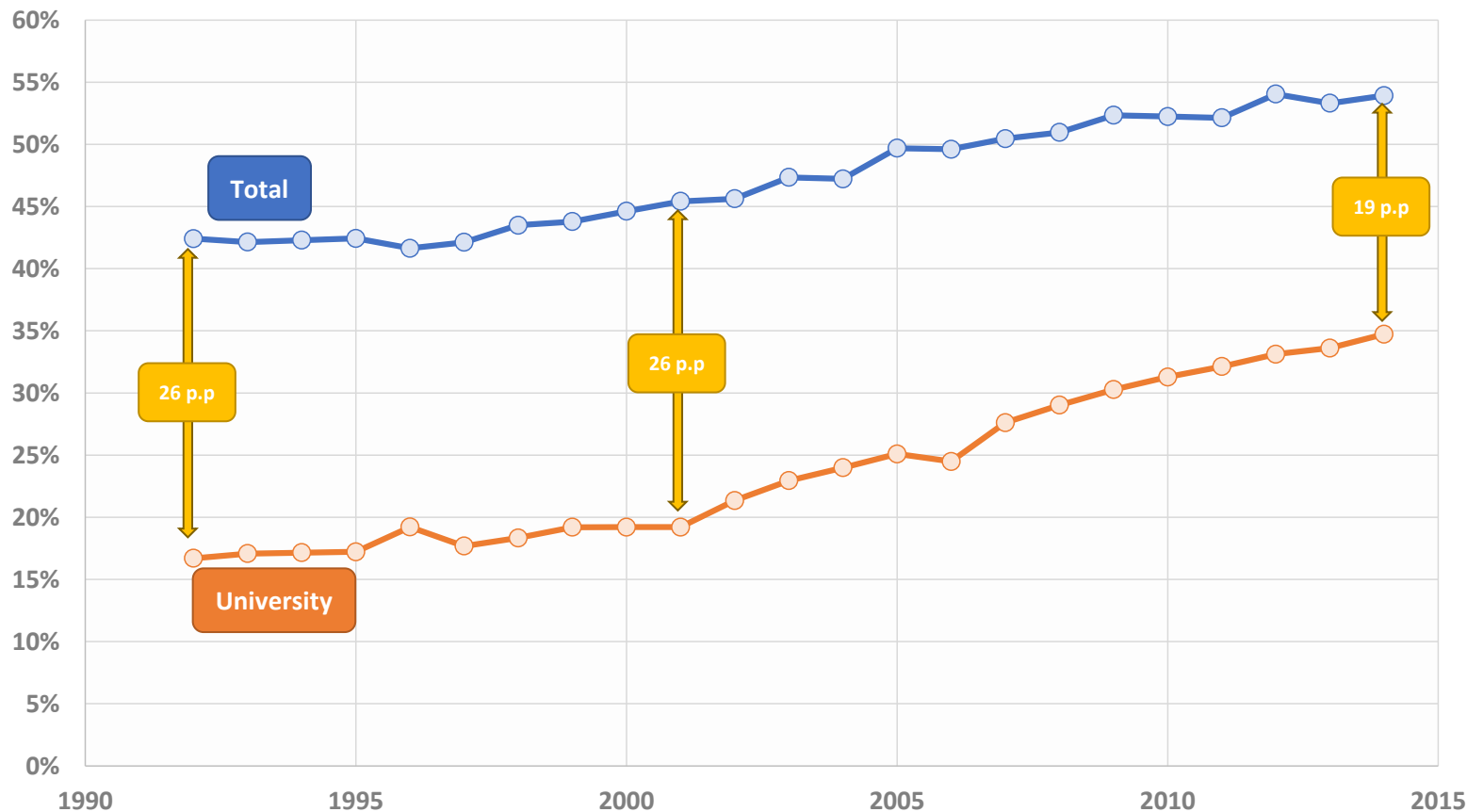
Evolution of schooling in adult population and labor production (1980-2010)



