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Income, Deprivation, and Perceptions in

Latin America and the Caribbean:

New Evidence from the Gallup World Poll #

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1. Introduction

Deprivation is arguably the main social concern in the world. Just to mention one example, the first Millennium Development Goal of the United Nations is halving poverty from 1990 to 2015. Although usually associated to income poverty, it has long been recognized that the concept of deprivation has multiple dimensions, including the lack of assets and opportunities, and the own perception of low standard of living and social exclusion.

Research on multidimensional deprivation in Latin America and the Caribbean (LAC) has been less systematic than in the developed world, in part due to lack of relevant data. Although all national household surveys in the region include questions on income, and many also on assets, it is difficult to provide a consistent picture for the region due to substantial differences in the questionnaires. In addition, questions on perceptions and self-assessment of living standards are not common in the LAC national household surveys.

This paper is part of a large project on quality of life and deprivation in LAC commissioned by the IDB's Research Department (RES) that makes extensive use of the Gallup World Poll. This survey provides rich data on a wide range of issues in over 130 countries, 23 of them from LAC. The Gallup Poll has two main advantages over national household surveys: it includes a larger and much richer set of questions on quality of life and perceptions, and the survey design and questionnaires are similar across countries.

This paper is mainly aimed at providing evidence on the multiple dimensions of deprivation in LAC by exploiting a new dataset, the Gallup World Poll, combined with the national household surveys. In particular, we estimate levels and patterns of income, multidimensional non-monetary, and subjective deprivation for all countries in the region based on Gallup data, and compare the results with those from household surveys.

Since income poverty continues to be the main proxy for deprivation, we assign a considerable share of the study to examine income measurement in the Gallup survey in detail. In particular, we assess the reliability of income measurement in the Gallup Poll by comparing the results to those obtained with household surveys and National Accounts.

It has been argued that the well-being of a person affects her views about society, and public policies. In particular, the fact that a person is poor (in any of the senses discussed above) may affect her preferences on several social issues, and her perceptions about how society actually works, and how it should work. The Gallup survey provides an excellent opportunity to study these issues, as it combines information needed to construct deprivation indices, and a large number of questions on social perceptions. In this paper we include an exploratory analysis of these issues.

The rest of the paper is organized as follows. In section 2 we briefly describe the main sources of information for the study: the Gallup World Poll and the LAC national household surveys. Section 3 is aimed at studying income measurement in the Gallup survey, and comparing the results with those drawn from national household surveys and National Accounts. Section 4 initiates the analysis of deprivation by focusing on income poverty. In section 5 we turn to non-monetary multidimensional deprivation by taking into account information on durable goods and access to some services (water, electricity, telephone). Section 6 deals with the concept, measurement and patterns of subjective welfare and deprivation. In section 7 we study the covariance structure of the three alternative deprivation measures (income, non-monetary, and subjective). Section 8 is aimed at assessing how perceptions on society and public policies vary across different deprivation profiles. Section 9 closes with a summary of the main findings.

2. Sources of information

The main source of information for this study is the Gallup World Poll. During 2006, the Gallup Organization collected World Poll data using an identical questionnaire from national samples of adults from 132 countries, 23 of them from LAC. Sample sizes of 1,000 households per country were designed to assure national representativity. A new wave of surveys was collected in 2007, including in LAC some 25 additional questions commissioned by the IDB (RES). For this paper we had access to the 2006 survey for all the countries in the world, and the 2007 survey for America only. Due to this and other reasons to be explained below, this paper is mostly based on the 2006 round of the Gallup survey, although in some sections we also use the 2007 round as reference.

Because the survey has the same questionnaire in all the countries, it provides a unique opportunity to perform cross-country comparisons.¹ The Gallup World Poll is particularly rich in self-reported measures of quality of life, opinions and perceptions. It also includes basic questions on demographics, education, and employment, and a question on household income. The Gallup survey is answered only by an adult (15 or older) chosen randomly within the household. Variables are at the level of the household or the respondent: scarce information is reported on individual variables for the other members of the household.

Table 2.1 shows some basic demographic statistics drawn from the 2006 Gallup survey, along with the share of valid responses for each question. The dataset includes the answers of 141,739 persons. 21,200 of them are inhabitants of LAC: 17,144 in Latin America and 4,056 in the Caribbean. The survey has full coverage in Latin America in terms of countries, and comprises the main nations in the Caribbean according to their population: Cuba, Dominican Republic, Haiti, Jamaica, Puerto Rico and Trinidad & Tobago. The country samples have around 1,000 observations, except in Haiti, Jamaica, Puerto Rico and Trinidad & Tobago, where around 500 observations were collected.

¹ Deaton (2007) is one of the first studies using the 2006 Gallup Poll.

The 2007 round of the Gallup Poll includes the answers of 19,131 persons in the region. The coverage is similar in Latin America but much weaker in the Caribbean, since data is only available for Belize, Dominican Republic and Guyana.

In some sections of this document we exploit the world coverage of the survey. In principle, this dataset provides a unique opportunity to study a wide range of issues with a true international perspective, since the samples are representative at the country level, and the variables are defined in the same way in all the countries. We use two alternative standard classifications, grouping countries by region (LAC, East Asia & Pacific, Eastern Europe and Central Asia, Middle East and North Africa, South Asia, Sub-Saharan Africa, Western Europe and North America) and income (high-income OECD, high-income non-OECD, low income, lower-middle income, and upper-middle income).

Table 2.1 indicates that most people in the world report their gender and age. In LAC this is also the case for the number of children, with the exceptions of Argentina, Mexico, Honduras and Nicaragua. The share of males is lower but close to 50%, which is consistent with Census and household survey data. Naturally, mean age in the Gallup Poll is higher than in other sources, since respondents are older than 15. Although the correlation between mean age in the Gallup survey and in the household surveys is high (correlation coefficient=0.9), figure 2.1 shows some worrying differences for some countries (*e.g.* Guatemala and Paraguay).

The mean number of children under 15 in the household reported in the Gallup Poll is somewhat higher than in household surveys: the LAC means are 1.5 and 1.34, respectively. Figure 2.2 shows a not-too-tight cross-country association in the number of children between Gallup 2006 and the national household surveys (correlation coefficient=0.64). It is also worrying to notice that the number of children under 15 in the household reported in the Gallup Poll has substantially changed between 2006 and 2007 - from 1.5 to 1.1 – without changes in the relevant question.

We implement two definitions of urban from the Gallup data by alternatively classifying those who report living in a small town or village as urban (definition 1) or rural (definition 2) (see table 2.2). In some countries (*e.g.* Brazil) Gallup figures are similar to those reported in Census/surveys when using definition 1, while in others they seem to match official figures when using definition 2 (*e.g.* Chile, Costa Rica, El Salvador, Peru). In some other countries (*e.g.* Bolivia, Colombia, Paraguay) the “true” urban share (from surveys or Census) lies between the two alternative Gallup figures. In most cases where the household survey allows reclassifying observations and modifying the definition of urban-rural, we can reasonably replicate the two alternative figures for the 2006 Gallup.

However, it is again worrying that in several countries the share of urban population in the Gallup Poll substantially changed between 2006 and 2007, and it did so in different directions and magnitudes across countries. The linear correlation coefficient of the urbanization rate between 2006 and 2007 using definition 2 is just 0.72, a low value

given that changes in urbanization take place at a slow pace. This instability casts some doubts on the representativity of the Poll, and calls for prudence in the interpretation of the results.

The Gallup World Poll is rich in information on individual perceptions and opinions. Table 2.3 shows a sample of relevant questions about perceptions on individual well-being, social inclusion and public policies, to be used in sections 6 to 8. We distinguish three main groups of questions: (1) perceptions on individual's own life, (2) perceptions on the city or area of residence, and (3) perceptions on the situation in the country of residence. The last two columns in the table apply the classification of Veenhoven (2000) into four categories of quality of life: (i) livability of environment (outer quality / life chances), (ii) utility of life (outer quality /life results), (iii) life-ability of person (inner quality / life chances), and (iv) satisfaction with life (inner quality /life results).²

In addition to the Gallup Poll we use the national household surveys collected by the National Statistical Offices (NSO) of the LAC countries. Table 2.4 lists the surveys considered in this study. We use the datasets processed at CEDLAS as part of the SEDLAC project (Socio-Economic Database for Latin America and the Caribbean) carried out by CEDLAS and the World Bank's LAC Poverty Group (LCSPP), with the help of the MECOVI Program. The original microdata is processed using homogeneous definitions of variables, subject to the limitations imposed by the questionnaires.³ The LAC household surveys include basic information on incomes, demographics, education, housing and employment. Some of them also include questions on durable goods and assets. The last column in table 2.4 reports whether the survey includes at least one question on perceptions.

3. Income in the Gallup Poll

In spite of its drawbacks and limitations income adjusted by demographics is widely used as a proxy for individual well-being.⁴ In most countries poverty and inequality are officially measured over the distribution of income. This is certainly the case in LAC, where consumption data is seldom available in household surveys. Although the inclusion of consumption modules is a welcome increasing feature of the LAC surveys, most assessments of individual welfare and social issues in the region are still carried out in terms of income.

Social policy debates often develop around figures drawn from the income distributions obtained from household survey microdata. Just to mention one example, the first Millennium Development Goal (MDG) –halving poverty from 1990 to 2015 - is being monitored by computing *monetary* poverty measures drawn from household surveys.

² See the paper by Mariano Rojas in this project (Rojas, 2007).

³ see www.cedlas.org for details.

⁴ See Deaton (1997) and Sen (2000), among many others.

The reason to include an income question in the Gallup survey is certainly not to collect independent estimates of income and poverty, but rather to enable comparisons of different variables (*e.g.* perceptions and opinions) among income groups. This type of analysis would be reliable provided that income estimates using the Gallup poll are roughly consistent with those derived from in principle more rigorous sources, like the national household surveys.

The Gallup survey includes a single question on monthly total household income before taxes. The question is clear, but it is too simple and reported in brackets, leading to just a rough measure of income. The question is placed almost at the end of the questionnaire, which may imply a higher rate of non response, and a lower quality of information. Additionally, the survey is conducted to a randomly selected member of the household (older than 15), not necessarily the person who knows the incomes of the household better. This fact is also likely to increase the rate of non-response and the measurement errors.

The brackets of each question are expressed in local currency units (LCU), and hence they differ across countries, even when expressed in US\$ adjusted for PPP. In fact, the number of brackets is different in each country. In the 2006 round in LAC, that number ranges from 4 in Colombia to 20 in Bolivia. In most countries (all in LAC) the question refers to *monthly* household income, but there are some countries outside LAC where respondents answer their *annual* household incomes.

In all LAC countries we have computed for each respondent an homogeneous monthly household income variable in US dollars by (i) randomly assigning a value in the corresponding bracket of the original question in LCU, and (ii) translating this value to US\$ using country exchange rates adjusted for purchasing power parity (PPP).⁵

Most welfare analysis are carried out in terms of household income adjusted for the demographic composition of the household. The Gallup Poll includes questions for the number of adults and children. However, unfortunately, the 2006 dataset includes the answers to the number of adults in only three LAC countries.⁶ In addition, the number of children is not recorded in Honduras and Nicaragua, and valid answers are less than 70% in Argentina and Mexico.

We estimate the number of members in each household by adding the number of children under 15 reported in the Gallup Poll to the average number of adults (above 15) computed from the national household surveys. For each country we take this average for four groups according to the area of residence (urban or rural), and the type of household (with or without children), and apply these means to the corresponding households in the Gallup survey. In addition, we estimate the number of children in

⁵ Gallup carries out a simpler standardization process for all countries, taking just the midpoints in each bracket, and provides in the user dataset a categorical income variable with 29 brackets (variable *wp4898*).

⁶ In 2007 only six LAC countries have valid answers to this question.

households with missing information in Honduras, Nicaragua, Argentina and Mexico using data for the 2007 round.

Table 3.1 shows the mean, median and share of valid answers of total household monthly income, and per capita income for all LAC countries. The rate of income non-response is 13%, with maximum values in Trinidad and Tobago (38%) and Honduras (33%).⁷ On average (weighted by population) per capita income is 18% lower in the Caribbean. On the contrary, the unweighted average in the Caribbean is 50% higher: the main reason behind this difference is the low relative income in the highly-populated countries of Cuba and Haiti. The income dispersion in the Caribbean is very high. While mean monthly per capita income declared to Gallup is US\$ 602 in Puerto Rico, it is just US\$69 in Haiti. In Latin America the dispersion is much lower: per capita income ranges from US\$90 in Guatemala to US\$357 in Chile. By inspecting table 3.1 some readers would notice values that may not be consistent with their expectations. For instance, mean income in Honduras seems too high. We will wait until the comparisons with household surveys and National Accounts for further discussion of these cases.⁸

It is worrying that in several countries income changes between 2006 and 2007 computed from Gallup data do not approximately match income changes from National Accounts (NA). For instance, while total household income increased 45% in Brazil, it fell 7% in Chile, values that are inconsistent with the economic reality of both countries as captured by NA. Mean income (in PPP US\$) increased 46% in LAC in just one year according to Gallup data, a clearly unrealistic estimate, not driven in principle by any change in the questionnaire.

The cross-country linear correlation coefficient between incomes in 2006 and 2007 is 0.75, a significant but relatively low value. Since the 2007 round has been recently released, while the 2006 round has been extensively used and checked; since our dataset for 2006 includes information for the rest of the world and better coverage in the Caribbean; and since the rate of income non-response is lower in 2006, we prefer to carry out most of the analysis that follows with the 2006 round of the Poll.

In table 3.2 the population is divided into those who answer the income question (column “yes”) and those who do not (column “no”), and compute several statistics for these groups separately. The analysis is restricted to those countries where income non-response is higher than 15%. If income non-response were random, the t-test of mean differences in the third column of each panel would be small. In most LAC countries that is in fact the case for the share of males and the urbanization rate. In contrast, in some countries (*e.g.* Argentina, Costa Rica) non-response seems to be concentrated in the well-off, as the access to phone, computer and Internet is significantly higher among those who refuse answering the income question. That is also true for the aggregate

⁷ The income non-response is substantially higher in the Gallup 2007 (24%).

⁸ Colombia is deleted from table 3.1 since there seems to be problems with the income reporting. In particular, more than 70% of the population is located in a single income bracket.

(Latin America, Caribbean and LAC). However, notice that in most countries the differences between the two groups are not statistically significant.

Incomes in Gallup and household surveys

The national household surveys are the main sources of information on household incomes. These surveys usually include a relatively large number of questions aimed at capturing all sources of income. However, while household surveys are surely a better source for national income data than the Gallup Poll, the latter has the big advantage of a similar questionnaire across countries in the world, and hence it might compete with national surveys as a data source for international comparisons. In this section we compare the national income distributions drawn from the Gallup Poll to those obtained from the household surveys conducted by the National Statistical Offices of the LAC countries.

While the Gallup Poll was carried out in 2006, not all national surveys in our database correspond to that year (10 out of 21). To make the two information sources more comparable we take all incomes from the national household surveys to year 2006 by adjusting for the nominal growth rate of each country (and thus implicitly assuming no distributional changes between the year of the survey and 2006). Figure 3.1 shows for each country non parametric estimates of the density function of the log per capita income in LCU from both sources of information. The first panel for each country shows the original data, while in the second we multiply all incomes in Gallup for a factor in order to make the means of both sources to coincide. In general, incomes in Gallup are lower than in household surveys. When adjusting incomes for the difference in means the distributions are reasonable close in several countries. In contrast, the distributions in Chile, Uruguay and Venezuela look clearly more unequal with the Gallup data. Instead, the Gallup income distributions in Argentina, Honduras and Nicaragua seem more egalitarian than with official data. Figure 3.2 shows the comparisons between Gallup and household surveys for the whole region. Both distributions seem to match reasonably well in the case of Latin America, but not in the case of the Caribbean.

Table 3.3 adds to the analysis the estimates of mean and median per capita income in LCU in each country, along with the share of quintiles. On average mean (median) income in Gallup is 66% (77%) of the value in national household surveys. Only in Jamaica and Venezuela incomes in Gallup are higher than in the household surveys. In most countries the shares of both the poorest and the richest quintiles are somewhat smaller than in household surveys. In contrast, the share of the fourth quintile, for instance, is larger in the Gallup surveys of all LAC countries, except in Venezuela.

The linear correlation across countries between per capita income in Gallup and the national household surveys is positive, significant but not too high (0.64), even when deleting the main deviants -Honduras and Venezuela- (see figure 3.3). When taking the medians the correlation coefficient rises to 0.76, and to 0.93 when deleting Honduras

and Venezuela. The rankings across countries between the two information sources is similar (table 3.4). The Spearman rank correlation is 0.73 when considering the means and 0.67 when taking the medians of the household per capita income distributions.⁹

Incomes in Gallup and National Accounts

There are a host of reasons why mean income may differ between National Accounts (NA) and household surveys.¹⁰ Surveys record disposable incomes mostly from labor sources and transfers, while NA usually provide statistics on per capita GDP or consumption. Although the big facts (ranking of countries, growth rates) should in principle be similar regardless of the information source, that is not always the case: Gasparini *et al.* (2007) document significant differences in growth rates in LAC countries depending on the information source.

