CHAPTER 14

OLDER BRAZILIANS IN THE LABOUR MARKET: TENDENCIES AND CONSEQUENCES*

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1 INTRODUCTION

Among the various consequences of the increase in the proportion of elderly persons in the Brazilian population is the increase of their participation in the labour force. This chapter is concerned with this increase. From the demographic point of view, the rising participation of ever more elderly people in the population is undeniable. This demographic effect, coupled with recent relative stability in participation rates of elderly persons, has resulted in the growth in the participation of workers who are over 60 in the Brazilian labour force. Furthermore, as will be shown later, the labour earnings of elderly persons are very important in the composition of their personal and familial income—to such an extent that it will be difficult to expect compensatory mechanisms that could result in a decline in their participation in the labour market.

This chapter aims to illustrate the enormous heterogeneity in the participation of elderly persons in the labour market, highlighting important differences due to place of residence, race, education and forms of occupation, etc. As shall be seen below, although the individuals in the worst positions on the socioeconomic scale participate most in the labour market as they age, the best chances of remaining

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economically active belong to most highly qualified and educated, especially those not involved in manual labour. We will also point to significant differences between the activities of elderly persons in urban and rural settings.

The aim of this chapter is to provide a descriptive framework to capture who the working elderly are, the types of occupation they are engaged in, the income they obtain from these activities, and what this income, in addition to that obtained from other sources (retirement pensions and social security benefit, etc.), represents to the income of their families. To achieve this the chapter is organised as follows: Section 2 discusses future perspectives about the relative weight of elderly persons in the labour force as a whole and the differences in participation according to personal and occupational attributes; Section 3 examines aspects of the composition of earnings of elderly persons, contrasting the income of men and women and whenever relevant compares the urban and rural sectors of the labour market. Finally, in Section 4, we present our final comments.

2 ELDERLY PERSONS IN THE BRAZILIAN LABOUR MARKET

2.1 Temporal Tendencies

National Household Sample Survey [Pesquisa Nacional por Amostra de Domicílios (PNAD)] data allows us to examine the participation rates\(^1\) of those aged sixty and over in Brazil from 1977 to 2002. As can be seen in Figure 1, the tendency for the period shows a relative decline in the participation of men, a tendency that intensified during the 1990s, but which seems to have been reduced in the current

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\(^1\) The labour force participation rate is the labour force divided by population.
decade. Female participation appears to have been more stable, with participation rates for older women staying around 10%. In this way, evidence for the last three decades shows that levels of economic participation for elderly persons in Brazil have not fallen, in contrast with what the international literature suggests has occurred in other countries.

On the other hand, in relation to more recent demographic tendencies, the age structure of the Brazilian labour force gets older by the year, which means that the relative weight of the older population shall tend to increase for many decades to come. Thus, the final result shown in Figure 2 is a clear increase in the proportion of those aged 60 and over in the labour force. Looking forwards, the tendency seems to be clear. The dotted lines in Figure 2, for both men and women, refer to the projections which consider the effect of the demographic component of population aging and where current levels of male participation are maintained. For female rates, probable growth in the participation of women in the labour market has been taken into account, based on the remaining space for this to occur.

Based on this scenario, we can predict intense growth in the participation of elderly persons in the labour force. Indeed, the projection is that, within two
decades, the proportion of older men in the male labour force will be nearly 10% (almost twice the current rate of 5.9%) and that of older women approximately 6% (at present it is 3.4%). More important is the fact that at this time the elderly labour force will be growing at an estimated annual rate of 3.6% a year, whereas for the same period it is estimated that the overall labour force will only grow at near reposition levels, i.e., at about zero. Thus, in terms of job creation prospects, this will be the group that will put most pressure on the labour market, with approximately 300,000 elderly being added each year to the labour force.