6 Discrimination

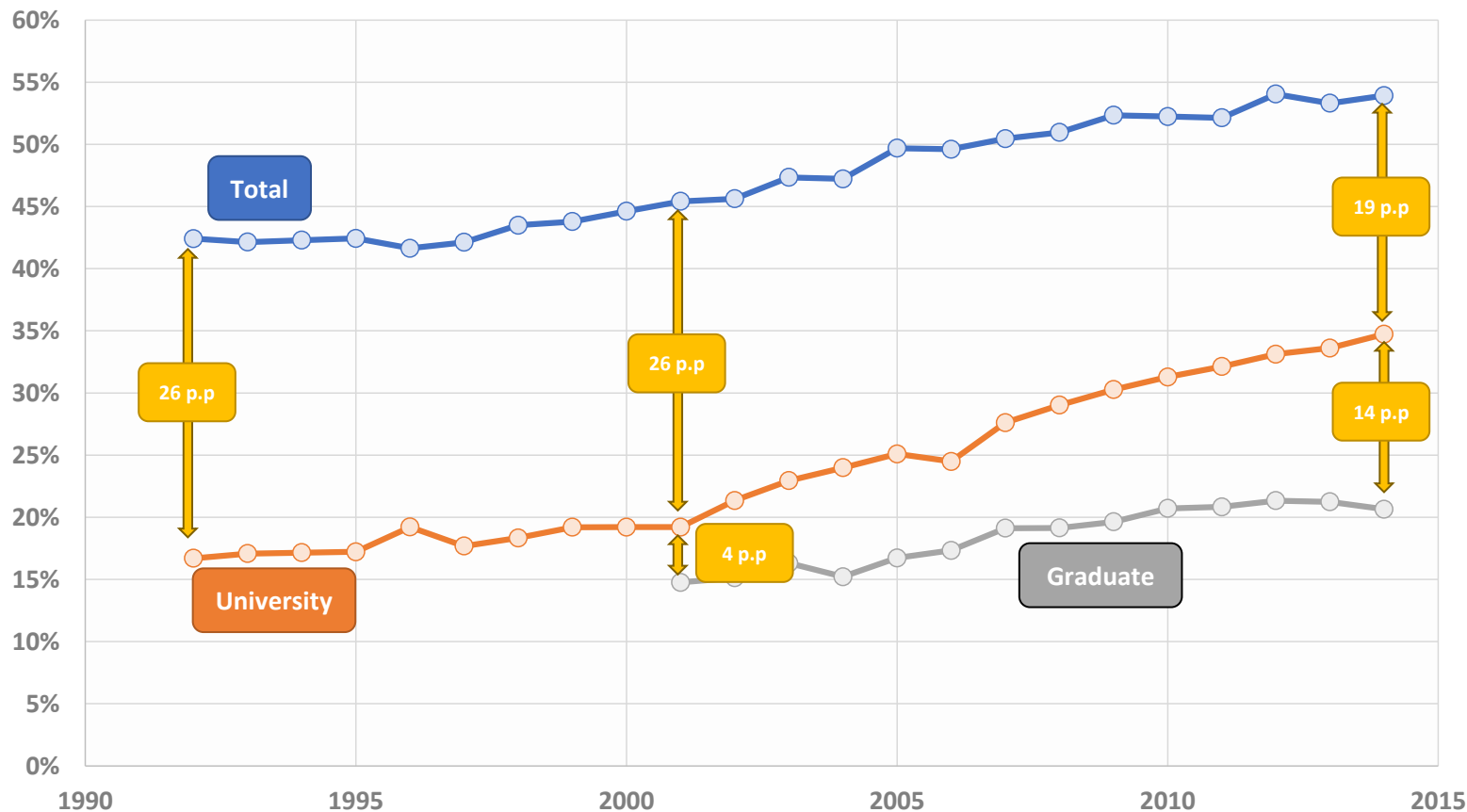
6. Discrimination

Evolution of the percentage of blacks 30 to 34 years old



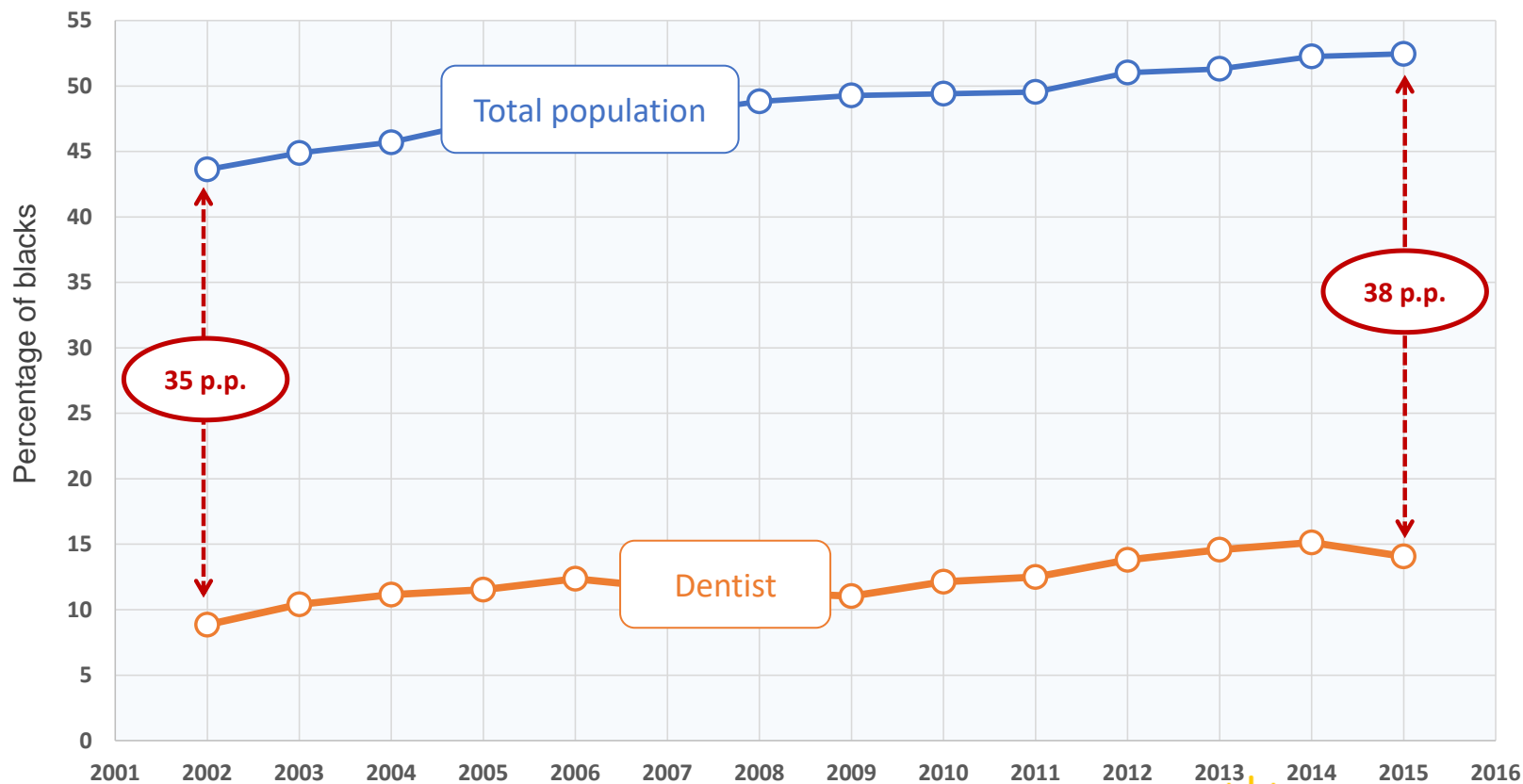
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6. Discrimination

Evolution of the percentage of blacks



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