Gallup (2007) reports a high correlation coefficient (0.77) between *total* household income and the World Bank estimate of GDP (PPP) per capita. Figure 3.4 shows a reasonable degree of matching between mean income in Gallup and per capita GDP for the LAC countries. The linear correlation is 0.59 for the full sample, but raises to 0.75 when deleting the main outlier (Jamaica). Table 3.5 shows the ranking of LAC countries according to both variables. Most nations are located in similar steps in the income ladder. Argentina and Mexico have mean incomes in the Gallup survey too low compared to their NA figures. The Spearman rank correlation coefficient is positive and significant (0.85).¹¹

Comparisons with the world

The Gallup survey allows comparisons across different regions in the world. According to Gallup microdata, income in LAC is higher than in sub-Saharan Africa, similar to South Asia, and lower than in the rest of the regions (see table 3.6).¹² In particular, LAC mean per capita income is 12% of the value in North America, 20% in Western Europe, 58% in Eastern Asia and Pacific and 59% in Eastern Europe and Central Asia.¹³

It is interesting to extend these comparisons to the whole income distribution. Figure 3.5 compares a non-parametric (kernel) estimation of the density function of the log per capita income in Latin America to that function in other regions of the world. Even after considering its drawbacks and limitations, the power of the Gallup survey is evident from graphs like 3.5. Several authors have tried to come up with comparable income

⁹ The correlations are lower when using the 2007 Gallup data.

¹⁰ See Deaton (2005).

¹¹ This rank correlation is 0.69 with the 2007 data.

¹² Table 3.3 records annual income, not monthly income, as in previous tables. In addition, as our dataset includes incomes in LCU only for LAC countries, for world comparisons we use the rougher standardization of income carried out by Gallup.

¹³ The rate of non-response for Middle East and North Africa is too high (89%), and the resulting mean income seems too high.

distributions across regions (*e.g.* Bourguignon and Morrison, 2002; Sala-i-Martin, 2006 among others). To that aim they use data from very different sources, and make a lot of assumptions. The Gallup data has the advantage of providing the necessary data for these estimations from the same question across more than a hundred countries.

The income distribution in Latin America seems close to that of the Caribbean, slightly to the right (implying higher per capita income). The Latin American distribution is located to the left of the distributions of both East Asia and Pacific, and Eastern Europe and Central Asia. The differences become more dramatic in the comparison with Western Europe and North America. In the next section we extend the analysis to some of the most socially relevant characteristics of the income distributions: poverty and inequality.

4. Income deprivation

While the previous section deals with the whole income distribution, in this section we focus on measures of income poverty or deprivation, *i.e.* the mass of the income distribution below certain threshold. There is a long-standing literature on the measurement of poverty. Even restricting the analysis to income poverty, the literature remains huge. The most widespread way of measuring poverty in an international context is by using the poverty lines set at US\$1 or US\$2 a day adjusted for PPP (Ravallion *et al.*, 1991). Although these lines have been criticized, their simplicity and the lack of reasonable and easy-to-implement alternatives have made them the standard for international poverty comparisons.

Poverty in LAC from the Gallup survey

The standard practice to get the international poverty lines in LCU is taking the equivalent to US\$1.0763 in domestic currency using a large international study on prices carried out in 1993, and taking that value to the date of a given survey using the national consumer price index (Deaton, 2003; WDI, 2004). This US\$1 line is multiplied by two to get the US\$2 line. Table 4.1 shows several poverty measures obtained by applying the US\$1 and US\$2 lines to the distribution of household per capita income from the Gallup poll. Poverty statistics are shown for all countries for which we could compute poverty lines. According to these estimates the headcount poverty ratio in the region is 37.2% when using the US\$2 line, and 17.2% when using the US\$1 line.

Poverty is higher in the Caribbean due to the presence of Haiti. Poverty ranges from 9.4% in Puerto Rico to 82.9% in Haiti (poverty line of US\$2). In Latin America poverty ranges from 22% in Chile to 60.5% in El Salvador. Figure 4.1 shows the ranking of income deprivation: Puerto Rico and Cuba, the Southern Cone and Costa Rica have economies with relatively low income poverty levels, while some Andean and Central American countries are in the other extreme of the ranking. Haiti stands up as the country with the highest incidence of poverty in the region.

Comparison Gallup and household surveys

The main sources for poverty estimates in LAC are the national household surveys. In this study we take the estimates of income deprivation using the US\$ 2 lines from our database at CEDLAS.¹⁴ Since we do not have poverty estimates for 2006 for all countries, we follow a procedure similar to the one described above: we assume neutral growth in per capita income (at the same rate as per capita GDP growth) from the year of the latest household survey available until 2006.

On average, poverty in the Gallup Poll is 16 points higher than in national household surveys when using the US\$2 line. This gap is naturally linked to the differences in incomes between the two sources discussed in section 3. More than being concerned about the specific poverty levels that arise from the Gallup Poll, we care about the rankings and comparisons across countries, and across population groups within countries. Figure 4.2 shows a positive significant correlation between poverty estimates using the Gallup survey and those computed at CEDLAS with national household survey microdata. The linear correlation coefficient is 0.59 for LAC, and 0.86 for Latin America (0.92 without Venezuela).

The poverty ranking that arises from the two alternative data sources turns out to be similar (see table 4.3 and figure 4.3). The Spearman rank correlation coefficient is 0.90. Chile, Argentina, Costa Rica and Uruguay are the countries where income deprivation is less serious, while Bolivia, Nicaragua and El Salvador are located in the other extreme.¹⁵ Haiti ranks as the country with the highest income deprivation level in the region.

Where do the differences in income poverty estimates between Gallup and the national household surveys arise from? Do they arise from differences in the distribution of observable income determinants, like education, demographics or geographical areas? Is it just a scale difference in incomes between the two sources? A microsimulation analysis could be carried out to assess the extent to which the differences in the income distributions drawn from both information sources come from differences in the distribution of observable characteristics (“characteristics effect”), the return to these characteristics (“parameters effect”) or a scalar factor (see Bourguignon *et al.*, 2004). The methodology implies two basic steps: (i) running similar income models for each country in both information sources, (ii) estimating a contra factual income distribution in source 1 if some parameters or characteristics were those of source 2. As the “base source” could be changed between Gallup and the national survey we compute averages of each effect.

Unfortunately, the 2006 Gallup dataset does not contain information on some basic variables in any income/poverty equation like education, or age of the household head.

¹⁴ See www.depeco.econo.unlp.edu.ar/cedlas/sedlac for results and methodological details.

¹⁵ We ignore Cuba and Puerto Rico due to data limitations in our database of household surveys.

For this reason the microsimulations were carried out with the 2007 data in those countries where poverty levels did not vary much between 2006 and 2007, and all variables needed to apply the methodology are available. Anyway, the income models that can be estimated with the 2007 Gallup Poll are still very rough. We could just run models of log per capita income on age (and its square) and educational dummies of the respondent (who could not be the head), number of children in the household, area of residence (urban-rural) and gender of the household head. From that basic equation we follow the decomposition methodology in Gasparini *et al.* (2004). Given the data constraints discussed above, the results shown in table 4.4 are just illustrative of the methodology. In all the countries but Venezuela poverty is higher in the Gallup Poll. In none of the countries under analysis (Venezuela may be the exception) the characteristic effect is the main driving force of the poverty differences between the two sources. Population characteristics, in terms of the independent variables listed above, are different in the Gallup and the national surveys, but these differences account for a small share of the differences in poverty estimates. In Uruguay that difference is basically a scale effect (the constant in the income regression). Instead, the main “determinant” in Chile, El Salvador and Peru is the parameter effect (differences in the coefficients of the independent variables in the income regression).

Even if income is not well measured in the Gallup survey, and poverty figures drawn from that poll substantially differ from household surveys, the income information in Gallup may still be useful for some purposes, if the correlation with real incomes is high. One of such purposes is comparing variables between the poor and the non poor. For instance, suppose we are interested in assessing whether the income poor feel significantly less happy than the non poor. The Gallup survey will be helpful if we can reasonably identify the income poor and the non poor. If income levels in the Poll are weakly estimated but the rank is fine, we can impose a figure for the proportion of poor people taken from other source (*e.g.* household surveys) and carry out the exercise of comparing non-income variables across income poverty groups.

Following this argument, table 4.5 shows some household characteristics for the 20% poorest of each country using alternatively the Gallup poll and the national household survey. Unfortunately, the definitions of the non-income variables in both surveys is different, so the comparison cannot be made strict. In general, the share of males is lower, and the family size and number of children is larger in the bottom quintile of the income distribution both in the Gallup Poll and in household surveys. The main inconsistency arises in Mexico, where while in the national survey the share of males in the bottom quintile is 3 points lower than in the rest of the population, in the Gallup Poll it is 3 points higher.

The access to water in the house is lower in the bottom quintile of the income distribution. That is a consistent result in household surveys, and in most but not all countries in the Gallup Poll: in Argentina, Brazil, Peru and Venezuela the access to water is similar among the poorest 20% and the rest.

Poor people participate less in the labor market, and have more employment problems. The last row in each panel of table 4.5 shows lower employment rates among the poorest 20% according to both sources of information. The two exceptions are Bolivia and Peru where the national surveys (and not Gallup) record higher employment among the poor.

Comparisons with the world

There is a large literature on international poverty comparison plagued by data comparability problems.¹⁶ The Gallup Poll provides an opportunity to alleviate some of these problems, since survey design and questionnaires are identical across countries.

It is well known that poverty comparisons are sensible to the choice of the line. Atkinson (1987) proposes checking for first-order stochastic dominance in order to assess the robustness of the results. In figure 4.4 we show the cumulated density functions for the income distribution in each region. Poverty in Latin America is lower than in the Caribbean, and higher than in East Asia and Pacific, and Eastern Europe and Central Asia. These results are confirmed in table 4.6.¹⁷ As suggested by the overlapping distribution functions, the comparison with South Asia is ambiguous. Poverty is almost inexistent in Western Europe and North America when measured with the US\$1 or even the US\$2 lines.

Income inequality

Inequality is a relevant characteristic of the income distribution that is not analyzed in depth in this paper. Anyway, we include estimates of the most widespread indicator of income inequality, the Gini coefficient for the distribution of household per capita income. In most countries income inequality is lower in the Gallup Poll than in the national household surveys (table 4.7), a fact that could be the consequence of a weaker income questionnaire in Gallup that misses some relevant income sources for the non-poor.¹⁸ More worrying are the differences in the inequality ranking among LAC countries (figure 4.5). Some countries which are consistently assessed as relatively egalitarian for the LAC standard look pretty unequal with the Gallup data (*e.g.* Uruguay, Venezuela). On the other hand, countries traditionally considered as very unequal are not ranked as so with the Gallup data (*e.g.* Haiti). The Spearman rank correlation coefficient of the Gini between estimates from Gallup and national household surveys is positive but not statistically significant at 10%. The linear correlation is also positive but weak (see figure 4.6).

¹⁶ See Chen and Ravallion (2007) and Sala-i-Martin (2006) for recent contributions.

¹⁷ For these comparisons we estimate incomes based on midpoints of the brackets in PPP US\$ provided by Gallup. For that reasons estimates in tables 4.1 and 4.6 differ.

¹⁸ Honduras and Nicaragua are deleted since inequality estimates are too low due to the rough estimation of the number of children in those countries (the only two countries without information on this variable).

There is a long standing debate on the economic performance of Cuba. Unfortunately, the government of that country has impeded the use of national statistics at the micro level, needed to make reliable international comparisons. Figure 4.5 is one of the few pieces of evidence of the presumably low level of income inequality in Cuba. Although it is likely that the rank of Cuba in this graph reflects the true, the result should be still taken with prudence, given the discussions above and the concerns on the reliability of surveys in that country.

It has long been stated that Latin America is the most unequal region in the world. This proposition has been based on household survey microdata that differ in several dimensions across countries in different parts of the world. Although certainly plausible, the statement will remain debatable without comparable microdata. The Gallup Poll makes a contribution to this issue by providing income data using the same question in all the countries in the world.

There are two possibilities when analyzing regional inequality. The first one is to consider each region as a unit and compute inequality among all individuals in the region, translating their incomes to a common currency. The second alternative is to compute inequality in each country, and take a cross-country average.

An assessment of inequality in the first sense (“within regions inequality”) is presented in figure 4.7. The Lorenz curve of Latin America is clearly below those of Western Europe, North America, and Eastern Europe, but lies above those of East Asia and Pacific, and the Caribbean. The Gini coefficient of Latin America is 0.525, which is much higher than in Western Europe (0.402), North America (0.438) and Eastern Europe and Central Asia (0.498); but lower than in South Asia (0.532), the Caribbean (0.561) and Eastern Asia and Pacific (0.594).

Some of the results change when taking the second alternative to measure regional inequality; *i.e.* averages across countries (table 4.8 and figure 4.8). Now, Latin America ranks as the most unequal region in the world, and the Caribbean looks less unequal. The cross-country Gini in Latin America (0.499) is only comparable to that of South Asia (0.489), and much higher than that of the Caribbean (0.456).

To understand the difference in the results, notice that the dispersion in mean income is smaller in Latin America than in other regions like Eastern Asia and the Pacific, and the Caribbean. The Gini coefficient of the distribution of mean income across countries is 0.271 in Latin America, 0.401 in the Caribbean and 0.338 in East Asia and Pacific. While countries in Latin America are relatively similar in their stages of development, that is not true in the Caribbean or East Asia. In the Gallup Poll the income ratio between the poorest and the richest country is less than 5 in Latin America (Bolivia and Chile); more than 8 in East Asia and Pacific (Cambodia and Hong Kong), and more than 10 in the Caribbean (Haiti and Puerto Rico).

5. Objective non-monetary deprivation

It has long been argued that deprivation goes beyond the income dimension. Amartya Sen has extensively argued in favor of extending the measurement of deprivation to the dimension of functionings and capacities (Sen, 1984). Brandolini and D'Alessio (1998), among others, have assessed the operational content of this approach. The UNDP Human Development Index is perhaps the most well-known measure that follows the spirit of Sen's approach. More recently, Osberg and Sharpe (2005) propose an Index of Economic Well-Being that takes into account assessments of consumption, accumulation, distribution and security.

There is also a growing literature in LAC on the measurement of poverty beyond the income paradigm (see Attanasio and Székely, 2001). In fact, several Latin American countries routinely compute indicators of multidimensional poverty usually based on the access to housing, water, sanitation and education (*NBI* indicators).

In this section we extend the measurement of well being with the Gallup data to other variables beyond income. In particular, we focus the analysis to household consumption of some services and durable goods. The Gallup Poll 2006 has information on (i) housing ownership, (ii) access to a set of basic services -water, electricity, sanitation-, and (iii) access to a set of communication and information goods and services: phone (fixed and cellular), TV, computer and Internet.

Unfortunately, information on housing ownership is only available for Honduras and Nicaragua. In Honduras (Nicaragua) 79% (86%) of people interviewed reported being owners, a share 8 (9) points higher than the value drawn from the national household survey. There is coincidence between Gallup and the national surveys in reporting a slightly higher share of housing ownership among the non-poor than among the poor in Nicaragua (EMNV, 2005), but not in Honduras (EPHPM, 2006).

Access to sanitation, also recorded only in these two Central American countries, is much lower among the poor (57%) than among the non poor (80%) in Honduras, but not in Nicaragua (around 92% for both groups), a result that casts doubts on the reliability of the answers, since it is clearly inconsistent with data from the EMNV.

Table 5.1 shows information on the access to water and electricity by income poverty group.¹⁹ On average, 92.5% of Latin Americans report having access to water in their dwellings or lots. There are differences across income poverty groups: 84.7% of the income poor report having access to water.²⁰ The differences are smaller in the case of electricity: the share of respondents with access is 94.8% among the poor and 98.1% among the non-poor. The access to water in LAC is higher, on average and for the poor, than in the rest of the developing world. The access to electricity is also relatively high.

¹⁹ Tables 5.1 to 5.4 divide population by income poverty groups using the (rough) income variable that can be also assembled in the rest of the world.

²⁰ Naturally, propositions like this one are conditional on the methodology adopted to define the income poor.

Basic statistics on the access to fixed phone, cell phones, television, personal computers and Internet are shown in tables 5.2 and 5.3. On average 30% of the income poor in LAC have access to a fixed phone. The share of those with a cell phone is similar. There are substantial differences across countries: while 68% of the income poor in Chile have a cell phone, that proportion drops to just 2% among the income poor in Honduras. In LAC while 21.4% of the non-poor have a personal computer, the proportion drops to 5.4% for the poor. Almost 10% of respondents have access to Internet in their homes: the share falls to 1% in the case of the income poor.

The 2007 Gallup survey extends the questionnaire to include ownership of an automobile, access to cable TV, washing machine, freezer and DVD player. Table 5.4 shows basic statistics on these durable goods. According to the Gallup Poll, in LAC the probability of owning a car is four times greater for the non-poor than for the poor. The ratio falls to two for the case of cable TV and washing machine.

Nearly all LAC countries carry out national surveys that include questions on housing, and many of them collect information on durable goods, as well. Table 5.5 compares statistics on water, electricity, telephone and PC from Gallup with those drawn from household surveys. In several cases the differences in the estimates are substantial. In part this may be driven by differences in the questions. For instance, while the question for water is simple in the Gallup Poll (*Does your home or the place you live have running water?*), it is usually a little more complicated in national household surveys (*e.g.* categorical question). However, for the rest of the goods and services in table 5.5 the questions are straightforward and very similar between Gallup and the household surveys (*Does your home or the place you live have electricity-landline telephone-computer?*). Given these similarities, some differences in table 5.5 are worrying. For instance, the share of households with access to water, electricity, phone or PC seems too high in El Salvador and Guatemala, raising doubts on the national representativity of the Gallup sample in those countries, or at least on the reliability of the answers to these questions. The cross-country linear correlation coefficients between both information sources is positive and significant, but relatively small: 0.64 for water, 0.75 for electricity, 0.66 for telephone, and 0.63 for PC.

Indices of non-monetary multidimensional deprivation

There is a large literature on the measurement of multidimensional deprivation (Bourguignon, 2003; Bourguignon and Chakravarty, 2003; Duclos *et al.*, 2006; Silber, 2007, among others). The key steps are (i) to define the set of variables to be included in the indicator, (ii) to define a structure of weights, and (iii) to set a poverty line.