In addition to the difficult prospects of expanded social security coverage, this tendency for the growth of the supply of elderly workers points to the importance of careful planning of specific policies addressed to this segment of potential workers. Most especially, the success of these policies will depend, to a large extent, on previous knowledge of the specificities of elderly persons’ activities. It is precisely these specificities that the following section of this chapter looks at.

### 2.2 The Heterogeneous Economic Participation of Elderly Persons

In this section, differences in the economic participation of elderly persons will be described based on specific participation rates by personal attributes, based on the data obtained from the 2002 PNAD—the most recent one available—and certain temporal tendencies. It is important to note that high activity rates do not always correspond to a greater weight of the subgroup in the labour force since the absolute size of each group also depends on the participation of the attribute in the population. Therefore, differences in participation rates only express the intensity with which each subgroup of elderly persons are disposed to work.

The first two, and most relevant, personal attributes to be considered are gender and age, since men and women have, throughout their entire life cycle, distinctive labour market behaviour, having quite different levels of participation in their later years. In aggregate terms, the labour force participation rate for elderly men in 2002 was 41%, i.e., 41% of Brazilian men aged 60 years and over were working or looking for work. In contrast, only 13% of older women were in the same situation. As a consequence of these distinctive predispositions of men and women towards economic participation, as well as the greater relative weight of women in the elderly population, men accounted for 71% of the elderly labour force in 2002 and women for 29%.

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6. For the purposes of comparison, one can consider that between 2001 and 2002 the 10-to-19-year-old Brazilian labour force was reduced in absolute terms (–54,000 individuals), while the 20-24 group, the fastest growing group in the period, increased by 533,000 (data from PNADs).
Breaking down these aggregated numbers according to specific age groups reveals great disparities, as can be seen in Figure 3. As would be expected, the participation rate greatly declines with age, but it is worthwhile highlighting that the level of participation is still quite high for the 60-64 year group: 62% for men, in comparison with the highest rate of 95% for the 30-34 year group; and 24% for women, against 67% for the 35-39 year group. In proportional terms, those aged 60-64 years of age account for 45% of the over 60 labour force, the 65-69 year group, for 25% and those over 70 for the remaining 30%.

In relation to the geographic situation of individuals, in which the methodological difficulties of differentiating between urban and rural sectors in the PNADs are significant, given the incomplete and imprecise coverage of the rural sector, the enormous differences between activity rates for elderly persons by household sector, especially in the case of men, deserve to be highlighted (Figure 4). Such differences...
evidently express the greater compatibility of typical rural jobs in farming and ranching activities with the work of elderly persons. However, despite the fact that rural participation rates are higher, the share of the rural workers in the elderly labour force is quite low—13% for men and 14% for women—reflecting the growing dominance of the urban population in Brazil. For this reason, and to avoid distortions that could be caused by great differences in the pattern of economic participation in urban and rural areas, the following analysis focuses only on urban areas. Certain peculiarities in rural employment will be looked at by way of contrast.

The next set of figures (Figures 5 and 6) show the different behaviour of participation rates according to regions. To a large extent, these differences reveal

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**FIGURE 5**

MALE LABOR FORCE PARTICIPATION RATES OF OLDER PERSONS according to regions—URBAN—1981-2002

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**FIGURE 6**

FEMALE LABOR FORCE PARTICIPATION RATES OF OLDER PERSONS according to regions—URBAN—1981-2002

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7. However, it should be noted that the household sector refers to the place of residence, which implies that an individual residing in a rural area can carry out typical urban activities and vice-versa. In addition, this capillarity between sectors is increasing in Brazil.
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A sectorial structure in regions, in other words, the largest differences in participation rates between regions reflect the proportional weight of the agricultural activity within the urban setting itself. A more adequate perspective with which to deal with these differences is to look at the occupational distribution of elderly persons according to field of activity, in order to indicate the weight of agricultural activities, as shown in the following section.

