## Translation of "O Tempo das Crianças"

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## The Children's Time

Marcelo C. Neri

"The expansion of Bolsa-Escola's age range establishes a desirable complement to the new prohibition of underage labor until 15 years of age."

The good use of children's time is fundamental in the long run performance of our economy. Whether in the present they attend school or work anticipates the Brazilian social conditions of the next decades. A country looks after its children, ensuring its own future.

What is the current situation of Brazilian children? The evaluation of age distribution and social conditions should take into consideration the sharing process of the family income. For example: the income of a retired individual may benefit other members of the family, such as children, beautifully portrayed in the movie "Eu, Tu, Eles." On the other hand, the Bolsa-Escola can go the opposite direction. This way, appropriate concepts measuring well being would be family data, such as indigence.

The largest indigence rate according to age lies in the group of up to five years of age: $38.8 \%$ versus $24.8 \%$ of the rest of society. Around $45 \%$ of Brazilian indigents have less than fifteen years of age. The smallest indigence rate is in the group of above seventy: $8.1 \%$. The analysis of a broad spectrum of social indices strengthens the image of children as a particularly underprivileged group in our society.

The PNAD offers us an insight into the distribution of a child's time, allowing us to differentiate rural from urban situations: in the rural areas, $36 \%$ of children between ten and fourteen work, versus $8 \%$ in the urban areas. During the last two decades, on average, there have been twice more boys working than girls. $90 \%$ of individuals coming from poor households did not finish high school, and $74 \%$ did not complete fourth grade. Although enrollment rates are high in Brazil, the educational level reached progresses slowly due to the irregular academic attendance (many absentees), the high repetition and drop out rates ( $13 \%$ and $8.9 \%$, respectively). In accordance to the PNAD, $15 \%$ of all children in this age range were working-there has been a two-percentage points decrease since 1995.

For each additional year of education, income from labor increases an average of $16 \%$. Return attained for the entire working life. The employment rate also increases with schooling: from $52 \%$ (illiterate) to $87 \%$ (individuals who completed university). It is difficult to imagine a more profitable investment than staying in school.

Increasing Returns - When the child spends zero to four years in school, they average income increase is of $8 \%$ per annum. If schooling increases to a range of eleven to fifteen years of education, the equivalent return is of around $21 \%$ p.a. There is a poverty trap, since to obtain higher returns, the individual must first invest upon low returns.

Externalities - the return of education to society as a whole is superior to that of the educated individual himself. Ricardo Paes de Barros shows that one of the main determinants of academic performance is the average education of the mothers within the community. The table illustrates some of the consequences of the accumulation of an extra year of school for/to society.

But what should be done? With these market failures, what kind of intervention should be undertaken? How to act? Which policies should be implemented?

Coercion - For example, the recent adhesion to the International Organization of Labor's (ILO) resolution regarding underage labor implies an increase in the minimum age allowed from fourteen to sixteen years old. The employment rate at fifteen years old is of 21\%.

Prevention - The best correction for child labor is education, especially that of the mothers: $23.6 \%$ of illiterate children perform domestic or external activities, whereas $1.7 \%$ of children belonging to mothers with a complete secondary education do so. However, the coming into maturity of investments in educational policies, such as Fundef, takes decades. The attainment of high social returns requires patience.

Both - Bolsa-Escola is a program balancing speed and endurance, where the mother receives an aid conditioned by their children's educational performance. The expansion of Bolsa-Escola and the program's increase in breadth to include children up to the age of sixteen are essential in decreasing child labor.

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## PORTRAIT OF INDIGENCE

(AGE-RELATED)

|  | Population <br> Indigence | Rate | Contribution <br> towards <br> indigence |
| :--- | :--- | :---: | :---: |
| Total | $158,232,252$ | 24.8 | 100.0 |
| $\mathbf{0}$ to $\mathbf{5}$ years | $15,125,555$ | 38.8 | 15.0 |
| $\mathbf{5}$ to $\mathbf{1 0}$ years | $15,893,875$ | 37.8 | 15.3 |
| $\mathbf{1 0}$ to $\mathbf{1 5}$ years | $17,133,431$ | 33.3 | 14.5 |
| $\mathbf{1 5}$ to $\mathbf{2 0}$ years | $16,445,293$ | 24.4 | 10.2 |
| 20 to $\mathbf{2 5}$ years | $13,376,564$ | 19.8 | 6.7 |
| $\mathbf{2 5}$ to $\mathbf{3 0}$ years | $12,170,942$ | 21.0 | 6.5 |
| $\mathbf{3 0}$ to $\mathbf{3 5}$ years | $12,076,763$ | 21.8 | 6.7 |
| $\mathbf{3 5}$ to $\mathbf{4 0}$ years | $11,080,956$ | 20.6 | 5.8 |
| $\mathbf{4 0}$ to $\mathbf{4 5}$ years | $9,666,370$ | 18.9 | 4.7 |
| $\mathbf{4 5}$ to $\mathbf{5 0}$ years | $8,015,962$ | 17.7 | 3.6 |
| $\mathbf{5 0}$ to $\mathbf{5 5}$ years | $6,205,644$ | 17.2 | 2.7 |
| $\mathbf{5 5}$ to $\mathbf{6 0}$ years | $5,179,392$ | 16.0 | 2.1 |
| $\mathbf{6 0}$ to $\mathbf{6 5}$ years | $4,218,407$ | 11.8 | 1.3 |
| $\mathbf{6 5}$ to $\mathbf{7 0}$ years | $3,473,931$ | 9.5 | 0.8 |
| + than $\mathbf{7 0}$ years | $5,259,446$ | 8.1 | 1.1 |
| Neglected | $2,909,721$ | 40.1 | 3.0 |

Source: Microdata from PNAD - IBGE
Elaboration: CPS/IBRE/FGV
Obs: Indigence line: $\mathrm{R} \$ 61$ per capita

Average Income vs. Years of Education
Brazil


Source: PNAD 99-IBGE
Elaboration: CPS/IBRE/FGV

Employment Rate vs. Years of Education Brazil

Variable Impact
Economic Growth (annual rates)
Income per capita (2000/25) ..... 0.35
Industrial wage (2005/15) ..... 0.85
Growth in exports (2000/15) ..... 0.70
Population Growth
Population growth (2000/15) ..... -0.26
Increase in fertility rate (2025) ..... -0.40
Increase in Birth Rate 1,000 (2025) ..... -2.40
Mortality (per 1,000 live births)
Child mortality (2025) ..... -8.90
Child mortality until 5 years of age (2025) ..... -12.60
Longevity (in years)
Life expectancy - women (2025) ..... 2.00
Life expectancy - men (2025) ..... 2.00
Education (rates)
Secondary overall attendance (2025) ..... 5.20
Illiteracy women (2020) ..... 6.80
Illiteracy men (2020) ..... 5.40Source: Berhman, J., BID, 1996.