Regarding the first point, in this section we follow a restricted approach and include the set of goods and services available in the Gallup Poll listed above: water, electricity, phone, TV, computer and Internet for the 2006 Poll, plus automobile, cable TV, DVD, washing machine and freezer for the 2007 Poll.

To deal with the second step we apply conventional factor analysis methods that take the correlation structure of the chosen variables into account, and, in a way, endogenizes the structure of weights.²¹ The *factors* that summarize the information contained in the data are obtained by principal component analysis. This method reduces the dimensionality of the problem to a single indicator that allows dividing the population unambiguously into two groups provided a threshold value is set.

This is precisely the third stage. Unfortunately, as in any poverty analysis, the choice of a threshold is highly arbitrary. For comparison with the income poverty approach of the previous section, we set a poverty line in the space of the linear indicator discussed above that implies a share of the LAC population below that threshold equal to the income poverty headcount ratio with the US\$ 2 line; *i.e.* 37.2%. Naturally, imposing this threshold implies losing the possibility of comparing aggregate LAC poverty figures across methodologies (which is anyway a debatable goal), but we gain in comparability at the country level.

It is important to briefly discuss conceptually the approach outlined above. It is debatable whether this approach really identifies *deprivation* in a meaningful way. After all, the list in step (i) includes some goods which are not really basic needs (*e.g.* computer), and leaves out others which they arguably are (*e.g.* food). Moreover, as explained above, the “deprivation line” has nothing to do with any real threshold in needs or capacities. What the approach does is to identify relative deprivation in terms of an index based on the consumption and access to some durable goods and services available in the Gallup survey. That index could be interpreted as a non-monetary proxy for the individual well-being. People with less access to water, electricity, phone, TV, computer and Internet presumably have command over a smaller set of all goods and services available in the economy than the rest of the population, and hence they would have higher chances of attaining lower levels of well being. They are “deprived”, at least in a relative sense. This limited asset-based approach is an alternative to the income-based approach implemented in the previous section, where individual well being is proxied by just the household income per capita.²²

We start the analysis by computing a one-dimensional index based on the access to water, electricity, telephone, cell phone, personal computer, and internet in the 2006 Gallup Poll.²³ Table 5.6 presents the distribution of that index over all LAC by showing for each country the share of observations in each quintile. Almost half of the population in Haiti belongs to the bottom quintile of the LAC distribution of this index.

²¹ See the methodological appendix. A good source book is Hardle and Simar (2003).

²² This multidimensional approach will be extended to consider other variables in section 7. Unfortunately, a basic needs approach (NBI) similar to that carried out by some LAC statistical offices cannot be implemented with the Gallup 2006, since information is lacking on almost all relevant variables: housing, sanitation and education.

²³ We ignore the ownership of a television set in the index because it is not recorded in the surveys of Brazil, Mexico, and Venezuela. We find that the addition of this variable yields a small and not significant marginal contribution to the index (a small change in the KMO index, from .659 without television, to .678 with that good).

In contrast, 62% of people in Puerto Rico belongs to the top quintile of this regional distribution.

Table 5.7 shows the headcount ratios based on the index when setting the threshold to generate an aggregate poverty level of 37.2 (the LAC income poverty rate). The headcount ratio based on this criterion ranges from 24.9% in Puerto Rico to 44.2% in Nicaragua. Southern Cone countries, Costa Rica, Jamaica and Venezuela have relatively low levels of multidimensional poverty (figure 5.1). In the other extreme Central American countries, Paraguay, Haiti and Cuba rank high in that poverty ladder.

When compared to the rest of the world, Latin America looks much better than Sub-Saharan Africa and South Asia (see tables 5.8 and 5.9, and figure 5.2), much worse than North America and Western Europe, and roughly comparable to Eastern Europe, and Eastern Asia & Pacific. Almost a third of Latin Americans belongs to the median quintile of the distribution of the asset index.

The 2007 Gallup Poll has information on additional variables: automobile, cable TV, DVD player, washing machine, and freezer. By applying factor analysis we compute a one-dimensional index based on these goods plus the set considered for the Gallup 2006. Table 5.10 presents the headcount ratios computed from that index, forcing the LAC aggregate to be identical (37.2%). The correlation coefficient between both years is positive and significant, although not very high (0.83). As discussed in previous sections, there seems to be volatility in the Gallup data from one year to the other.

Comparison with household surveys

The national household surveys also have information on services and durables goods. Therefore, we proceed to estimate a one-dimensional index with both the Gallup and the national surveys based on the same set of variables: water, electricity, telephone and personal computer. As in the analysis above, we choose a threshold to get the same LAC headcount ratio (37.2%). Table 5.11 shows the headcount ratios for each country. Multidimensional deprivation ranges from 9.2% in Chile to 82% in Haiti, using data from household surveys. The correlation across countries with the Gallup data is high, but far from perfect (figures 5.3 and 5.4). Paraguay, Dominican Republic and Mexico, for instance, look too poor according to Gallup. In Paraguay this result is driven by the report of a substantial lower access to water (compared to the household survey), while in Mexico it is due to a lower reported access to telephone and PCs. In both sources Haiti ranks at the top of the multidimensional deprivation ladder, while Chile ranks at the bottom (table 5.12).

6. Subjective welfare and deprivation

As mentioned previously, current income is the most widely used welfare proxy in distributive analysis, mostly due to its wide availability, and ease of quantitative cross-country comparisons. Nevertheless, a recent stream of literature has emphasized the use

of alternative and hopefully more realistic measures of welfare, in particular, those arising from questions targeted directly at self perceived notions of well being.

Following Arias and Sosa Escudero (2004), ASE(2004) henceforth, and Ravallion and Lokshin (2002), by *objective* assessments of deprivation we understand any reproducible quantification of this concept. On the other hand, by *subjective* assessments we mean self-produced classifications where the individual assigns herself into the deprived/non deprived status based on her own “subjective” perceptions. As an example, take the case of poverty as studied by ASE(2004). Their objective measure of poverty is obtained by comparing current income to a standard official poverty line. Their subjective measure comes directly from a survey question that asks individuals “Do you consider yourself poor/non-poor?”. Interviewers are instructed about the subjectivity of the response, and not to interfere with the person interviewed asking for explanations or giving directions on how to answer this question. Individuals are instructed to classify themselves in only one of the groups.

A recurrent result of this literature (see Ravallion and Lokshin (2002, 2001), and ASE (2004)) indicates that there exist significant differences between self-rated and objective measures of poverty, which have implications not only on the “true” quantification or characterization of aggregate poverty, but also on the analysis of their determinants. This may have important consequences to the design of programs aimed at poverty alleviation. For example, for the Bolivian case ASE(2004) find that quechua speaking people tend to classify themselves as poor even when income discrepancies within this ethnic group are large. Hence policy measures targeted to low income individuals may not be supported by this group of people, who perceive that the target should be based on ethnicity. Consequently a first goal of this part of the report is to study the patterns of similarities and discrepancies between objective and subjective measures of deprivation using the Gallup Survey.

Besides these discrepancies, there are other interesting results that deserve further empirical clarification. An interesting result of this literature is that many indicators like education, ethnic characteristics or place of residence are relevant determinants of subjective poverty. Second, these socioeconomic factors remain significant as determinants of self rated poverty even after controlling for current income, which reflects the fact that the multidimensional nature of deprivation is not appropriately captured by income. Third, even after controlling for a large vector of socioeconomic characteristics available in household surveys (including also income, consumption and assets), unobserved factors play an important role in determining poverty and, in turn, welfare. This speaks about the inherent complexity of characterizing deprivation. Finally, keeping other factors constant, it requires a substantial effort in terms of income compensation to alter significantly the probability of being poor: the effect of income is very mild if other more permanent factors (like family education or ethnicity) remain unmodified.

Subjective welfare in the Gallup survey

Data availability on subjective perceptions of welfare has been a major limitation for the empirical analysis of this topic. Household surveys seldom include such questions and, if so, they appear in supplements for certain periods. Additionally, for political reasons, governmental statistical offices are sometimes reluctant to include subjective questions in official surveys. Consequently, the availability of the Gallup survey data opens a much relevant possibility to explore these issues in detail.

Table 6.1 presents a list of some sample questions available in the 2006 Gallup data set that are used in this study for self-assessed welfare analysis. Questions wp16, wp17 and wp18 ask individuals to rank themselves (“subjectively”) in a 0 to 10 scale, 0 being the worst and 10 the best present (wp16), past (wp17) and future (wp18) level of welfare. Question wp30 asks individuals to state whether they are satisfied or not with their living standard, and question wp40 and wp43 ask persons whether in the last year they felt they lacked enough money to satisfy their food (wp40) or shelter (wp43) needs. Question wp44 asks directly whether in the last year they felt hungry. The subjective nature of the answers of these questions is not straightforward, but in all cases questions refer to individuals perceptions on how they felt or how much they needed (food or shelter, for example).

Table 6.2 presents basic descriptive statistics on some of these variables for the Gallup World Poll 2006. Questions wp30, wp40, wp43 and wp44 have been recoded slightly in order to facilitate interpretation and comparison with other questions. All these questions are binary and are recoded so as “1” means satisfied and “0” not-satisfied. For example, question wp30 is left unaltered (1 is satisfied, 0, not satisfied). Question wp40 has been recoded so as 1 actually means “had enough money to buy food” and 0 “had not enough money”. Questions wp43 and wp44 were treated similarly. Overall, there is a high rate of response: in most cases above 95%.

Consider first question wp16: *“Please imagine a ladder/mountain with steps numbered from zero at the bottom to ten at the top. Suppose we say that the top of the ladder/mountain represents the best possible life for you and the bottom of the ladder/mountain represents the worst possible life for you. If the top step is 10 and the bottom step is 0, on which step of the ladder/mountain do you feel you personally stand at the present time?”*. The outcome of questions of this sort has been studied extensively in the subjective welfare literature (see for example Ravallion and Lokshin (2002) for Russia). The average response for LAC is 5.88, with 5.97 for Latin America and 5.50 for the Caribbean. This compares to 7.10 for high income OECD countries.

Interestingly, the average result for LAC is higher than the similar figure for East Asia & Pacific, Europe and Central Asia, Middle East and North Africa, South Asia and Sub-Saharan Africa. The latter with the lowest score (4.24).

Question wp17 asks the same as wp16 but with respect to the *past* five years and wp18 with respect to the *future*. Overall, responses are lower when individuals look into the past and higher when they look forward, that is, in comparable scales people feel now

better than in the past, and perceive that they will be even better in the future. In general, most countries obey this pattern, except for the case of El Salvador, where the ranking is reversed.

Overall satisfaction (question wp30) in Latin America is 0.67 (67% of individuals classify themselves as “satisfied”) and the same figure for the Caribbean is 0.56, being 0.65 the relevant figure for the aggregate LAC region. This compares to 0.83 in high income OECD countries and 0.39 in Sub-Saharan countries, to mention two extreme cases. Compared to other regions of the world, LAC runs behind East Asia and Pacific, Middle East and North Africa and South Asia, in contrast to the previous case (as measured by question wp16) which ranks LAC better.

According to question wp40, 67% of the individuals in the LAC region declare to have had enough money to purchase food in the last year, a figure to be compared to 91% for high income OECD countries and to 46% in the Sub-Saharan countries, again the two extreme cases. Once again, LAC runs behind East Asia and Pacific, Middle East and North Africa, South Asia, and now Europe and Central Asia.

Regarding housing needs, differences are milder. 81% of the individuals in the LAC region declare to be satisfied in terms of their housing needs, the extreme cases being now 92% in the rich OECD countries and 73% in the Sub-Saharan countries. Now LAC performs better along this dimension than East Europe and Central Asia, Middle East and North Africa and Sub-Saharan Africa.

To summarize, in overall terms LAC performs like a country in the upper middle income group in terms of aggregate satisfaction, and a similar result holds in terms of satisfaction with housing needs. In line with most regions, individuals perceive an improvement and are optimistic, in the sense that they perceive to be better off in the future compared to the present and the past. It is in terms of food needs that LAC countries decline in this overall ranking and now compare to a low middle income country. This is an important result, since it suggests that LAC inhabitants either value basic needs other than food high or are more satisfied in other dimensions (housing, for example), in order to compensate its low performance in terms of food needs, so as they end up placed in an intermediate position in the aggregate.

As for cross-country comparisons within the LAC region, table 6.3 presents rankings arising from the previous welfare measures. In terms of present and past welfare (questions wp16 and wp17) Venezuela, Costa Rica, Mexico and Puerto Rico rank the highest. Haiti, Peru and the Dominican Republic rank in the bottom. Regarding the future, Brazil now ranks clearly in the top of the distribution, a considerable change compared to its intermediate position when individuals are asked about their situation five years ago. Another extreme case is Paraguay: its inhabitants rank themselves in an intermediate situation when asked about the past and place themselves in the extreme bottom of the distribution when asked about the present and the future. The rankings induced by the overall satisfaction question (wp30) are consistent with the previous results.

Results regarding question wp40 (food) are striking. Now Chile, Guatemala and Argentina rank in the top, with Haiti, Peru and the Dominican Republic with the worst performance. That is, the bottom of the distribution remains comparable to that induced by overall welfare notions, but the top of the distribution changes, so the first positions are now occupied by countries previously in an intermediate position. The most interesting case being that of Venezuela, which is systematically ranked in the top when overall welfare is studied, while in terms of food needs it ranks in the bottom.

In terms of housing, Jamaica performs the best followed by Argentina, Trinidad and Tobago and Chile, that is, the same group ranked in the top in terms of food needs, so similar remarks as in the previous paragraph hold. The cases of Brazil and Venezuela are of considerable attention. Both countries rank extremely high in terms of overall satisfaction and are placed in the bottom when housing needs are considered.

The case of Haiti needs to be highlighted. Besides methodological considerations, and beyond the measurement errors involved in the use and interpretation of welfare measures, it ranks systematically at the very bottom of all dimensions considered. This speaks about the deeply rooted factors that place this country in such a disadvantaged situation.

Even though it is the main subject of section 7, it is interesting to explore quantitatively the differences between the rankings induced by all the previous welfare dimensions. To this point, table 6.4 presents the Spearman rank correlations between all welfare variables. That is, each country is assigned a ranking position according to each variable and then standard correlations are computed. Correlations are high. Food and housing induced rankings are highly correlated among themselves. The present welfare variable wp16 is highly correlated with most dimensions, which indicates that it may be a good summary of general welfare. The lowest correlation is between welfare perceptions with respect to the future (wp18) and the past (wp17), with a spearman correlation of 0.217.

Subjective welfare and deprivation

The next natural step is to construct deprivation measures based on subjective assessments of welfare. The methodological concerns that arise when translating income into poverty hold when trying to classify individuals as into “deprived/non-deprived” status, in the sense that the transition between these two situations occurs in a discontinuous fashion when using an underlying continuous welfare measure. In the case of income-based poverty, this is usually performed by comparing income to a “poverty line” that separates the poor from the non-poor.

In order to produce similar classifications based on a welfare index, we first take a more detailed look at the structure of responses to welfare questions. Table 6.5 presents the mean, median and share of valid responses of question wp16 (present welfare) described above, along with the proportion of respondents in each of the “steps”. On a scale from 0 to 10, respondents from Latin American countries assign 5.84 on average to their lives, while the Caribbean average is 5.43.

A first striking result from table 6.5 is that, with the exception of Haiti, step 5 is a “modal” response: step 5 concentrates a rather large proportion of respondents and this proportion is substantially higher than responses in adjacent steps (4 or 6). For the aggregate LAC case, 24.5% of the interviewed individuals position themselves in step 5, with 9% and 11.4% in immediately adjacent steps. This is an interesting feature that may speak about the difficulties individuals have to produce accurate assessments about their welfare. Even when faced with an ordinal scale, they tend to converge to a “focal” midpoint. This feature complicates separating the “deprived” from the “non-deprived” since certain values induce large jumps in the cumulative distribution of welfare and hence the discrimination between these two groups is expected to be sensitive to the choice of the appropriate welfare threshold.

Table 6.6 presents an alternative view, more related to the goals of this research. Now, columns present the cumulative responses up to each step. A first exercise to compare objective with subjective deprivation is the following. Consider the case of Latin America. The overall poverty rate based on the 2 dollars rule is 37.2%. The steps that more closely accumulates this proportion of individuals in the subjective scale are the 4th: and the 5th that is, 25% of the individuals self rate in steps 4 or below, and 49.9 is the relevant figure for the 5th step. Step 4 (or 5) can be taken as an approximate subjective poverty line for this region.

Based on this threshold, the proportion of individuals that rank themselves in steps 4 (or 5) or below could be considered the subjective-based poverty rate of each country. The last three columns of table 6.4 present the position of each country in the rankings induced by the objective (U\$S 2) and subjective poverty measurements (steps 4 and 5). For example, Costa Rica is ranked 4th and 1st in the objective and subjective ranking, respectively. Bolivia ranks 15th in objective terms and 12th when the subjective ranking is used (step 4). The rank correlation is positive and significant, suggesting that, in line with the results of ASE(2004) and Ravallion and Lokshin (2002) subjective based poverty is significantly related to its objective counterpart. On the other hand, the correlation is far from high, suggesting that income represents only part of a more complex, multidimensional structure behind welfare. In particular, some discrepancies are relevant. For example, Uruguay ranks 5th using the objective measure and 14th when the subjective measure is used.

Another more straightforward alternative to define the deprived is to rely directly on binary variables in the Gallup survey. Consequently, from this point of view we considered as “deprived” those individuals that declare to be dissatisfied with their living standard (wp30), food purchases (wp40) and housing (wp43). Question wp44, which asks individuals whether they went hungry in the recent past, is surely interesting and very relevant, but is plagued with non responses: in fact, it is not available for countries like Brazil, Mexico and Venezuela. Nevertheless, we also incorporate this question into the analysis. Results are summarized in table 6.7.