Figure 7 shows the differences between elderly participation rates according to race. Focusing just on the differences between white and non-white (a category bringing together both black and mixed) it can be seen that non-whites tend to have a higher level of participation for both men and women, which probably covers up differences in education and level of income among these subgroups. Over time, however, these differences seem to be narrowing, especially in the case of men.

In regard to differences in education, shown in Figures 8 and 9, if we focus just on men within the 60-64 and 65-69 year age groups, which account for almost 80% of the elderly labour force in the urban sector, we can see that there is a U-shaped distribution for employment according to education; i.e., it is the illiterate, those with incomplete primary education, and those with 11 years or more of education who have the highest levels of participation. This difference seems to show that, on the one hand, while education qualifications are important for the insertion of elderly persons in the labour market, those with extremely low levels of schooling tend to accept any form of precarious work in order to obtain income. On the other hand, at more advanced ages, it can be noted that education is an essential factor in maintaining economic participation, since qualifications compensate for the loss of working capacity associated with aging. For women,
this is very clearly the case between 60 and 70. However for the oldest groups of women, greater education is not associated with greater participation, probably due to women's participation patterns in older age groups.

Figures 10 and 11 show that the position of elderly persons in the household is a much more important differentiating factor in relation to economic participation for men than for women. As can be seen in these figures, male heads of household (the dominant group, 89% in 2002) have a much higher participation rate than do male spouses (an almost inexpressive portion of older males—3.7%) and even more than other relatives (generally speaking, parents that live with children who are heads of family, representing 7% of older males). For women, being the head of the household (46%) is a less important determinant of participation, probably because elderly women who are heads of households tend to rely on income from
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Pensions. It should also be noted that, taking temporal tendencies into account, the rates of heads and spouses have been converging in more recent years, both for males and females.

In relation to the labor force participation of the retired and the non-retired, Figure 12 highlights that retirement is an important determinant for the withdrawal of elderly men from economic activity. While 76% of non-retired elderly were active in 2002, the corresponding figure for the retired elderly was only 24%. It is worthwhile recalling, however, that the retired constitute the greater portion of the older population. In 1981, 70% of older men were retired, a proportion that increased to 78% in 2002. Therefore, the increase in the participation rate of the retired elderly can be explained by the expansion of urban retirement to a greater proportion of economically active elderly. For men living in rural areas, this change
was even more marked. Between 1981 and 2002, the proportion of elderly retired men rose from 58% to 83%, due to the expansion of the cover of rural social security, provided for by the 1988 Constitution. Thus, the significant increase in the labour force participation rates for both elderly retired men and women, shown in Figure 13, reveals the generalisation of retirement, even among the economically active.

It should also be noted that, in the case of women, neither retirement nor the position in the household determine great differences in economic participation. One interpretation for this fact is that retirement indicates, above all, the prior participation of women in the labour market, revealing a preference for market

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8. For an analysis of the expansion of rural social security benefits, see the chapter in this book by Delgado and Cardoso Jr.
activity as opposed to household work, which would partially compensate the income-effect of retirement.

Finally, the intensity with which elderly persons participate in the labour force varies also according to familial income. Figures 14 and 15, as expected, show that the lower the familial income class (including own earnings, but only those not originating from work),9 the greater the labour force participation rates. The way in which an elderly person’s own income (including that derived from work) contributes to this familial income will be analysed in more detail below.

9. The reason for using this net income measure is that, obviously, the income from work of the elderly increases the family income of those who work, resulting in a positive correlation between income and participation rates.
2.3 The Occupational Structure of the Economically Active Elderly

In regard to the occupational structure of elderly persons, the first significant characteristic is related to the industrial distribution of employment, which differs between urban and rural households. For the urban elderly, the dominance of service sector activities is well known, especially for women, as shown in Figures 16 and 17.10 Looking at the economically active urban elderly in 2001, we can see that 57% of the men and 84% of the women were occupied in the service sector. Nevertheless, it is interesting to observe that, among older males, even among those residing in urban households, a considerable portion were occupied in agricultural activities (22% in 2001), due, without a doubt, to the fact that these activities are quite compatible with the work of elderly persons. In rural households,

