

Economic and Political Shocks and Demographic Changes

Mechanisms, Dimensions, and the Role of Demography

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Four Lenses for Understanding Impacts

Period vs. Cohort Effects

Shocks may be temporary (fertility postponement) or leave lasting cohort scars, especially when exposure occurs during early childhood or young adulthood. Distinguishing tempo vs. quantum is essential for policy design (Ryder 1965; Bongaarts & Feeney 1998).

Scale & Spatial Heterogeneity

National averages conceal severe subnational variation. Brazil's crises produced excess mortality and fertility change in municipalities with high unemployment and weak social protection, while regions with stronger public spending were better buffered (Coutinho & Souza 2024).

Stratification & Inequality

Crises rarely affect populations uniformly. Pre-existing inequalities in income, education, race, and gender shape vulnerability. Privileged groups access private alternatives; disadvantaged populations face compounded risks. Crises often widen gaps, not just lower averages.

Endogeneity & Feedback Loops

Population dynamics can also drive crises. Aging strains pensions; youth bulges destabilize labor markets; migration flows reshape political coalitions. Crisis demography must account for reverse causality between demographic change and economic/political instability.

Institutions: Buffers, Amplifiers, and Ideology

Welfare States as Buffers

- Robust social protection prevents economic crises from turning into health and demographic crises
- Strong labor protections mitigate long-term disadvantages, weak systems allow temporary shocks to become enduring inequality
- Key reference: Esping-Andersen (1990)

Austerity as Amplifier

- Fiscal austerity deepens and prolongs demographic losses
- Greece 2010–2015: 40,000 fewer births than expected; rising infant mortality
- Stuckler & Basu (2013): mortality consequences of public health cuts

Policies Are Not Neutral

- Demographic interventions reflect values about gender, family, nationhood
- Pro-natalist incentives (Hungary), forced sterilizations (Peru), restrictive migration regimes all encode inclusion and exclusion
- Normative choices shape long-term demographic futures

The same shock can yield vastly different demographic outcomes depending on institutional capacity and political choices

Three Demographic Responses

01 Fertility

- Recessions → delayed childbearing, esp. young adults (Sobotka et al. 2011)
- Uncertainty - not just income loss - is the key mechanism
- Prolonged downturns → sustained fertility decline, rising childlessness
- Socioeconomic differentials in family formation widen

02 Mortality

- Counter-intuitive: short recessions may briefly reduce accident mortality
- Prolonged crises → mental health deterioration, 'deaths of despair' (Case & Deaton 2015)
- Austerity → weakened health systems, rising infant mortality
- Life expectancy inequalities widen with economic collapse

03 Migration

- Crises reshape wage expectations and household risk strategies
- Weak credit markets → migration as risk diversification (Stark & Bloom 1985)
- Severe crises may constrain mobility: involuntary immobility
- Political instability → brain drain; remittances vs. institutional capacity loss

Demography's Role in Crisis Analysis

What Demographers Bring

- Mortality, fertility, migration estimates
- Data quality tools: reconstruction & indirect estimation
- Long-term trends and structural differentials
- Subnational and group-level analysis

Essential Partners

- Economics: causal inference, incentives
- Sociology: institutions, inequality, family systems
- Political science: state capacity, policy processes
- Anthropology / Psychology: norms and behavior

Crises do not respect disciplinary boundaries, and neither should we.