Income-based poverty in the LAC region is 37.2%. Answers related to self-perceived welfare as measured by question wp16 leave 23.4% (using step 4 as the threshold) and

49.5% (using step 5) of respondents below the threshold, the average between these two figures being 36.5%. The proportions of individuals dissatisfied with their general living standard (wp30) and with food (wp40) are, respectively, 34.77% and 33.85%. This result is interesting, since it indicates that the “objective”-based dimension as measured by a headcount ratio with a poverty line of US\$2 produces a similar aggregate level of poverty compared to that of an average of subjective measures (wp16) and those provided by subjective responses to questions wp30 and wp40.

These are aggregate measures, and within regions they may induce different classifications. For example, in Latin America the headcount based poverty rate is 36.5%, higher than that induced by the proportion of dissatisfied individuals according to question wp30 (average of 33.2%). The opposite occurs in the Caribbean, where the proportion of unsatisfied people (43.8%) is substantially higher than the headcount ratio. At the country level, the greatest positive disparities appear in the cases of Bolivia and Haiti. In each of these countries, the income poverty headcount ratio is much larger than the proportion of unsatisfied individuals.

Finally, we look at some basic sociodemographic characteristics of the poor. Table 6.8 presents an (unconditional) profile of the poor for the aggregate LAC region, for all the alternative poverty classifications used in this section. We start by splitting the population in age groups and count the proportion of poor in each sub-group. A first relevant result is that the age profile for income-based poverty is clearly decreasing, that is, as we move into older groups poverty decreases, with figures ranging from 39% in the youngest partition (16 to 25 years old) to 35.7% in the older group. When we consider poverty as it arises from answers to question wp16 (overall present satisfaction, below step 4), the pattern is clearly *increasing*: the youngest group has a poverty rate of 19% and the oldest group 31%. The remaining dimensions present an increasing pattern except for the oldest group, where poverty decreases. The next line computes the mean age of the poor and non-poor. Now differences are smaller. In income-based poverty the poor are 38.19 years old on average while the non-poor 39.94, slightly older. This pattern gets reversed for all other dimensions, being the poor slightly older than the non-poor. The largest difference in age appears in the case of poverty as measured by question wp16, where the difference in age is significant: 42.05 years old for the non-poor and 37.92 for the poor.

This reversion in the poverty-age profile when taking the subjective dimension of deprivation into consideration is an important result for the long-standing debate on the measurement of old age poverty, which bears relevant implications on the targeting of social policies.²⁴

Considering the income poverty measure, 42% of the poor are male, compared to 47% of the non-poor. For all other dimensions, differences are much smaller, never greater than 3 percentual points. As expected, family sizes are larger among the poor, but differences are small, being the largest case the one associated to income-based poverty:

²⁴ See Deaton and Paxson (1998), and Gasparini *et al.* (2007) for the LAC case.

the poor with a family size of 4.97 members and 3.92 in the case of the non-poor. This difference becomes much smaller when all other poverty dimensions are considered. Regarding children under 12, the poor differ significantly from the non-poor, based on income poverty: the poor have on average 2.09 children, that is almost *twice* the average of the non-poor (1.09). Similar differences, once again, are milder when comparing poor vs. non-poor along other dimensions. For example, figures are 1.72 and 1.32 for the classification based on food purchases.

This result is again important for the poverty and social policy debate. In particular, it implies that means-tested targeting schemes based on household per capita income, or directly the number of children, may imply significant biases when other dimensions of deprivation are considered.

In summary, income poverty seems to be more clearly related to socioeconomic characteristics, that is, the poor and non-poor differ more significantly than when compared along other “subjective” notions of deprivation. Nevertheless, poverty profiles have several elements in common along the different deprivation dimensions. This is compatible with two facts. First, as previous literature has suggested (in particular Ravallion and Lokshin (2001) and Arias and Sosa Escudero(2006)), subjective and objective (income based) notions obey systematic patterns and hence are predictable from its basic determinants. Second, both objective and subjective welfare, though systematic, are difficult concepts that bear a similar significant relation to some basic determinants (age profiles, socio economic structure, etc.), in spite of the fact that a large proportion of its variability still depends on difficult-to-measure magnitudes, like social capital or other idiosyncratic both individual and country specific ones. The fact that along some dimensions these notions coincide is surely encouraging and suggests that the study of subjective welfare may add relevant systematic information not captured by income. This line of reasoning is explored in more detail in section 7, where the dimensionality of welfare is studied analytically.

Subjective deprivation in household surveys

Some LAC household surveys include questions on self-perceived poverty. These questions basically ask whether the respondent believes her household is poor, or whether household income is not enough to cover basic expenditures. Table 6.9 presents some of these questions in the national household surveys of Bolivia, Colombia, Ecuador, Honduras and Peru.²⁵ Table 6.10 shows a poverty profile of these countries using alternatively an objective (US\$ 2 a day) and a subjective measure of deprivation constructed with these questions. The sample is restricted to those respondents older than 15 to make it comparable to the Gallup survey.²⁶

²⁵ In Honduras the proportion of valid responses is very low (19%): results must be analyzed with caution.

²⁶ In almost every country these questions are answered by the household head.

The elderly are systematically ranked as the poorest group according to self report criteria. In the countries under analysis, mostly poor countries with weak social security systems, that is also true when defining deprivation by income. Under both deprivation measures poor families are larger and have more children than non-poor families. However, the gap is substantially wider in the case of income-based poverty. The dependency rate (household members per number of income earners) is on average 14% greater for the poor than for the non-poor families if we consider the subjective poverty measure. That difference increases to almost 60% when income poverty is taken into account.

Non-poor individuals are more educated than the poor, and in general have a better labor market performance. That is true under both definitions of poverty. It is interesting to note that in Bolivia while the unemployment rate is higher among the income-non-poor, it becomes higher for the subjective-poor.

Poverty is higher in rural areas than in urban ones considering both deprivation measures. However, it is interesting to notice that while the income-poor are more concentrated in rural areas, that is not longer true when turning to the subjective definition. For instance, while 65.9% of the income poor in Ecuador live in rural areas, just 42.3% of the subjective poor live there. The cities are richer than the countryside, and subjective poverty is in part relative deprivation, so it is more common for people in the cities to feel deprived, even when they are not in terms of income.

Naturally, the income ratio between the non-poor and the poor is larger when using income to define deprivation. The differences are large: while the ratio is 9 in Ecuador for the income definition, it falls to 2 for the subjective definition. Finally, while the Gini coefficient of the income distribution for the income-poor is substantially lower than for the non-poor, that result does not hold when turning to the subjective definition. The subjective poor are substantially different among themselves in terms of income.

Some household surveys also ask people about satisfaction with their living standards. Table 6.11 shows statistics on similar questions on satisfaction about living standards in the national household surveys of Bolivia, Colombia, Ecuador, Peru and Honduras.²⁷ On average, satisfaction on livings standards is “good” and it has remained “equal” over time. Non-poor respondents are more satisfied with their living standards than poor individuals under both definitions. The gap between poor and non-poor enlarges in the case of the subjective poverty definition.

7. The dimensionality of deprivation

The previous sections dealt with deprivation, understood as low levels of a pre-specified quantifiable notion of welfare: income in section 4, an index of consumption of durable

²⁷ Notice that Ecuador and Honduras have a different scale than the other countries. In Bolivia and Honduras the percentage of respondents is very low (19%): results from these countries must be analyzed with caution.

goods and some services in section 5, and self-produced welfare assessments in section 6. The underlying method in all sections is the following: first a relevant welfare notion is identified, variables in the survey are associated to a particular notion, and then a statistical method is used to produce an aggregate index which is later used to classify individuals into the “poor / non-poor” status.

A natural question to ask at this point is which is the “dimensionality” of welfare and hence of deprivation. In an extreme case there is a single underlying notion of welfare, and from this point of view all questions related to welfare are seen as proxies which differ among themselves due to measurement errors and to their degree of accuracy with respect to the unobserved, single-dimensional welfare concept. In the opposite extreme case, welfare is a truly multidimensional concept that cannot be appropriately captured by any single notion. Hence, from this point of view, questions related to welfare may be summarizing a particular dimension or several of them.

In this section we take a more “agnostic” approach and explore directly the problem of dimensionality of welfare. We start by looking at most variables involved in sections 4, 5 and 6, but without clustering them into groups, with the goal of asking how many relevant underlying dimensions of welfare they represent. These variables are described in table 7.1.

As a first approach, table 7.2 shows the sample (Pearson) correlation matrix for all the variables described in table 7.1. A simple exploration shows that several variables are indeed highly correlated. For example, question wp16 which asks about present welfare is obviously correlated with the same question but referred to the past (wp17) and the future (wp18). Having a computer or Internet at home is also highly correlated with income. However, in spite of these relevant correlations, with this information it is hard to find obvious patterns among so many variables.

Table 7.3 presents correlations among the summary welfare indicators constructed in sections 4, 5 and 6. That is, we look at household per capita income, the standardized index of non-monetary welfare of section 5, and a similar index of subjective welfare constructed from variables discussed in section 6.²⁸ Correlations are, again, significantly different from zero. The correlation between income and the index of non-monetary welfare is .460. The lowest correlation is between subjective welfare and income (0.279). These results are consistent with previous literature, in the sense that subjective notions of welfare are statistically correlated with income, even though this correlation is low. The significant correlation discards the sometimes claimed idea that subjective welfare measures highly idiosyncratic factors that do not obey systematic patterns. The low correlation suggests that income cannot give account of a considerable part of the variation in welfare.

If the relevant notion is to compare deprivation status as arising from welfare concepts, the focus should be on binary poverty variables. Table 7.4 presents (tetrachoric)

²⁸ We use the first principal component of variables wp16, wp17, wp18, wp30 and wp40.

correlations among the three notions of poverty: income, non-monetary and subjective. Correlations are again high: .433 for the case of income and subjective-based poverty.

A final exercise to explore the dimensionality of welfare is to rely on a factor analytic model, as described in the Appendix. As inputs we include all the variables in table 7.1. We apply a principal component factorization using all variables, for all the countries in the Latin American and Caribbean region. Results are shown in table 7.5. The first panel of the table presents the eigenvalues associated to each factor, sorted by size, their incremental differences, the proportion associated to each factor and the cumulative proportion of the total variability. Using the standard rule of retaining factors associated to eigenvalues greater than one, the method suggests that the 12 variables can be appropriately summarized by three orthogonal factors, the three factor accounting for 0.480 of the total variability.

It is well known that factor estimates (“loadings”) are unique up to orthogonal transformations (Johnson and Wichern, pp. 402), and hence it is standard practice to use particular rotations that help interpret the obtained factors. We have used a varimax rotation of the three retained factors, and results are shown in the bottom panels of table 7.5. Each coefficient represents how each variable is weighted in each factor and hence higher values represent variables relatively more important in the factor.

Factor interpretation is usually idiosyncratic, but the results obtained from the rotated coefficients suggest very clear patterns. The first factor relies on income and assets who bear a strong relation with income, like having a cellular, or regular phone or a PC. This is the factor that best represents all the variables. The second factor focuses on the subjective questions, that is variables weakly correlated with income who still retain relevant information regarding welfare that cannot be accounted by income. Finally, the last factor seems to capture very basic needs, related to having access to water or electricity.

The exploratory analysis derived from a simple factor analytic model suggests that welfare can be appropriately summarized by three orthogonal dimensions. Strikingly, the first one is precisely captured by income. This is an interesting result since it speaks about the importance of income-based assessments of welfare status. Nevertheless, the relevance of the two other factors also shows that welfare is a truly multidimensional phenomenon that cannot be fully captured by income. The second factor can be labeled as the “subjective factor”. The fact that all subjective variables are strongly related among themselves and that they load similarly on the same factor suggests that some average of them may well represent this dimension of welfare. Finally, the third factor, that can be labeled as “basic needs”, suggests that notions of welfare arising from standard “unsatisfied basic needs” methods, that include the access to basic services like water or electricity, may add relevant information not necessarily captured by income.

The adequacy of income based poverty lines: implicit poverty lines

Income-based poverty lines are usually constructed by “inverting” expenditure patterns, that is, a consumption basket is exogenously determined, and individuals who cannot afford this basket are rendered as poor. If the relationship between expenditures and income is tight enough, then poverty classifications based on income and expenditures should not differ considerably.

In order to quantify the adequacy of income-based poverty lines, we implement a simple exercise by inverting subjective welfare levels in order to find income thresholds that can be used to separate the poor from the non-poor. To be precise, consider a simple example, given by question wp30 in the 2006 Gallup Poll, which asks individuals whether they are “satisfied or dissatisfied with your standard of living, all the things you can buy and do”. The goal of the exercise is to find the income level that best separates the “not-satisfied” from the “satisfied”: this will be our implicit poverty line.

More concretely, let p be the probability that an individual classifies herself as “satisfied” given his level of income y , and assume that these magnitudes are linked through a simple possibly non-linear relation $p=G(y)$, where $G(\cdot)$ is an unknown function.

The implicit poverty line is the income level that makes an individual indifferent between classifying herself as “satisfied” and “non-satisfied”. Suppose that individuals classify themselves as satisfied if given their income, $p > p^*$, where p^* is a probability threshold that distinguishes the satisfied from the non-satisfied. Then, the implicit poverty line y^p is the level of income that solves $y^p = G^{-1}(p^*)$.

In order to implement this exercise we need to specify an observable binary variable s that classifies individuals into “satisfied” and “unsatisfied”, and their incomes. Since s is a Bernoulli variable, $E(s)=p=G(y)$. Then, the unknown $G(y)$ function can be estimated through a non-parametric regression estimator. It is tempting at this point to specify a standard parametric form, like a logit or probit, but it seems natural and safer to let the data reveal the form of $G(y)$ instead of adopting a simple, though possibly unrealistic functional form. For the estimation we apply a standard lowess non-parametric estimator.²⁹

To implement this framework we take questions wp30 (satisfaction with living standard) and wp40 (having enough money to buy food), while y is household per capita income (in PPP US\$). Based on this information, the corresponding $G(y)$ functions are estimated non-parametrically.

The choice of the cutoff point is surely arbitrary. A natural choice is to adopt the standard practice of fixing it to the proportion of cases for which the binary indicator is equal to 1 (proportion of satisfied individuals), labeled in the literature as the “base

²⁹ Lowess (also known as “loess”) is a robustified local polynomial regression. Basically, an initial local polynomial non-parametric regression is fit using standard k-nearest neighborhood methods, and then it is iteratively robustified (in the sense of making it resistant to outliers) by reweighing observations. See Cleveland (1993) for an intuitive exposition, or Hardle (1990, pp. 192-1993) for a description of the algorithm.

rate”. This is a common practice in probit-logit analysis and has been suggested by several authors as a “fair” choice (see Menard (2000) for a lengthy discussion on prediction and classification in binary choice models). It is also common to use 0.5 as a cutoff, that is to predict that an individual is “satisfied” if the predicted probability of satisfied is greater than that of not-being satisfied. A problem with this second choice is that in the case of question wp30 it implies an out-of-range prediction. More precisely, in the case of food satisfaction (wp40) the proportion of satisfied individuals among those with zero income is 0.41, while the proportion corresponding to those satisfied in general terms (wp30) among the zero income group is 0.59. These figures can be taken as raw estimates of the intercepts of the probability functions $G(\cdot)$, and then 0.41 and 0.59 are the minimum values of probabilities of satisfaction where each model implicitly operates.

Results are detailed in table 7.6. The implicit income poverty line for food satisfaction is US\$ 37 when the probability cutoff is 0.5, and US\$ 163.1 when the cutoff is set at 0.659 (the unconditional proportion of satisfied individuals). A comparable figure for overall satisfaction (wp30) is US\$ 177.4.

It is interesting to notice that the widely-used US\$1-a-day line is equivalent to a monthly income of US\$ 32.7.³⁰ That figure is very close to our estimate of the implicit poverty line associated to the question on food satisfaction with $p^* = .5$ (*i.e.* monthly US\$37). From this analysis the US\$1-a-day threshold would be a reasonable poverty line to measure and analyze food deprivation. Instead, the other two implicit lines of table 7.6 are close to US\$5 a day, *i.e.* values much higher than the typical US\$ 2 line used to analyze moderate poverty.

8. Deprivation and perceptions

In this section we deal with individual perceptions and opinions on economic conditions, government performance and public policies. The main goal of this section is to assess whether deprivation –using income, non-monetary and subjective measures– is associated with these perceptions. Notice that in this section we are basically focusing on perceptions about the society in which the respondents live, and not on perceptions about their own living standards, which are the basis for the subjective welfare analysis of section 6.

The Gallup World Poll is particularly rich in providing information on individuals’ perceptions. We are particularly concerned with questions on perceptions about general economic conditions, government performance, equality of opportunity, and public policies, all of them corresponding to the category *Outer Quality-Life Chances* in the Four-Qualities-of-Life Framework of Veenhoven (2000). The complete list of questions about perceptions included in the analysis is the following:

³⁰ 1.0763 a day times 30.42 days. See Chen and Ravallion (2007) for details.

*Questions about perceptions – Gallup World Poll 2006**Perceptions about general economic conditions*

wp87 believe economic conditions in the city are good

wp147 believe economic conditions in the country are good

wp128 think people can get ahead by working hard

Perceptions about government performance

wp112 confidence in the local police force

wp139 confidence in the national government

wp146 think corruption is widespread in the country

Perceptions about equality of opportunity

wp843 think education in [country] is accessible to anybody who wants to study

Perceptions about public policies

wp131 satisfied with efforts to deal with the poor in the country

wp133 satisfied with efforts to increase the number and quality of jobs in the country

We start by carrying out a non-conditional analysis to assess whether perceptions differ or not according to the deprivation status of individuals. We compute average perceptions for both deprived and non-deprived groups in each country. Moreover, we compare perceptions in the LAC region with those from other regions of the world.