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**FIGURE 16**

MALE OCCUPATION OF OLDER PERSONS ACCORDING TO URBAN AND RURAL LINE OF ACTIVITY—2001

![Male occupational structure chart](chart1.png)

- Agricultural
- Industrial
- Services

**FIGURE 17**

FEMALE OCCUPATION OF OLDER PERSONS ACCORDING TO URBAN AND RURAL LINE OF ACTIVITY—2001

![Female occupational structure chart](chart2.png)

- Agricultural
- Industrial
- Services

10. Note that in this case, we have used data from the 2001 PNAD, due to the difficulties in the modification of the classification of activities and occupations from the 2002 PNAD and after.
as might be expected, agricultural activities predominated for both men (91%) and women (86%). Therefore, of the total of active elderly, 49%, i.e., the majority, were occupied in the service sector, because the majority of the elder persons are urban. Agricultural activities, nevertheless, come in second place, representing 39% of the activities of elderly persons.

From the point of view of the insertion of elderly persons by occupational situation, including occupational positions (protected and non-protected employees, self-employed, employers, unpaid workers and unemployed), Figures 18 and 19 illustrate the main differences between the male and female elderly working in urban and rural areas. The first point to be noted is the obvious dominance of self-employment among the urban elderly for both men (47%) and women (44%).

![Figure 18](image1.png)

**Figure 18**

**MALE OCCUPATION OF OLDER PERSONS ACCORDING TO SITUATION IN OCCUPATION— URBAN AND RURAL—2002

![Figure 19](image2.png)

**Figure 19**

**FEMALE OCCUPATION OF OLDER PERSONS ACCORDING TO SITUATION IN OCCUPATION— URBAN AND RURAL—2002
Among older women, however, unpaid positions are also very important (6% among females against only 1% among males), as well as unprotected employment (31%, against 22% for elderly men). In rural areas, self-employment is quite dominant among elderly men (72%). Although self-employment is quite prevalent among women (40%), unpaid elderly female workers represent 47% of the total.\textsuperscript{11}

In Figures 20 and 21, elderly occupations are classified as unskilled, semi-skilled and highly skilled occupations, with unskilled or manual occupations being dominant in urban areas (61% of men and 75% of women) and among rural women (66%). Among rural men, on the other hand, there is great concentration

\textsuperscript{11} It should be noted that the proper filters were applied to PNAD data in order to remove from economic activity workers involved in self-consumption and self-construction.
in semi-skilled occupations (67%), once self-employed producers (typically rural) are included in this category. Examining the distribution by social occupational categories using the 2001 age groups of elderly urban persons (Figures 22 and 23), it can be seen that the dominance of unskilled workers diminishes as they advance in years, leaving more room for workers in semi-skilled and highly-skilled occupations.

This inversion can be explained by the fact that those occupied in more manual labour rely mostly on physical strength, which declines with the passage of years. So, as people age, it is the more qualified workers who are more likely to keep their place in the labour market.
The length of the working week is also an important differentiating factor for the occupation of elderly persons, including between rural and urban areas, and in relation to gender and age. Figures 24 and 25 show, first of all, that older men and women have a longer working week in urban areas than in rural areas: 72% of older men in urban areas have a working week longer than 40 hours, whereas in rural areas only 67% have; the corresponding figures for women are 40% for those in urban areas and 26% for those in rural areas. In addition, as is the case for all other age groups, older men also have longer working weeks than older women. Figure 26, on the other hand, shows that working full time (40 hours or more) is predominant among younger older men, but, as the years advance, this diminishes. For older women (Figure 27), on the contrary, part-time occupations are most common, and, in addition, become more important as people age.
3 THE INCOME OF ELDERLY PERSONS

In this section, the elderly's earnings structure is briefly described, with the emphasis being given to earnings from work. The relative importance of this type of earnings is focused on, both in relation to the composition of income of elderly persons and income of their families.