Tables and figures 8.1 to 8.9 present country means, share of valid responses, and means by deprivation status for each one of the perception variables listed above. Deprivation status is defined using the three criteria discussed in previous sections: income deprivation –based on the US\$ 2-a-day line–, non-monetary deprivation – based on the indicator developed in section 5-, and subjective deprivation – based on the variables discussed in section 6.³¹ Panels B in the tables present total sample means and means according to income deprivation status by regions of the world.³² Table 8.10 presents linear and rank correlation coefficients across LAC countries for all the questions being analyzed.

Perceptions about general economic conditions

Approximately one half of respondents in LAC countries believe that economic conditions are good in the city where they live, 29 points below the corresponding figure for North America and 14 points above that of Sub-Saharan Africa (see table and figure 8.1). Among LAC countries, perception that economic conditions in the city are good is maximum for Puerto Rico (62%), followed by Argentina, Panama and Costa Rica (61%), and minimum for Haiti (30%) and Cuba (32%).

³¹ We take the first principal component of variables wp16, wp17, wp18, wp30 and wp40.

³² Notice that means for LAC differ between panels A and B when dividing the population by income deprivation, since, as it is discussed in section 4, we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

In general, poor respondents perceive worse economic conditions in the city than non-poor ones. When dividing the population by income and non-monetary deprivation, 45% of poor respondents and 56% of the non-poor agree that local economic conditions are good. The gap doubles when using a subjective measure of deprivation.

People in the Caribbean seem to be –on average- less optimistic about the economic conditions in the city than people in Latin America. The differences between deprivation groups are also wider in the Caribbean. An extreme case is Jamaica, where 67% of subjectively non-poor respondents believe that economic conditions are good in the city, while only 25% of the poor ones do.

In addition to the question on the city, the Gallup poll includes a question on general economic conditions of the country of residence (see table and figure 8.2). Only 31% of respondents in LAC countries think that economic conditions are good in the country. At the top of the ranking is Chile, with 56% of respondents who believe that economic conditions in the country are good. Paraguay is at the other extreme of the ranking, with only 9% of positive answers. Compared to other geographic regions, LAC is one of the least optimistic about the national economic performance, together with Eastern Europe and Central Asia, with 30 points below South Asia, which occupies the first position in the ranking.

It is interesting to notice that the level of optimism about national economic conditions (31% in LAC) is low compared with that related to the local economic situation (52%). Besides, the correlation coefficient between the two variables across LAC countries is 0.39, indicating a positive but not strong association (see table and figure 8.10). The rankings of countries arising from these two variables are different –the Spearman rank correlation coefficient is 0.37. For example, Costa Rica is one of the Latin American countries with a higher rate of positive answers in the question on local economic conditions (61%, only 3 points below OECD countries), while only 25% of Costa Rica’s respondents think that economic conditions in the country are good.

Apparently, opinions on economic conditions in the country are more related to confidence in the national government than to local economic performance: the correlation coefficient across LAC countries between the first two variables is 0.68. If so, economic conditions in the area of residence could be perceived as good –e.g. availability of jobs, low poverty incidence- and still economic conditions in the country be seen as not good. As expected, the proportion of respondents who believe that economic conditions are good is higher among non-poor than among poor individuals.

81% of respondents in LAC countries think that people can get ahead by working hard (see table and figure 8.3). This is a generalized opinion all around the world: from 94% in South Asia to 67% in Eastern Europe and Central Asia. Opinions vary only slightly among LAC countries: more than 80% of respondents in 17 out of 23 LAC countries perceive that people can get ahead by working hard. Also, differences between deprivation groups are small. Considering income and non-monetary deprivation measures, the proportion of positive answers to that question is 84% for the poor and

79% for the non-poor, while for subjective deprivation the proportion for both groups is 81%.

It is interesting to notice that the perception that individual progress can be achieved by working hard seems to have little to do with the perception of good economic conditions: the correlation coefficients across LAC countries are around 0.25.

Perceptions about government performance

The Gallup Poll asks whether respondents have confidence in the local police force (see table and figure 8.4). More than one half of respondents in LAC countries have no confidence in the local police (55%). Lack of confidence is more common in Latin America than in the Caribbean. Confidence is very low in LAC countries when compared to other geographical regions like North America and Europe, where around 80% of respondents have confidence in the local police force.

Confidence level varies by deprivation status. In general, and to our surprise, the income and non-monetary poor have a little more confidence in the local police than the non-poor. At least two arguments are consistent with this fact. One possibility is that local police is doing a job –and doing it reasonably right at least in some countries-, which is particularly appreciated by the poor. An alternative argument is that the non-poor are better educated and informed, and then can have a better assessment on the problems related to the local police force.

But when deprivation groups are defined based on subjective grounds, the Latin American non-poor are the most confident. This fact may arise as a consequence of a lack of satisfaction and, consequently, confidence, in several dimensions of life simultaneously. El Salvador is the Latin American country with the highest confidence in the local police (59%). El Salvador also presents the widest confidence gap between poor and non-poor: 65% of income deprived respondents have confidence in the local police while only 48% of the non-deprived ones have. The gap widens to 20 points when using a non-monetary definition of deprivation, and it disappears between the subjective poor and non-poor.

Perceptions about confidence in the national government are summarized in table and figure 8.5. Confidence in the national government appears to have a strong negative association with the belief that corruption is widespread in the country (table and figure 8.6, and figure 8.11). Simple correlation and Spearman rank correlation coefficients between these two questions across LAC countries are -0.81 and -0.84, respectively (see table 8.10). Also, more confidence in the national government is associated with the perception of good economic conditions in the country and with more satisfaction related to the performance of public policies.

Approximately 60% of respondents in LAC countries have no confidence in the national government. Compared to other geographical regions, LAC is the least confident, but only a few points below Europe. The region at the top of the ranking is

South Asia, with 70% of respondents with confidence in the national government. Almost with 70% of confident respondents are Uruguay and Dominican Republic, located at the top of the ranking of LAC countries. Ecuador is at the bottom of the ranking (12%).

Again, objectively-poor respondents are on average more confident than non-poor ones, but when deprivation is defined based on subjective reports, the non-poor are the most confident.

There is a strong belief across countries and regions in the world that corruption is widespread (table and figure 8.6). Around 80% of respondents from most of the regions think so, with the exception of Western Europe and North America where the percentage is around 62%. In LAC countries 78% of respondents think that corruption is widespread. Ecuador, Panama, Peru, Jamaica, Puerto Rico, and Trinidad and Tobago are the countries where the feeling of corruption is more generalized (more than 90%). Uruguay is at the other extreme of the ranking, with only 37% of respondents thinking that corruption is widespread in the country. Opinions differ only slightly between poor and non-poor respondents.

Perceptions about equality of opportunity

The Gallup Poll asks whether education in the country is accessible to anybody who wants to study (see table and figure 8.7). This question allows capturing perceptions about the existence of equality of educational opportunities. Unfortunately, data on this question is not available for other geographic regions besides LAC.

53% of respondents in LAC countries think that education is accessible. An extreme case is Cuba with 99%, followed by Trinidad and Tobago with 88%. At the other extreme is Haiti with only 18% of respondents thinking that access to education is guaranteed.

As in previous social questions is intriguing why in Latin America the poor have a better assessment of equality of educational opportunities than the non poor, except when using a subjective definition of poverty.

Opinions about public policies

The Gallup Poll asks whether the respondent is satisfied with public policy efforts to deal with the poor, and with efforts to increase the number and quality of jobs (see tables and figures 8.8 and 8.9). Perceptions on these two subjects are strongly associated across LAC countries (linear correlation is 0.84 and Spearman rank correlation is 0.80, see figure 8.12). Approximately one third of respondents in LAC countries is satisfied with public policies regarding these two issues. That level of satisfaction is lower than in the other regions of the world, with the exception of Sub-Saharan Africa and Eastern Europe.

There is a long standing debate on the difference between the US and Western Europe in terms of policies regarding employment and social protection, with the Americans focusing more on the former, and the Europeans stressing the latter. It is interesting to see from tables 8.8 and 8.9 that Americans (from the US) are more satisfied with the policy efforts to increase the number of jobs (50%) than with the efforts to deal with the poor (42%), while for Europeans the ranking is the opposite (37% and 45%). Also, Americans are more satisfied with the employment policy than Europeans, who in turn are more satisfied than Americans with the poverty policy. The rates of satisfaction in LAC are similar in both questions (34%) and lower than in the developed world. The rates of approval to public policy in these social issues are relatively high in Eastern Asia and Pacific (around 45%), and low in Eastern Europe and Central Asia (around 20%).

In LAC, Bolivia, Cuba, Dominican Republic, and Venezuela are the countries where people seem to be more satisfied with the policy efforts to deal with the poor. The difference in the approval rates with most of the other LAC countries is large (more than 10 points). It is interesting to notice that the top rates of approval to social policy are in the paradigmatic cases of leftist-populist governments (Cuba, Bolivia, and Venezuela). It is naturally impossible to disentangle from the survey whether that result is driven by a more effective social policy in these countries, or by propaganda. In any case, the results suggests that the other LAC countries would have to make more efforts either to turn the social policy more effective, or to show the results better to their people.

On average, countries more satisfied with public policies, especially those aimed at increasing the number and quality of jobs, are also more optimistic about economic conditions in the country, more confident in the National Government, and less prone to think that corruption is widespread in the country (see table 8.10).

Again, it is very interesting to notice that in Latin America poor people -when defining poverty by income or access to goods and services- are on average more satisfied than the non-poor with social policy. The difference is not negligible: 7 to 9 points. This could be caused by governments doing good things for the poor, who, as direct beneficiaries, can have a better assessment of this help than the non-poor. Alternatively, the non-poor could be better informed on public policies, and therefore can have a better knowledge on the weakness and failures of the social protection system. Disentangling the reason behind this result is beyond the scope of this paper, but it is a priority in our research agenda.

The result of higher rates of approval of social policy among the poor is also true for other regions of the world, although not for all: an exception is the Caribbean.

The results commented so far are for the two objective definitions of poverty. Again, when considering the subjective definition the results change: the poor are less satisfied with the efforts to deal with poverty and lack of employment. The result is challenging: should we partially disregard the low levels of approval of the subjective-poor since

they are in part driven by unobservable individual factors (pessimism?) that lead some of these people to incorrectly consider themselves as poor? Or should we give special attention to this negative view of the social policy, since the subjective-poor are the real poor who our weak scheme to measure poverty with incomes and consumption of a few goods cannot properly identify?

Some cases are interesting to highlight. Venezuela is one of the countries more satisfied with public policies. In particular, satisfaction with efforts to deal with the poor reaches 49%. 57% of income-poor individuals and 47% of the non-poor ones in Venezuela are satisfied. When using a subjective definition of deprivation, only 35% of poor individuals are satisfied against 53% of the non-poor.

It is possible that perceptions differ between poor and non-poor because of the deprivation status itself, or because of other characteristics that vary between the two groups. To explore this possibility we perform a conditional analysis of responses on the satisfaction with policy efforts to deal with the poor. Probit models of the probability of being satisfied are estimated for each LAC country using three alternative specifications. Model 1 includes only the income poverty indicator, model 2 adds indicators for non-monetary and subjective poverty, and model 3 incorporates demographic (age, gender) and geographic (urban-rural) controls.³³ Results are reported in table 8.11.

In several countries the income-poor are more likely to be satisfied with efforts to deal with the poor. This is true for the unconditional model (model 1) and also for models that control for other poverty measures and demographic and geographic factors (models 2 and 3). Differences in the probability of being satisfied between income poor and non-poor are statistically significant for approximately one half of LAC countries. Also, non-monetary deprivation is positively associated to satisfaction with public policies of this kind, but the relationship is significant just for one third of the LAC countries.

Estimation results from models 2 and 3 indicate that even when controlling for other poverty measures, and demographic and geographic factors, subjective-poor individuals are more prone than the non-poor to be unsatisfied with efforts to deal with the poor. The relationship is significant for almost half of the LAC countries. Moreover, for some of the countries we find that two or more poverty dimensions are simultaneously significant to explain satisfaction with public policies. For example, the three definitions of deprivation are simultaneously significant in Argentina, even when controlling for demographics.

Finally, we perform microsimulations to address the question of how satisfied on average would people in LAC be, if satisfaction with policies to deal with the poor were driven by the estimated model 3 for each country. Alternatively, the same microsimulations inform the satisfaction in each country if the observable

³³ Unfortunately, the 2006 Gallup Poll does not have data on education.

characteristics were those of LAC, and not the real ones of each country. Results from this exercise are shown in table 8.11 and figure 8.13. In general, mean predicted probabilities are similar to unconditional proportions from table 8.8 –linear and rank correlation coefficients across countries are 0.94-, suggesting that what matters the most in determining the degree of satisfaction in a given country is the way perceptions are formed, and not the population characteristics.

9. Concluding remarks

We have provided evidence on the multiple dimensions of deprivation in Latin America and the Caribbean by exploiting a new dataset, the Gallup World Poll. In particular, we estimate levels and patterns of income, multidimensional non-monetary, and subjective deprivation for all countries in the region based on Gallup data, and compare the results with those from household surveys.

Since the Gallup Poll has the same questionnaire in all the countries in the world, it provides a unique opportunity to carry out a truly international analysis of social issues. However, some inconsistencies arise when comparing statistics drawn from the Gallup Poll to those obtained from national household surveys, Census and National Accounts. The cross-country correlations of variables between Gallup and other information sources are almost always positive and significant, but some linear and rank correlations are too low from an economic point of view, often due to the presence of dubious estimates for some countries in the Gallup Poll. The excessive instability of some statistics between the 2006 and 2007 rounds of the Poll calls for additional prudence in the interpretation of the results. Having said that, we still believe that the Gallup Poll is a very valuable source for international comparisons, and that future improvements in the quality of the survey in some countries and in some questions could turn it into an essential source for international research.

The Gallup survey includes a question on monthly total household income before taxes. We construct a measure of household per capita income and carry out an income-poverty analysis. According to Gallup data, Puerto Rico and Cuba, the Southern Cone and Costa Rica have economies with relatively low income-poverty levels, while some Andean and Central American countries are in the other extreme of the ranking. Haiti stands up as the economy with the highest incidence of income poverty in the region.

On average, poverty in the Gallup Poll is 16 points higher than in national household surveys when using the US\$2 line. However, the poverty ranking that arises from the two alternative data sources turns out to be similar. The poverty profiles drawn from both sources are reasonably similar, as well.

There is a large literature on international poverty and inequality comparisons plagued by data comparability problems. The Gallup Poll provides an opportunity to alleviate some of these problems. Poverty in Latin America is lower than in the Caribbean, and higher than in East Asia and Pacific, and Eastern Europe and Central Asia. Latin

America is the most unequal region of the world when computing regional inequality by taking averages of national inequalities. Instead, when considering regions as units, Latin America ranks below South Asia, the Caribbean and Eastern Asia and Pacific in terms of within inequality. The reason behind this ranking is that while countries in Latin America are relatively similar in their stages of development, that is not true in the other regions mentioned above.

We extend the measurement of well being with the Gallup data to other variables beyond income. In particular, we focus the analysis in household consumption of some services and durable goods. To reduce the dimensionality of the problem to a single indicator we apply conventional factor analysis methods. Southern Cone countries, Costa Rica, and Venezuela have relatively low levels of multidimensional deprivation. In the other extreme Central American countries, Paraguay, Haiti and Cuba rank high in that poverty ladder. When compared to the rest of the world, Latin America looks much better than Sub-Saharan Africa and South Asia, much worse than North America and Western Europe, and roughly comparable to Eastern Europe, and Eastern Asia & Pacific. Almost a third of Latin Americans belong to the median quintile of the distribution of this asset-deprivation index.

The Gallup survey opens a relevant possibility to explore the issues of subjective welfare and deprivation in detail. We find that the rank correlation between income and subjective poverty is positive and significant, suggesting that subjective-based poverty is significantly related to its objective counterpart. On the other hand, the correlation is far from high, suggesting that income represents only part of a more complex, multidimensional structure behind welfare.

In several countries income poverty is lower among the elderly. However, in some dimensions older people feel more deprived than younger people. Also, family size is much larger among the income poor, but the gap becomes substantially narrower when other poverty dimensions are considered. These results are important for the poverty and social policy debate. In particular, they imply that means-tested targeting schemes based on household per capita income or the number of children may imply significant biases when other dimensions of deprivation are considered.

The exploratory analysis derived from a simple factor analytic model suggests that welfare can be appropriately summarized by three dimensions. Strikingly, the first one is precisely captured by income, the second one by an average of the subjective welfare measures, and the third one by variables associated to “basic needs” (water, electricity). This is an interesting result since, on the one hand, it speaks about the importance of income-based assessments of welfare status, and, on the other hand, shows that welfare is a truly multidimensional phenomenon that cannot be fully captured by income.

In order to assess the adequacy of international income-based poverty lines, we implement a simple exercise by inverting subjective welfare levels in order to find income thresholds that can be used to separate the poor from the non-poor. From this

analysis the US\$1-a-day international line appears to be a reasonable cut-off value to measure and analyze food deprivation.

The fact that a person is deprived may affect her preferences on several social issues, and her perceptions about how society actually works, and how it should work. According to Gallup data, income-poor respondents perceive worse economic conditions than non-poor ones. The gap widens when using a subjective measure of deprivation.

In Latin America the income-poor are on average more satisfied with social policy than the non-poor. This intriguing result could be caused by governments doing good things for the poor, who, as direct beneficiaries, can have a better assessment of this help than the non-poor. Alternatively, the non-poor could be better informed, and therefore can have a better knowledge on the weakness and failures of the social protection system. It is interesting to notice that the top rates of approval to social policy are in the paradigmatic cases of leftist-populist governments (Cuba, Bolivia, and Venezuela). It is impossible to disentangle from the survey whether that result is driven by a more effective social policy in these countries, or by more effective propaganda.

When considering the subjective definition of deprivation, some of the results change: the poor are now less satisfied with social policy than the non-poor. This fact may arise as a consequence of a lack of satisfaction and confidence in several dimensions of life simultaneously.

Finally, the results of microsimulations suggest that differences in population characteristics across countries can account for just a small share of the differences in perceptions about social policies.

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Appendix: Factor Analytic Methods

Factor analysis is a widely used multivariate technique in many different areas like Sociology and Psychometry, and has received considerable less attention in Economics. In this Appendix we provide a very brief treatment of the methods used in this paper. We refer to standard references like Johnson and Wichern (1998) or Hardle and Simar (2007) for details. Ferro Luzzi *et al.* (2006) is an interesting application of factor analytic methods to the study of poverty.

The main goal of a factor model is to represent the covariance structure of a group of variables in terms of a few unobservable variables labeled as *factors*. Suppose there is a group of x_1, \dots, x_p observed variables. For instance, in our case in section 7 these would be the 12 variables who are alternative measures of welfare.

An orthogonal factor model for these variables is the following

$$x_j = m_j + q_{j1} f_1 + q_{j2} f_2 + \dots + q_{jm} f_m + u_j, \quad j=1, \dots, p$$

Each variable is linearly related to m variables known as factors (f_1, \dots, f_m) plus an “error” term u_j . m_j represents an intercept, specific of each variable. Neither the factors nor the error terms are observable. Usually the number of factors is expected to be much lower than the number of variables, m . In such case, the m variables can be “represented” by the p factors. The coefficients q_{ji} , $j=1, \dots, m$, $i=1, \dots, m$, measure how each variable relates to each factor, and are called the *loading* of the i th variable on the j th factor.

Estimation of all the unknown coefficients is impossible with the information provided so far, but reexpressing the factor model in matrix terms

$$X = m + QF + u,$$

if F and u are independent, $E(F)=0$, $Cov(F)=I$, $E(u)=0$ and $Cov(u) = \Omega$ where Ω is a diagonal, then the loadings can be estimated after proper normalizations.

Table 2.1
Basic statistics
Gallup World Poll 2006

	Share of valid responses						
	Obs.	Male	Age	Children	% males	Age	Children
Latin America	17144	100.0	99.8	83.3	48.2	37.1	1.5
Argentina	1000	100.0	100.0	51.9	48.0	41.0	2.0
Bolivia	1000	100.0	100.0	99.9	49.8	35.6	1.9
Brazil	1029	100.0	100.0	100.0	48.3	36.7	1.3
Chile	1007	100.0	100.0	100.0	48.7	39.8	1.3
Colombia	1000	100.0	100.0	99.6	47.9	37.2	1.4
Costa Rica	1002	100.0	99.8	99.9	49.5	36.9	1.4
Ecuador	1067	100.0	100.0	100.0	48.9	37.5	1.7
El Salvador	1000	100.0	99.9	99.8	48.6	35.7	1.6
Guatemala	1021	100.0	99.9	99.3	47.1	36.0	1.8
Honduras	1000	100.0	100.0	0.0	48.6	34.1	
Mexico	1007	100.0	100.0	66.3	47.2	36.1	2.0
Nicaragua	1001	100.0	100.0	0.0	48.6	34.7	
Panama	1005	100.0	100.0	99.2	50.2	37.2	1.5
Paraguay	1001	100.0	99.4	99.2	47.3	37.5	2.0
Peru	1000	100.0	100.0	99.8	49.6	37.7	1.7
Uruguay	1004	100.0	100.0	99.9	47.4	43.3	1.0
Venezuela	1000	100.0	97.6	99.4	49.0	36.5	1.5
The Caribbean	4056	100.0	100.0	99.6	48.8	36.5	1.4
Cuba	1000	100.0	100.0	100.0	48.1	41.3	0.9
Dominican Republic	1000	100.0	100.0	100.0	49.1	36.9	1.7
Haiti	505	100.0	100.0	99.6	48.6	34.2	1.3
Jamaica	543	100.0	100.0	100.0	48.6	38.1	1.0
Puerto Rico	500	100.0	99.8	100.0	47.2	42.5	0.7
Trinidad & Tobago	508	100.0	100.0	97.2	49.7	38.4	0.7
LAC	21200	100.0	99.8	86.4	48.2	37.0	1.5
Geographic regions							
Eastern Asia & Pacific	19630	99.9	99.6	99.5	48.8	42.1	1.0
Eastern Europe & Central Asia	32757	100.0	99.8	95.6	48.0	41.8	0.9
Middle East & North Africa	15837	99.9	99.8	76.9	53.6	33.8	1.4
South Asia	7380	100.0	99.5	94.3	52.0	35.6	2.0
Sub-Saharan Africa	26506	100.0	99.3	0.0	49.0	34.3	
Western Europe	16073	100.0	99.3	99.5	48.0	47.0	0.6
North America	2356	100.0	98.3	99.5	47.5	46.6	0.7
Regions by income							
High income: OECD	23559	100.0	99.2	99.5	48.1	46.7	0.6
High income: nonOECD	9934	100.0	99.4	98.2	49.1	36.4	1.6
Low income	37429	100.0	99.5	38.6	51.1	35.1	2.0
Lower middle income	41219	100.0	99.9	79.9	49.2	41.0	1.0
Upper middle income	24994	100.0	99.5	87.5	48.0	39.2	1.2

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 2.2
Share of urban observations
Gallup World Poll 2006

	Gallup		Household surveys	Census	Difference with surveys		Difference with Census	
	Def. 1	Def. 2			Def. 1	Def. 2	Def. 1	Def. 2
Latin America								
Argentina	99.9	86.6	Only urban	88.5			-11.4	1.9
Bolivia	95.4	52.7		62.5	-32.8	9.8	-31.9	10.7
Brazil	81.9	73.2		82.8	0.9	9.7	0.3	9.1
Chile	99.2	84.2		86.6	-12.6	2.3	-12.9	2.1
Colombia	99.9	51.9		73.5	-26.4	21.6	-23.9	24.0
Costa Rica	84.6	56.5		59.0	-25.6	2.5	-24.5	3.5
Ecuador	96.9	60.1		66.3	-30.6	6.2	-33.0	3.7
El Salvador	74.1	56.5		59.7	-14.4	3.1	-11.7	5.8
Guatemala	95.5	38.4		45.5	-50.0	7.1	-55.2	1.9
Honduras	58.0	45.2		45.6	-12.4	0.4	-3.5	9.4
Mexico	82.9	66.5		76.6	-6.3	10.1	-8.1	8.3
Nicaragua	81.1	53.1		55.8	-25.2	2.8	-24.2	3.8
Panama	94.1	55.7		63.1	-31.0	7.3	-37.2	1.2
Paraguay	72.7	40.1		56.9	-15.9	16.7	-15.4	17.2
Peru	98.8	63.4		65.1	-33.7	1.6	-25.3	10.1
Uruguay	99.6	89.2		92.4	-7.2	3.2	-7.2	3.1
Venezuela	97.6	68.8		87.4			-10.2	18.6
The Caribbean								
Cuba	100.0	100.0		75.7			-24.3	-24.3
Dominican Republic	76.4	64.3	64.6	66.5	-11.8	0.3	-9.9	2.2
Haiti	69.7	50.2	40.6	37.0	-29.1	-9.7	-32.7	-13.3
Jamaica	94.1	37.4	44.1	57.1	-50.1	6.7	-37.1	19.7
Puerto Rico	53.8	40.7		75.9			22.1	35.2
Trinidad & Tobago	93.1	11.5		74.9			-18.2	63.4

Source: own estimates based on microdata from Gallup World Poll 2006 and Census data.

Note: We implement two definitions of urban from the Gallup data by alternatively classifying those who report living in a small town or village as urban (definition 1) or rural (definition 2).

Table 2.3
Sample of questions on perceptions
Gallup World Poll

	Question in Gallup World Poll 2006	Outer quality / Inner quality	Life chances / Life results
own life	From 0 to 10: which step comes closest to the way you feel you personally stand at the present time? (and five years ago? And in five years from	IQ	LR
	Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?	IQ	LR
	Right now, do you feel your standard of living is getting better or getting worse?	IQ	LR
	Do you feel your life has an important purpose or meaning?	OQ	LR
	Were you treated with respect all day yesterday?	OQ	LC
	Were you proud of something you did yesterday?	OQ	LR
	Did you learn or do something interesting yesterday?	IQ	LR
	Are you satisfied or dissatisfied with your job or the work you do?	IQ	LR
city / place of residence	Are you satisfied or dissatisfied with the city or area where you live?	OQ	LC
	Are you satisfied or dissatisfied with your current housing, dwelling or place you live?	OQ	LC
	Do you believe the current economic conditions in the city or area where you live are good or not?	OQ	LC
	In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?	OQ	LC
	Do you approve or disapprove of the leadership of the city or area where you live?	OQ	LC
	In the city or area where you live, do you have confidence in the local police force or not?	OQ	LC
		OQ	LC
country	From 0 to 10: tell me the number of the step on which you think [country] stands at the present time?	OQ	LC
	Can people in this country get ahead by working hard or not?	OQ	LC
	Do you believe the current economic conditions in [country] are good or not?	OQ	LC
	In [country] are you satisfied or dissatisfied with efforts to deal with the poor?	OQ	LC
	In [country] are you satisfied or dissatisfied with efforts to increase the number and quality of jobs?	OQ	LC
	Is corruption widespread throughout the government in [country] or not?	OQ	LC
	In [country], do you have confidence in National Government or not?	OQ	LC
	Do you approve or disapprove of the job performance of the leadership of this country?	OQ	LC
	Would you say the education that college students receive in this country is of superior or inferior quality than that of most countries?	OQ	LC
	Is education in [country] accessible to anybody who wants to study, regardless of their economic situation, or not?	OQ	LC
		OQ	LC
		OQ	LC

Note: The last two columns apply the Four-Qualities-of-Life Framework of Veenhoven (2000). The four categories are: (i) livability of environment (outer quality / life chances), (ii) utility of life (outer quality /life results), (iii) life-ability of person (inner quality / life chances), and (iv) satisfaction with life (inner quality /life results).

Table 2.4
LAC household surveys used for this study

Country	Name of survey	Acronym	Year	Observations	Questions on perceptions
Latin America					
Argentina	Encuesta Permanente de Hogares-Continua	EPH-C	2006	99,755	No
Bolivia	Encuesta Continua de Hogares- MECOVI	ECH	2004	38,500	Yes
Brazil	Pesquisa Nacional por Amostra de Domicilios	PNAD	2006	410,241	No
Chile	Encuesta de Caracterización Socioeconómica Nacional	CASEN	2003	257,077	No
Colombia	Encuesta de Calidad de Vida	ECV	2003	85,150	Yes
	Encuesta Continua de Hogares	ECH	2006	120,583	Yes
Costa Rica	Encuesta de Hogares de Propósitos Múltiples	EHPM	2006	77,964	No
Dominican R.	Encuesta Nacional de Fuerza de Trabajo	ENFT	2006	28,655	No
Ecuador	Encuesta de Condiciones de Vida	ECV	2006	99,605	Yes
	Encuesta de Empleo, Desempleo y Subempleo	ENEMDU	2006	77,964	No
El Salvador	Encuesta de Hogares de Propósitos Múltiples	EHPM	2004	70,558	No
Guatemala	Encuesta Nacional sobre Condiciones de Vida	ENCOVI	2000	37,771	No
	Encuesta Nacional de Empleo e Ingresos	ENEI	2004	64,638	No
Honduras	Encuesta Permanente de Hogares de Propósitos Múltiples	EHPM	2006	99,643	Yes
Mexico	Encuesta Nacional de Ingresos y Gastos de los Hogares	ENIGH	2005	94,308	No
Nicaragua	Encuesta Nacional de Hogares sobre Medición de Nivel de V	EMNV	2005	36,614	No
Panama	Encuesta de Hogares	EH	2004	52,957	No
Paraguay	Encuesta Permanente de Hogares	EPH	2006	22,733	No
Peru	Encuesta Nacional de Hogares	ENAHO	2006	90,783	Yes
Uruguay	Encuesta Continua de Hogares	ECH	2006	150,176	No
Venezuela	Encuesta de Hogares Por Muestreo	EHM	2005	165,079	No
The Caribbean					
Belice	Labour Force Survey	LFS	2001	18,796	No
Haiti	Enquête sur les Conditions de Vie en Haïti	ECVH	2001	32,965	Yes
Jamaica	Jamaica Survey of Living Conditions	JSLC	2002	18,926	Yes

Source: CEDLAS

Table 3.1
Monthly incomes in the Gallup survey
Latin America and the Caribbean, 2006
 Own estimates in US\$ PPP from original questions

	Total household income			Per capita income		
	Mean	Median	% responses	Mean	Median	% responses
Latin America	688	457	0.87	190	118	0.86
Argentina	913	722	0.80	222	184	0.80
Bolivia	364	250	0.90	95	59	0.89
Brazil	776	530	0.96	243	156	0.96
Chile	1,336	758	0.87	357	189	0.85
Costa Rica	986	855	0.80	262	202	0.80
Ecuador	521	403	0.98	127	87	0.98
El Salvador	520	407	0.85	135	94	0.85
Guatemala	380	296	0.89	90	69	0.89
Honduras	1,040	1,004	0.67	219	204	0.67
Mexico	583	452	0.78	133	98	0.75
Nicaragua	628	588	0.89	112	104	0.87
Panama	566	407	0.98	156	102	0.97
Paraguay	655	419	0.96	165	97	0.90
Peru	480	368	0.87	115	78	0.87
Uruguay	917	679	0.93	330	216	0.93
Venezuela	752	463	0.82	201	111	0.81
The Caribbean	548	322	0.83	156	78	0.83
Cuba	469	441	0.93	131	117	0.93
Dominican Republic	609	398	0.86	163	96	0.84
Haiti	263	209	0.95	69	52	0.95
Jamaica	1,101	821	0.64	365	268	0.64
Puerto Rico	1,955	1,204	0.91	602	390	0.91
Trinidad & Tobago	982	773	0.62	303	220	0.60
LAC	682	451	0.87	189	116	0.86

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 3.2
Variables by category of response to income question

	Share males			Share urban			Share with access to														
	Yes	No	t-test	Yes	No	t-test	Water			Electricity			Phone			Computer			Internet		
							Yes	No	t-test	Yes	No	t-test	Yes	No	t-test	Yes	No	t-test	Yes	No	t-test
Latin America	0.44	0.43	0.70	0.90	0.87	3.65	0.90	0.91	-0.57	0.96	0.93	4.03	0.53	0.60	-6.39	0.20	0.27	-6.82	0.08	0.12	-5.34
Argentina	0.38	0.31	1.92	1.00	1.00	-1.00	0.95	0.95	-0.14	0.99	0.99	0.20	0.55	0.77	-6.35	0.26	0.37	-2.99	0.12	0.21	-2.89
Costa Rica	0.49	0.50	-0.14	0.83	0.91	-3.20	0.96	0.99	-3.28	1.00	1.00	0.22	0.72	0.83	-3.65	0.24	0.43	-5.03	0.09	0.16	-2.69
El Salvador	0.50	0.49	0.25	0.73	0.70	0.83	0.82	0.88	-2.23	0.93	0.92	0.42	0.60	0.72	-2.92	0.13	0.12	0.55	0.04	0.03	0.74
Honduras	0.49	0.50	-0.29	0.59	0.59	-0.10	0.88	0.74	5.31	0.74	0.69	1.90	0.25	0.28	-1.10	0.10	0.09	0.18	0.02	0.02	0.45
Mexico	0.46	0.42	0.90	0.87	0.83	1.59	0.94	0.96	-1.48	0.99	1.00	-1.33	0.54	0.50	1.17	0.18	0.21	-0.92	0.08	0.10	-0.89
Venezuela	0.39	0.40	-0.14	0.97	0.99	-2.62	0.97	0.97	-0.23	0.98	0.98	0.06	0.65	0.57	2.09	0.30	0.30	-0.11	0.11	0.12	-0.18
The Caribbean	0.47	0.45	1.24	0.83	0.88	-3.61	0.83	0.90	-5.07	0.95	0.97	-4.01	0.46	0.54	-3.64	0.19	0.28	-4.77	0.11	0.19	-4.71
Jamaica	0.51	0.45	1.28	0.94	0.94	0.19	0.99	0.97	1.38	0.99	1.00	-2.01	0.43	0.55	-2.86	0.38	0.41	-0.52	0.38	0.38	-0.07
Trinidad & Tobago	0.52	0.47	1.10	0.92	0.96	-1.94	0.89	0.94	-2.36	0.97	0.99	-2.19	0.69	0.70	-0.16	0.23	0.26	-0.80	0.14	0.11	0.97
LAC	0.44	0.43	1.05	0.89	0.88	1.93	0.89	0.90	-2.54	0.95	0.94	2.37	0.52	0.59	-6.99	0.20	0.27	-8.25	0.09	0.14	-7.28

Note: Column "yes" reports variables for those who respond the income question. Column "no" reports variables for those who do not answer the income question. The t-test assesses whether the difference between the two columns is statistically significant.