Table 1 shows the distribution of elderly persons, as well as the mean and standard deviation of earnings, in each income formation category. As shown in Figure 28, the sole earnings of 57% of urban elderly men with positive income comes from retirement pensions, whereas 15% have earnings solely from work and 16% from both. For women, the situation is quite different: only 5% have earnings solely from work, while 44% have income from retirement pensions. In addition, 30% of women are in the category 'other types of earnings'—mainly
<table>
<thead>
<tr>
<th>Types of Earnings</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>Average</td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
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<tr>
<td>Work and Retirement</td>
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<td>1,455.31</td>
</tr>
<tr>
<td>All Sources</td>
<td>1.92</td>
<td>3,124.22</td>
</tr>
<tr>
<td>Retirement</td>
<td>57.08</td>
<td>622.22</td>
</tr>
<tr>
<td>Retirement and Others</td>
<td>6.53</td>
<td>1,590.33</td>
</tr>
<tr>
<td>Other Types of Earnings</td>
<td>2.01</td>
<td>430.35</td>
</tr>
<tr>
<td>Work and Others</td>
<td>1.56</td>
<td>1,752.52</td>
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<tr>
<td>Total</td>
<td>100.00</td>
<td>5,329,396</td>
</tr>
<tr>
<td>Women</td>
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<td></td>
</tr>
<tr>
<td>Work</td>
<td>5.08</td>
<td>493.99</td>
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<td>3.87</td>
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<td>Retirement</td>
<td>44.42</td>
<td>349.33</td>
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<td>Retirement and Others</td>
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<td>887.57</td>
</tr>
<tr>
<td>Other Types of Earnings</td>
<td>29.50</td>
<td>500.24</td>
</tr>
<tr>
<td>Work and Others</td>
<td>2.79</td>
<td>660.09</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>6,230,076</td>
</tr>
</tbody>
</table>


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**FIGURE 28**

**URBAN BRAZIL: PROPORTION OF OLDER PERSONS IN EACH INCOME CATEGORY BY GENDER—2002**

![Graph showing the proportion of older persons in each income category by gender.](image_url)

Source: INSS, PNAD (2002).
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Social security benefits—and 13% in the category of income from both pensions and other sources. It is, however, very important to emphasise the fact that the high percentage of women solely with retirement earnings (44%) is certainly an overestimate that includes individuals receiving social security benefits, given the common misunderstanding of the differences between *aposentadorias* (retirement pensions) and *pensões* (social security benefits). It is quite common, for example, for widows to regard their social security benefits as being their deceased husbands’ retirement pensions. In this way, especially in the case of women, the distinction between social security benefits and retirement pensions needs to be treated very carefully.

The distribution in rural areas is quite different, as can be seen in Figure 29. A smaller number of men than in urban areas have income solely from work (13%) or from retirement (38%), but the majority of them (41%) have income from both retirement and work. Among rural elderly women, the percentage of those receiving only retirement pensions is 67%. It is worth noting that the expansion of rural social security benefits following the enactment of the 1988 Constitution profoundly altered the composition of earnings the rural elderly. Data from the 1984 PNAD shows that in 1984, 33% of elderly men and 11% of elderly women only had earnings from their work. In 2002 these figures had declined to 13% and 1%, respectively, while the proportion of those with income from both work and retirement pensions had increased.