Only countries with rates of non response higher than 15%

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 3.3
Per capita incomes in LCU
Mean, median and share of quintiles
 Estimates from Gallup and national household surveys

		Mean	Median	Share of quintiles				
				1	2	3	4	5
Latin America								
Argentina	Gallup	243	201	4.6	10.1	16.1	22.2	45.6
Argentina	HH survey	527	358	3.5	8.2	13.6	21.9	52.8
Bolivia	Gallup	286	176	2.7	7.3	12.3	21.0	56.7
Bolivia	HH survey	483	285	2.9	7.4	12.0	19.5	58.2
Brazil	Gallup	292	187	2.3	7.6	13.0	21.9	55.3
Brazil	HH survey	494	268	2.6	6.4	11.0	18.6	61.5
Chile	Gallup	105,968	56,182	2.0	6.3	10.7	19.4	61.6
Chile	HH survey	166,986	92,476	3.8	7.3	11.1	17.8	60.0
Costa Rica	Gallup	51,002	39,341	2.3	8.4	15.5	23.6	50.2
Costa Rica	HH survey	94,333	61,601	3.8	8.4	13.2	20.9	53.7
Ecuador	Gallup	69	47	3.7	8.7	13.6	21.6	52.3
Ecuador	HH survey	131	77	3.5	7.5	11.8	18.9	58.3
El Salvador	Gallup	69	48	1.7	7.4	13.9	22.9	54.2
El Salvador	HH survey	114	76	3.2	8.6	13.6	21.8	52.9
Guatemala	Gallup	416	319	1.7	7.9	15.0	23.1	52.3
Guatemala	HH survey	702	458	3.7	8.2	13.1	20.7	54.3
Honduras	Gallup	1,545	1,439	1.6	11.8	18.6	27.8	40.3
Honduras	HH survey	1,862	1,100	2.3	6.7	12.0	20.0	59.0
Mexico	Gallup	951	705	2.9	9.1	15.1	22.7	50.2
Mexico	HH survey	2,290	1,425	3.4	8.0	12.5	19.7	56.3
Nicaragua	Gallup	532	495	0.3	8.4	18.5	28.4	44.5
Nicaragua	HH survey	1,201	732	3.8	7.7	12.3	19.2	57.1
Panama	Gallup	100	65	1.2	6.3	13.1	22.3	57.1
Panama	HH survey	182	105	2.6	6.7	11.7	20.1	59.0
Paraguay	Gallup	260,779	154,014	1.8	5.7	11.7	21.6	59.2
Paraguay	HH survey	545,713	305,438	2.9	7.0	11.4	19.1	59.5
Peru	Gallup	160	107	2.5	7.5	13.6	22.2	54.2
Peru	HH survey	366	237	4.0	8.0	13.0	20.7	54.3
Uruguay	Gallup	3,450	2,259	3.2	7.9	13.3	22.4	53.2
Uruguay	HH survey	5,404	3,597	3.2	8.1	13.4	21.6	53.7
Venezuela	Gallup	361,028	200,276	2.4	6.6	11.4	20.2	59.4
Venezuela	HH survey	259,321	179,480	2.8	8.6	13.9	21.8	52.9
The Caribbean								
Dominican Republic	Gallup	2,167	1,271	2.1	6.8	11.8	21.4	57.9
Dominican Republic	HH survey	5,903	3,505	4.0	7.7	12.0	19.4	56.9
Haiti	Gallup	1,015	760	2.2	8.4	15.1	22.7	51.6
Haiti	HH survey	1,448	747	2.4	6.2	10.4	17.6	63.4
Jamaica	Gallup	16,262	11,922	3.1	7.7	14.0	23.5	51.7
Jamaica	HH survey	9,790	4,940	0.1	3.2	10.1	20.1	66.5

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 3.4
Ranking of LAC countries
By mean and median values of household per capita income (US\$ PPP)

	Ranking by mean		Ranking by median	
	Gallup	HH Survey	Gallup	HH Survey
1	Chile	Chile	Uruguay	Uruguay
2	Uruguay	Uruguay	Costa Rica	Argentina
3	Costa Rica	Costa Rica	Chile	Costa Rica
4	Brazil	Argentina	Argentina	Chile
5	Argentina	Dominican R.	Brazil	Dominican R.
6	Paraguay	Brazil	Nicaragua	Brazil
7	Dominican Repu	Paraguay	Panama	Mexico
8	Panama	Mexico	Mexico	Paraguay
9	El Salvador	Panama	Paraguay	Peru
10	Mexico	Peru	Dominican Repu	Panama
11	Ecuador	Nicaragua	El Salvador	Nicaragua
12	Peru	Ecuador	Ecuador	El Salvador
13	Nicaragua	El Salvador	Peru	Ecuador
14	Bolivia	Bolivia	Guatemala	Guatemala
15	Guatemala	Guatemala	Bolivia	Bolivia

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 3.5
Ranking of LAC countries
By per capita GDP and per capita income from Gallup

	GDP (NA)	Income (Gallup)
1	Trinidad and Tobago	Chile
2	Argentina	Uruguay
3	Chile	Trinidad and Tobago
4	Costa Rica	Costa Rica
5	Mexico	Brazil
6	Uruguay	Argentina
7	Brazil	Venezuela
8	Panama	Paraguay
9	Dominican Republic	Dominican Republic
10	Venezuela	Panama
11	Peru	El Salvador
12	Paraguay	Mexico
13	El Salvador	Ecuador
14	Ecuador	Peru
15	Guatemala	Nicaragua
16	Nicaragua	Bolivia
17	Bolivia	Guatemala
18	Haiti	Haiti

Table 3.6
Annual incomes in the 2006 Gallup survey
 Estimates in US\$ PPP from Gallup categorical variable

	Total household income			Per capita income		
	Mean	Median	% responses	Mean	Median	% responses
Latin America	8,127	4,772	0.87	2,722	1,559	0.87
The Caribbean	6,245	4,030	0.83	2,161	1,212	0.83
LAC	8,050	4,755	0.87	2,699	1,552	0.86
Geographic regions						
Eastern Asia & Pacific	12,039	6,209	0.85	4,632	2,190	0.84
Eastern Europe & Centre	11,848	7,757	0.83	4,586	2,911	0.79
Middle East & North Afric	35,728	30,770	0.11	13,623	12,008	0.11
South Asia	8,062	3,361	0.83	2,557	1,385	0.79
Sub-Saharan Africa	5,773	2,464	0.88			0.00
Western Europe	32,392	28,009	0.75	13,466	10,631	0.75
North America	55,820	42,526	0.91	21,932	15,744	0.91
Regions by income						
High income: OECD	41,796	30,818	0.79	16,824	11,907	0.79
High income: nonOECD	32,448	21,502	0.55	12,710	8,192	0.55
Low income	7,575	3,336	0.86	2,666	1,430	0.32
Lower middle income	9,113	5,655	0.70	3,477	1,930	0.64
Upper middle income	11,359	7,223	0.75	4,014	2,340	0.68

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 4.1
Poverty in LAC from the 2006 Gallup survey
 Poverty lines=US\$1 and 2 a day

	Headcount ratio		Poverty gap		FGT (2)	
	USD 1	USD 2	USD 1	USD 2	USD 1	USD 2
Latin America	16.5	36.5	8.6	17.5	6.0	11.6
Argentina	7.8	22.9	3.8	8.8	2.4	5.3
Bolivia	32.3	58.8	14.9	31.0	9.5	20.5
Brazil	14.0	25.7	7.5	13.7	5.3	9.6
Chile	12.1	22.0	6.1	11.6	4.0	7.9
Costa Rica	13.7	25.4	7.8	13.9	6.2	10.0
Ecuador	16.7	45.8	7.8	19.6	5.1	11.8
El Salvador	33.4	60.5	19.8	33.5	14.9	24.4
Guatemala	28.9	50.3	17.2	29.0	13.2	21.2
Honduras	16.9	23.0	13.0	16.5	11.8	14.1
Mexico	22.7	43.3	11.5	22.1	7.6	15.0
Nicaragua	35.2	59.5	24.9	35.9	22.0	28.7
Panama	18.4	32.6	12.9	19.3	10.7	15.0
Paraguay	33.9	54.9	17.7	30.7	11.8	21.9
Peru	33.1	57.8	16.5	31.1	11.0	21.4
Uruguay	9.6	25.6	3.8	11.0	2.1	6.3
Venezuela	12.8	28.8	6.3	13.3	4.2	8.6
The Caribbean	32.1	54.9	17.2	31.1	12.2	21.9
Cuba	10.9	22.4	6.9	11.6	5.5	8.4
Dominican Republic	23.3	45.4	12.1	23.4	8.5	15.9
Haiti	52.7	82.9	28.4	49.9	20.1	35.7
Jamaica	5.5	17.8	2.9	6.8	2.0	4.1
Puerto Rico	4.4	9.4	3.3	5.2	2.9	3.9
LAC	17.2	37.2	9.0	18.0	6.3	12.0

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 4.2
Poverty in LAC from the Gallup survey and household surveys

	Gallup	HH survey	Diff.
Latin America			
Argentina	22.9	8.5	14.4
Bolivia	58.8	41.6	17.2
Brazil	25.7	13.3	12.5
Chile	22.0	3.5	18.5
Costa Rica	25.4	7.0	18.4
Ecuador	45.8	29.0	16.8
El Salvador	60.5	34.4	26.1
Guatemala	50.3	32.7	17.6
Honduras	23.0	34.5	-11.5
Mexico	43.3	16.4	26.9
Nicaragua	59.5	41.3	18.2
Panama	32.6	13.8	18.8
Paraguay	54.9	23.2	31.7
Peru	57.8	25.9	31.9
Uruguay	25.6	3.7	21.9
Venezuela	28.8	27.7	1.1
The Caribbean			
Cuba	22.4		
Dominican Republic	45.4	11.6	33.8
Haiti	82.9	78.0	4.9
Jamaica	17.8	32.9	-15.0
Puerto Rico	9.4		

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 4.3
Ranking of LAC countries by poverty
Gallup and national household surveys

	Gallup	Surveys
1	Haiti	Haiti
2	El Salvador	Bolivia
3	Nicaragua	Nicaragua
4	Bolivia	El Salvador
5	Peru	Guatemala
6	Paraguay	Ecuador
7	Guatemala	Venezuela
8	Ecuador	Peru
9	Dominican R	Paraguay
10	Mexico	Mexico
11	Panama	Panama
12	Venezuela	Brazil
13	Brazil	Dominican R
14	Uruguay	Argentina
15	Costa Rica	Costa Rica
16	Argentina	Uruguay
17	Chile	Chile

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 4.4
Decomposition of the difference in poverty levels between Gallup and household surveys

	Poverty Gallup	Poverty Hh. Surveys	Total Diff.	Characteristics Effect	Constant Effect	Parameters Effect	Residual Effect
Chile	20.7	4.0	16.7	0.1	4.2	9.3	3.1
El Salvador	58.3	31.5	26.8	0.5	-5.4	32.9	-1.1
Peru	54.6	22.0	32.6	-8.9	8.2	33.5	-0.3
Uruguay	23.6	7.9	15.7	-3.7	20.9	-8.6	7.0
Venezuela	24.6	25.8	-1.2	-14.9	23.3	-12.8	3.1

Source: own estimates based on microdata from Gallup World Poll 2007 and national household surveys. See the text for an explanation.

Table 4.5
Characterization of the income poor
Household surveys and Gallup Poll

Argentina					Bolivia					Brazil				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	44.2	46.5	39.4	52.2	Share males	45.9	48.4	41.8	53.0	Share males	45.5	48.5	43.1	49.2
Family size	5.5	3.7	5.0	4.2	Family size	5.3	4.9	5.3	4.3	Family size	4.6	3.5	4.1	3.5
Children (<15)	2.2	0.8	2.7	1.8	Children (<15)	2.4	1.7	2.7	1.8	Children (<15)	1.9	0.6	1.8	1.1
Water	96.2	99.4	95.6	94.9	Water	53.1	83.4	61.1	69.0	Water	89.6	97.9	93.1	93.7
Employed	42.9	57.1	35.0	53.6	Employed	77.4	68.2	39.6	50.4	Employed	52.3	64.4	40.8	51.8
Chile					Costa Rica					Dominican Republic				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	46.4	48.6	42.0	48.4	Share males	45.0	49.4	42.3	51.7	Share males	45.8	50.0	47.1	50.6
Family size	5.2	4.2	4.8	4.1	Family size	4.6	4.3	4.7	4.0	Family size	5.3	4.2	4.7	4.1
Children (<15)	1.7	0.9	1.9	1.2	Children (<15)	1.7	1.0	2.0	1.3	Children (<15)	2.1	1.0	2.1	1.6
Water	90.4	96.4	95.0	99.8	Water	90.3	97.0	92.6	96.3	Water	54.1	75.2	63.6	74.6
Employed	32.8	54.7	35.2	48.8	Employed	33.0	58.4	34.4	48.0	Employed	35.3	57.1	18.4	46.0
Ecuador					El Salvador					Guatemala				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	47.0	49.5	32.1	53.0	Share males	48.6	45.8	49.1	49.0	Share males	48.0	47.7	47.1	48.9
Family size	5.7	4.9	5.3	4.5	Family size	5.7	4.8	4.9	4.4	Family size	6.8	5.7	5.1	4.6
Children (<15)	2.2	1.3	2.4	1.5	Children (<15)	2.3	1.4	2.1	1.6	Children (<15)	3.2	2.0	2.2	1.7
Water			90.4	94.4	Water	40.0	62.8	57.9	87.4	Water	57.9	67.8	92.7	96.8
Employed	59.9	66.6	32.5	49.8	Employed	42.2	58.1	18.6	34.7	Employed	55.2	63.6	24.7	43.5
Honduras					Mexico					Nicaragua				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	46.6	45.3	46.6	48.5	Share males	44.7	47.8	51.0	47.9	Share males	49.8	48.0	48.8	50.2
Family size	6.2	5.2	5.1	4.7	Family size	5.5	4.6	5.3	4.5	Family size	7.3	6.0	5.8	5.7
Children (<15)	2.8	1.7			Children (<15)	2.1	1.1	2.8	1.9	Children (<15)	3.1	1.8		
Water	11.5	42.9	74.6	91.3	Water	76.6	93.7	77.3	94.1	Water	31.3	70.9	55.7	81.4
Employed	49.8	58.5	23.1	39.8	Employed	47.2	62.2	35.2	49.3	Employed	52.8	62.1	12.7	46.6
Panama					Paraguay					Peru				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	48.4	49.7	48.5	51.4	Share males	50.4	49.6	50.1	48.0	Share males	48.5	49.3	39.8	53.1
Family size	6.1	4.6	4.8	4.1	Family size	6.5	5.0	6.3	4.5	Family size	5.9	5.0	5.3	4.6
Children (<15)	2.6	1.2	2.0	1.4	Children (<15)	2.9	1.5	3.4	1.7	Children (<15)	2.5	1.2	2.3	1.5
Water			88.3	97.9	Water	43.3	75.3	36.7	67.0	Water	31.9	72.6	85.0	86.4
Employed	50.0	56.5	13.8	39.3	Employed	61.1	67.3	43.7	47.6	Employed	77.1	68.1	23.2	44.5
Uruguay					Venezuela					Haiti				
	Household surveys		Gallup			Household surveys		Gallup			Household surveys		Gallup	
	Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest		Quintile 1	Rest	Quintile 1	Rest
Share males	45.8	46.2	41.5	48.4	Share males	47.2	50.4	37.1	51.7	Share males	45.5	47.7	43.9	50.8
Family size	4.9	3.3	4.5	3.0	Family size	5.8	5.1	5.5	4.2	Family size	6.1	5.0	4.3	4.1
Children (<15)	1.9	0.6	2.0	0.7	Children (<15)	2.1	1.4	2.5	1.2	Children (<15)	2.6	1.7	1.5	1.2
Water	77.6	85.1	91.7	99.2	Water	62.8	75.7	97.1	97.1	Water	9.3	15.2	28.2	51.1
Employed	40.7	54.0	34.1	53.5	Employed	42.9	61.1	26.5	51.8	Employed	37.9	45.2	46.3	61.6

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 4.6
Poverty in the regions of the world

	Headcount ratio		Poverty gap		FGT (2)	
	USD 1	USD 2	USD 1	USD 2	USD 1	USD 2
Latin America	5.3	19.3	1.8	7.0	1.0	3.7
The Caribbean	15.9	31.5	6.5	15.6	3.9	9.7
LAC	5.7	19.8	2.0	7.4	1.2	3.9
Geographic regions						
Eastern Asia & Pacific	4.7	13.3	1.8	5.4	1.1	3.1
Eastern Europe & Central Asia	3.9	10.1	1.5	4.4	0.9	2.6
South Asia	2.5	23.5	0.5	5.2	0.3	2.0
Western Europe	0.0	0.0	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0	0.0	0.0
Regions by income						
High income: OECD	0.0	0.0	0.0	0.0	0.0	0.0
High income: nonOECD	0.1	0.4	0.1	0.2	0.1	0.1
Low income	2.9	22.7	0.7	5.4	0.4	2.2
Lower middle income	5.9	16.4	2.3	6.7	1.4	3.9
Upper middle income	2.6	10.5	0.7	3.7	0.3	1.8

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 4.7
Inequality in Latin America and the Caribbean
Estimates from Gallup and household surveys

	Gallup	Hh. survey	Diff
Latin America	0.533		
Argentina	0.418	0.483	-0.065
Bolivia	0.527	0.601	-0.074
Brazil	0.523	0.564	-0.041
Chile	0.579	0.546	0.033
Costa Rica	0.477	0.492	-0.015
Ecuador	0.476	0.535	-0.059
El Salvador	0.520	0.494	0.026
Guatemala	0.502	0.524	-0.022
Mexico	0.466	0.510	-0.044
Panama	0.548	0.548	0.000
Paraguay	0.563	0.539	0.024
Peru	0.511	0.498	0.013
Uruguay	0.492	0.450	0.042
Venezuela	0.550	0.476	0.074
The Caribbean	0.592		
Cuba	0.367		
Dominican Republic	0.544	0.519	0.025
Haiti	0.483	0.592	-0.109
Jamaica	0.479		
Puerto Rico	0.524		
Trinidad & Tobago	0.482		
LAC	0.536		