Table 2 represents another type of approach. It shows the distribution of elderly persons receiving the different type of earnings, earnings from work, retirement pensions, social security benefits, other (private) retirement pensions, other (also private) social security benefits, rent and others. Figure 30 contrasts the percentages of men and women receiving each type of earnings and their

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**FIGURE 29**

RURAL BRAZIL: PROPORTION OF OLDER PERSONS IN EACH INCOME CATEGORY BY GENDER—2002

![Chart showing the distribution of elderly persons in income categories by gender in rural Brazil in 2002.](chart.png)

Source: IBGE, PNAD (2002).
### TABLE 2
**BRAZIL: PROPORTION OF OLDER PERSONS BY EACH TYPE OF EARNINGS AND AVERAGE OF EACH TYPE OF EARNINGS BY GENDER—2002**

<table>
<thead>
<tr>
<th>Types of Earnings</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>Average</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
<td>35.38</td>
<td>879.30</td>
</tr>
<tr>
<td>Retirement</td>
<td>81.07</td>
<td>653.59</td>
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<td>Other Retirement</td>
<td>1.11</td>
<td>1,859.29</td>
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<tr>
<td>Survivors' Benefit Pension</td>
<td>2.74</td>
<td>441.31</td>
</tr>
<tr>
<td>Rent</td>
<td>5.13</td>
<td>844.81</td>
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<tr>
<td>Other Types of Earnings</td>
<td>4.69</td>
<td>350.54</td>
</tr>
<tr>
<td><strong>Women</strong></td>
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<td></td>
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<tr>
<td>Work</td>
<td>13.37</td>
<td>453.87</td>
</tr>
<tr>
<td>Retirement</td>
<td>63.98</td>
<td>372.26</td>
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<td>Other Retirement</td>
<td>0.57</td>
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<tr>
<td>Survivors' Benefit Pension</td>
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<td>466.85</td>
</tr>
<tr>
<td>Rent</td>
<td>3.30</td>
<td>652.53</td>
</tr>
<tr>
<td>Other Types of Earnings</td>
<td>6.51</td>
<td>232.70</td>
</tr>
</tbody>
</table>


### FIGURE 30
**URBAN BRAZIL: PROPORTION OF OLDER PERSONS BY EACH TYPE OF EARNINGS AND AVERAGE OF EACH TYPE OF EARNINGS BY GENDER—2002**

Source: IBGE, PNAD (2002).
average values, and shows that the highest average values come from privileged income sources: rents (received by 5.13% of men and 3.3% of women) and private retirement pensions (received by 1.1% of men and 0.6% of women).

Figures 31 and 32 show the differences, as well as the tendencies, for the female and male age-earnings profiles, for elderly persons in urban and rural areas. The fact that the tendency for earnings to decline with age is much more striking among men can be explained by the evidence presented in the subsequent Figures (33 and 34) in which income from work, the type of earnings in which a decline at the end of active life is most common, is only significant for male earnings (46% of urban elderly males and 52% of rural elderly males in the 60-64 age group). For 60-64 year old women, earnings from work are still a relevant part of their income (20% of urban women and 8% of rural women), but at more advanced
ages this source of earnings very quickly gives way to earnings from retirement and social security benefits.

Finally, turning to the relative participation of the earnings of elderly persons in the composition of family income, it is clear that income from these sources is far from negligible for their families. To the contrary, in the 60-64 year age group, where one finds the largest proportion of economically active elderly, male earnings correspond to no less than 67% of familial income in urban areas and 69% in rural, of which 31% corresponds to the earnings of the urban elderly and 37% to the rural elderly. It is should also be noted that, to the opposite of what might be expected, as these elderly age, their relative participation in family income does not decrease (with the exception of the 80 and over group, where comparisons are less precise as this is an open age group); rather the sources of earnings change,
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with earnings from work giving way to retirement pensions. In relation to older women, their participation in family income is also quite high, around 55% in urban area for all ages, whereas, in regard to rural women, their participation in family income increases as they age, probably due to the increased in likelihood of being widowed (Figures 35 and 36).

Nevertheless, it is necessary to remember that elderly persons' high participation rates in family income refer to averages in which households are mixed, with elderly persons cohabitating with children, as well as for households consisting just of elderly persons (either those living alone or with their spouses). Looking just at elderly persons who cohabitate with other family members, not including spouses, as shown in Figures 37 and 38, it can be seen that the overall situation changes little, i.e., elderly persons still account for a significant portion

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**FIGURE 35**

**URBAN BRAZIL: INCOME PARTICIPATION OF OLDER PERSONS IN FAMILIAL INCOME BY TYPE OF EARNINGS ACCORDING TO GENDER AND AGE BRACKET—2002**

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**FIGURE 36**

**RURAL BRAZIL: INCOME PARTICIPATION OF OLDER PERSONS IN FAMILIAL INCOME BY TYPE OF EARNINGS ACCORDING TO GENDER AND AGE BRACKET—2002**
of family income, a proportion that is more significant among elderly persons living in rural households. It is worth noting, though, that this data does not prove any relationship of financial dependency that might go beyond the limits of familial cohabitation.

4 FINAL COMMENTS

In this chapter, we have highlighted the increasing tendency of elderly persons to participate in the Brazilian labour market and as a result, the growing need to carefully think through labour policies aimed at this population group whose level of qualification, below that of the average adult population, can hardly be

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12. For other evaluations of the income contribution of the elderly to familial income, see in this book the chapters by Camarano, Kanso and Leitão, Delgado and Cardoso Jr. and Beltrão et al.
modified in any significant way. In order to identify correctly the targets of such policies, we have tried to describe the economic activity of elderly persons, indicating both the subgroups with greater economic participation and the types of activities where elderly persons tend to concentrate.

Thus, we were able to show that elderly persons most available for work (reflected in greater labour force participation rates) are those more dependent on earnings from economic activity: men, non-whites, heads of family, those with lower family incomes, those who are not retired and workers in manual occupations. However, workers with higher education levels have greater chances of remaining occupied in later years. In relation to the occupational structure of the elderly labour market, agricultural activities and services were seen to be dominant in self-employed or unpaid positions (especially for women in rural areas) and in manual occupations. Nonetheless, as people age, manual occupations tend to give way to higher skilled occupations, just as full-time work gives way to part-time work.

Looking at recent tendencies, the significant growth in the proportion of retired among the elderly labour force can be noted as a result of the expansion of social security coverage following the 1988 Constitution. Indeed, as can be seen in other chapters in this book, between 1981 and 2001 the proportion of retired aged 60 or over increased from 49% to 68% in urban areas and from 59% to 92% (!) in rural areas. Among women, this increase was from 39% to 49% in urban areas and from 43% to 79% in rural areas. Nonetheless, this stupendous growth in social security coverage, most especially in the rural areas, did not have the impact that might have been expected on economic participation, in other words although retirement benefits became an important tool in family income generation and in combating poverty, they did not apparently generate any incentive to withdraw from the labour market. As a matter of fact, in this same period, male activity rates remained practically constant (increasing from 36% to 38% in urban areas and remaining at 60% in rural areas), while female rates increased (from 9% to 12% in urban and from 13% to 19% in rural areas).

Therefore, the tendency for the participation of elderly persons to remain at the same level, shown in the second part of this chapter, is reinforced by the evidence that the expansion of the main financial incentive for withdrawal from work, the retirement pension, does not appear to be producing its intended effect. The most plausible explanation for this is that the impact of the income of elderly (both that derived from retirement pensions and from work) on family income, taking into account only elderly persons cohabitating with other family members, represents almost 60% of the total income for urban families and almost 70% for rural families.
Given the inexorable growth in the share of elderly persons in the Brazilian labour force, we would like to emphasise once again the need, neglected up to now, to ensure that a significant number of new job positions in Brazil are absorbed by the increasing contingent of the elderly labour force, with lower average education levels than the population in general, with often outdated and difficult to update qualifications, who, on the other hand, offer comparative advantages due to their maturity.

**BIBLIOGRAPHY**