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys

Table 4.8
Inequality in the world
Estimates from the Gallup World Poll

	Within regions	Across countries
Latin America	0.525	0.499
The Caribbean	0.561	0.456
LAC	0.527	0.486
Geographic regions		
Eastern Asia & Pacific	0.594	0.471
Eastern Europe & Central Asia	0.498	0.418
South Asia	0.534	0.489
Western Europe	0.402	0.340
North America	0.438	0.392
Regions by income		
High income: OECD	0.448	0.358
High income: nonOECD	0.479	0.417
Low income	0.536	0.511
Lower middle income	0.558	0.451
Upper middle income	0.523	0.431

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 5.3
Access to personal computer and Internet
Gallup survey 2006

	Computer				Internet			
	Obs. (%)	Mean	Poor	Non-poor	Obs. (%)	Mean	Poor	Non-poor
Latin America	99.1	19.3	5.4	21.4	99.6	10.1	1.0	11.5
Argentina	99.8	29.7	3.2	30.8	99.6	14.8	0.0	14.8
Bolivia	99.9	16.9	8.1	24.8	99.6	3.7	1.1	6.1
Brazil	99.7	17.3	2.5	17.7	99.9	12.6	0.5	12.9
Chile	99.4	39.8	6.7	39.9	98.9	24.1	2.5	24.4
Colombia	99.7	23.0	14.4	27.4	99.7	10.4	1.6	13.5
Costa Rica	100.0	28.8	3.1	25.6	100.0	11.5	0.0	10.0
Ecuador	100.0	25.2	7.4	30.4	100.0	5.3	0.7	6.8
El Salvador	100.0	12.7	2.2	17.6	99.5	3.2	0.6	4.5
Guatemala	99.6	11.8	2.6	15.3	99.4	3.2	0.4	4.8
Honduras	99.7	8.8	3.4	9.4	99.4	1.7	0.0	2.0
Mexico	97.3	14.5	3.4	17.7	99.9	6.3	1.7	7.5
Nicaragua	99.9	4.0	0.0	4.9	99.5	0.8	0.0	1.0
Panama	99.9	15.5	1.8	21.9	99.8	10.4	0.0	15.3
Paraguay	99.5	6.7	1.9	8.6	99.5	1.5	0.0	2.1
Peru	100.0	16.3	3.2	22.1	99.7	5.6	0.8	6.6
Uruguay	99.7	31.4	9.4	32.3	99.0	20.6	3.4	21.3
Venezuela	89.8	31.0	8.1	35.6	99.8	11.7	0.7	14.2
The Caribbean	99.8	17.0	5.1	20.7	99.5	9.9	1.5	12.0
Cuba	100.0	9.1	5.8	9.7	100.0	1.5	0.9	1.7
Dominican Republic	100.0	13.7	2.4	17.5	99.2	6.2	1.0	7.8
Haiti	98.4	12.7	6.8	17.8	98.2	5.3	1.8	8.1
Jamaica	100.0	36.4	3.2	37.5	100.0	34.9	3.2	37.0
Puerto Rico	99.8	46.1	25.8	44.5	99.6	28.4	11.3	27.4
Trinidad & Tobago	100.0	21.9	9.3	21.5	100.0	12.0	0.0	13.6
LAC	99.2	19.2	5.4	21.4	99.6	10.1	1.0	11.6
Geographic regions								
Eastern Asia & Pacific	89.4	17.2	1.2	19.3	88.8	11.1	0.4	12.3
Eastern Europe & Central /	83.8	28.1	4.7	28.5	83.3	15.3	2.0	14.8
Middle East & North Africa	24.9	46.9		62.0	24.7	28.5		34.8
South Asia	57.7	4.4	1.2	4.9	57.6	0.7	0.5	0.6
Sub-Saharan Africa	99.3	3.1			99.0	2.2		
Western Europe	37.5	75.6	100.0	73.4	37.4	66.4	100.0	65.2
North America	57.5	83.9		83.3	57.4	79.5		79.2
Regions by income								
High income: OECD	40.3	82.3	100.0	81.8	40.3	76.9	100.0	77.0
High income: nonOECD	79.5	76.1	12.0	76.3	79.2	67.1	7.1	68.7
Low income	91.0	4.5	2.4	7.4	90.6	1.9	0.8	1.3
Lower middle income	80.4	14.8	2.0	17.2	80.0	8.1	0.4	9.3
Upper middle income	79.0	24.8	4.4	26.5	79.2	14.2	1.4	15.2

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 5.4
Access to durable goods
Gallup survey 2007

	Automobile				Cable or Satellite TV				DVD player		
	Obs. (%)	Mean	Poor	Non-poor	Obs. (%)	Mean	Poor	Non-poor	Obs. (%)	Mean	Poor
Latin America	99.4	32.8	10.9	38.2	99.5	30.5	14.2	33.8	93.6	61.3	39.0
Argentina	99.1	38.9	8.7	37.4	99.6	68.4	49.9	69.0	99.5	51.3	40.7
Bolivia	99.9	25.3	11.5	31.2	99.8	19.4	4.6	25.3	99.8	49.7	29.5
Brazil	100.0	39.8	4.5	42.8	100.0	17.6	3.7	19.0	100.0	72.2	46.3
Chile	99.2	34.3	7.8	37.7	99.4	31.0	2.8	35.2	98.7	62.8	30.6
Colombia	99.3	13.7	2.7	15.1	99.1	61.5	44.6	66.0	99.2	46.0	20.3
Costa Rica	99.9	35.5	7.3	39.7	99.8	33.9	18.3	37.3	99.4	58.3	39.2
Ecuador	100.0	17.9	6.8	20.7	100.0	11.0	4.5	13.2	99.7	55.3	30.1
El Salvador	99.5	13.6	6.4	25.6	99.5	15.6	6.3	29.4	99.7	45.2	32.9
Guatemala	99.0	26.4	15.8	35.0	99.3	67.1	60.5	73.5	98.8	45.8	31.1
Honduras	95.9	16.3	10.3	18.9	97.0	36.4	26.5	40.1	96.6	23.9	16.4
Mexico	99.6	39.0	22.5	47.6	99.6	24.6	13.3	31.0	99.9	66.5	50.3
Nicaragua	100.0	14.0	4.6	21.7	99.8	27.2	14.2	38.4	99.9	38.7	24.1
Panama	99.9	31.2	11.5	36.1	100.0	12.9	4.9	14.2	100.0	69.2	36.5
Paraguay	99.5	20.5	7.5	29.2	99.6	16.7	3.8	26.0	99.6	29.5	12.2
Peru	100.0	9.1	3.5	13.2	99.8	18.3	4.8	31.5	99.6	48.3	33.6
Uruguay	99.7	29.3	6.0	30.7	100.0	46.3	24.6	49.9	99.6	40.3	29.4
Venezuela	99.3	38.5	16.1	47.2	99.7	49.3	23.4	59.1	0.0		
The Caribbean	99.3	31.8	11.4	38.0	99.5	38.0	11.7	45.4	99.4	45.4	19.3
Belize	98.0	45.3	100.0	58.6	99.2	69.5	56.7	75.1	98.4	71.0	56.7
Dominican Republic	99.5	31.7	11.5	38.2	99.5	39.7	11.9	47.6	99.6	42.1	18.6
Guyana	100.0	27.7	5.8	31.1	99.8	6.5	0.0	5.3	99.8	73.2	53.2
LAC	99.4	32.8	10.9	38.2	99.5	30.7	14.2	34.0	94.2	61.0	38.7

	Washing machine				Freezer			
	Obs. (%)	Mean	Poor	Non-poor	Obs. (%)	Mean	Poor	Non-poor
Latin America	93.7	50.2	25.7	56.3	93.8	60.3	47.1	62.6
Argentina	99.7	63.7	30.7	63.0	99.9	70.7	52.8	72.5
Bolivia	99.9	11.8	1.9	14.9	99.9	51.5	28.9	61.8
Brazil	100.0	47.1	6.8	50.4	100.0	37.6	12.7	37.8
Chile	98.7	87.6	68.4	91.9	98.9	86.8	73.1	89.9
Colombia	99.1	48.0	20.5	53.5	99.1	82.2	57.2	88.7
Costa Rica	99.7	62.3	47.9	65.5	99.9	90.8	79.8	92.4
Ecuador	99.9	31.0	11.9	37.4	100.0	83.2	64.9	89.7
El Salvador	99.4	12.8	6.2	26.9	99.9	62.5	53.9	81.8
Guatemala	99.2	19.5	11.8	24.6	99.3	60.6	45.1	72.2
Honduras	97.2	7.2	4.6	9.6	97.2	43.7	26.5	50.1
Mexico	100.0	71.0	55.4	78.7	100.0	86.2	79.1	89.8
Nicaragua	100.0	6.1	1.4	10.0	100.0	43.7	25.4	60.0
Panama	100.0	83.0	55.4	86.3	100.0	85.7	56.7	89.9
Paraguay	99.6	51.4	29.7	65.1	99.6	61.7	47.0	69.7
Peru	100.0	16.0	4.0	29.1	100.0	42.1	22.1	63.9
Uruguay	99.9	59.8	26.8	64.9	99.5	49.9	16.3	50.9
Venezuela	0.0				0.0			
The Caribbean	99.7	78.3	58.9	86.8	99.8	80.1	60.5	87.1
Belize	98.8	61.6	56.7	61.3	99.4	86.3	100.0	91.1
Dominican Republic	99.9	82.6	59.7	89.9	99.9	81.5	61.0	88.7
Guyana	100.0	35.1	18.9	44.8	100.0	61.1	35.8	60.4
LAC	94.3	50.7	26.2	56.8	94.4	60.7	47.3	62.9

Source: own estimates based on microdata from Gallup World Poll 2007.

Table 5.5
Water, electricity, telephone and PC
Gallup survey 2006 and household surveys

	Year	Water			Electricity			Telephone			PC		
		HHS	Gallup	Diff.	HHS	Gallup	Diff.	HHS	Gallup	Diff.	HHS	Gallup	Diff.
Latin America													
Argentina	2001	88.8	95.2	6.4	99.1	99.0	-0.1	64.3	57.9	-6.4	21.9	29.7	7.8
Bolivia	2004	77.8	68.9	-8.9	66.5	94.4	27.9	12.2	31.7	19.5	7.3	16.9	9.6
Brazil	2005	90.0	93.7	3.7	97.2	96.6	-0.6	48.2	53.0	4.8	18.3	17.3	-1.0
Chile	2003	95.4	99.0	3.6	98.9	99.3	0.4	82.6	83.7	1.1	24.7	39.8	15.1
Colombia	2003	79.8	97.9	18.1	89.3	99.5	10.2	54.6	65.3	10.7	11.3	23.0	11.7
Costa Rica	2004	95.7	96.2	0.5	98.9	99.7	0.8	64.5	73.1	8.6	24.0	28.8	4.8
Ecuador	2003	86.0	93.5	7.5	95.0	99.6	4.6	35.0	55.7	20.7	-	25.2	
El Salvador	2004	59.0	82.6	23.6	79.6	93.7	14.1	37.5	61.9	24.4	6.0	12.7	6.7
Guatemala	2000	68.6	96.0	27.4	73.0	93.7	20.7	14.2	70.8	56.6	4.3	11.8	7.5
Honduras	2006	-	83.2		78.2	72.1	-6.1	19.9	24.3	4.4	7.5	8.8	1.3
Mexico	2005	90.7	91.8	1.1	98.9	98.4	-0.5	51.2	46.8	-4.4	18.4	14.5	-3.9
Nicaragua	2001	61.8	77.5	15.7	72.8	76.8	4.0	9.5	32.3	22.8	1.8	4.0	2.2
Panama	2003	-	96.0		-	92.3		33.3	40.0	6.7	13.1	15.5	2.4
Paraguay	2005	74.6	61.1	-13.5	94.7	95.6	0.9	18.6	17.8	-0.8	8.7	6.7	-2.0
Peru	2006	65.9	85.6	19.7	77.0	92.2	15.2	27.8	34.2	6.4	22.1	16.3	-5.8
Uruguay	2005	98.8	97.9	-0.9	-	98.4		-	76.6		22.1	31.4	9.3
Venezuela	2005	-	97.2		-	98.4		33.2	62.8	29.6	-	31.0	
The Caribbean													
Dominican Republic	2006	71.9	73.9	2.0	90.1	95.7	5.6	27.8	31.3	3.5	11.9	13.7	1.8
Haiti	2001	14.2	45.5	31.3	30.8	72.2	41.4	4.0	22.3	18.3	0.9	12.7	11.8
Jamaica	2002	44.1	98.1	54.0	86.7	99.2	12.5	45.7	45.9	0.2	7.3	36.4	29.1
Average		74.3	86.5	12.2	83.9	93.4	9.5	36.0	48.4	12.4	12.9	19.8	6.9

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Table 5.6
Index of access to water, electricity, telephone, personal computer
internet and a cell phone
LAC distribution
Gallup survey 2006

	Quintiles of Index					Total
	1	2	3	4	5	
Latin America						
Argentina	2.5	16.9	20.4	30.5	29.7	100.0
Bolivia	26.0	26.6	16.3	14.2	16.8	100.0
Brazil	28.7	17.8	21.8	14.2	17.6	100.0
Chile	1.1	10.7	18.4	29.3	40.6	100.0
Colombia	2.0	15.7	15.1	43.8	23.4	100.0
Costa Rica	2.4	17.4	39.2	12.1	28.9	100.0
Ecuador	4.4	22.8	14.4	33.2	25.3	100.0
El Salvador	14.9	22.7	4.6	44.9	12.8	100.0
Guatemala	6.7	20.5	3.7	57.0	12.1	100.0
Honduras	33.1	30.3	11.6	16.6	8.4	100.0
Mexico	22.6	23.4	28.6	11.0	14.4	100.0
Nicaragua	31.2	35.8	3.5	15.0	14.5	100.0
Panama	9.5	22.1	24.5	15.8	28.0	100.0
Paraguay	37.6	26.2	19.2	6.3	10.7	100.0
Peru	17.2	39.8	6.4	15.4	21.3	100.0
Uruguay	2.3	12.3	7.3	29.3	48.8	100.0
Venezuela	24.3	8.4	19.9	16.6	30.9	100.0
The Caribbean						
Cuba	3.7	43.9	1.5	41.9	9.1	100.0
Dominican Republic	23.8	23.2	21.3	17.1	14.5	100.0
Haiti	49.3	14.9	13.4	9.5	12.9	100.0
Jamaica	2.1	13.7	32.3	15.2	36.6	100.0
Puerto Rico	0.3	8.0	12.1	17.8	61.9	100.0
Trinidad & Tobago	5.9	16.0	9.5	26.1	42.5	100.0

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 5.7
Multidimensional deprivation
Gallup survey 2006

	%
Latin America	
Argentina	32.4
Bolivia	38.4
Brazil	38.0
Chile	27.4
Colombia	35.3
Costa Rica	32.8
Ecuador	34.5
El Salvador	40.2
Guatemala	40.5
Honduras	42.3
Mexico	39.5
Nicaragua	44.2
Panama	39.0
Paraguay	43.1
Peru	38.5
Uruguay	31.4
Venezuela	31.9
The Caribbean	
Cuba	41.9
Dominican Republic	39.4
Haiti	40.2
Jamaica	29.2
Puerto Rico	24.9
Trinidad & Tobago	36.1

Source: own estimates based on microdata from Gallup World Poll 2006.

Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Table 5.8
Index of access to water, electricity, telephone, personal computer
internet and a cell phone
World distribution
Gallup survey 2006

	Quintiles of Asset Index					Total
	1	2	3	4	5	
Geographic Regions						
Latin America & The Caribbean	6.9	17.3	31.2	24.8	19.8	100.0
Eastern Asia & Pacific	18.4	23.7	17.7	21.5	18.7	100.0
Eastern Europe & Central Asia	9.9	11.1	24.9	26.0	28.1	100.0
Middle East & North Africa	7.7	7.6	14.3	21.0	49.4	100.0
South Asia	53.6	16.0	19.2	5.4	5.9	100.0
Sub-Saharan Africa	52.3	19.9	14.8	4.9	8.1	100.0
Western Europe	0.0	1.0	5.8	16.6	76.7	100.0
North America	0.0	0.0	4.1	10.5	85.4	100.0
Regions by Income						
High Income: OECD	0.0	0.8	4.6	11.2	83.4	100.0
High Income: non OECD	0.4	1.5	7.8	13.5	76.7	100.0
Low Income	47.4	20.1	17.3	7.0	8.2	100.0
Lower Middle Income	18.3	23.4	19.0	23.0	16.2	100.0
Upper Middle Income	5.1	14.5	29.9	25.2	25.3	100.0

Source: own estimates based on microdata from Gallup World Poll 2006

Table 5.9
Multidimensional deprivation
Gallup survey 2006

Geographic Regions	
Latin America & The Caribbean	37.2
Eastern Asia & Pacific	41.3
Eastern Europe & Central Asia	27.0
Middle East & North Africa	19.9
South Asia	70.6
Sub-Saharan Africa	73.1
Western Europe	0.8
North America	0.0
Regions by Income	
High Income: OECD	0.6
High Income: non OECD	3.3
Low Income	69.6
Lower Middle Income	41.7
Upper Middle Income	32.1

Source: own estimates based on microdata from Gallup World Poll 2006

Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Table 5.10
Multidimensional deprivation
Gallup survey 2006 and 2007

	2006	2007
Latin America		
Argentina	32.4	34.5
Bolivia	38.4	37.8
Brazil	38.0	36.2
Chile	27.4	30.0
Colombia	35.3	38.8
Costa Rica	32.8	35.6
Ecuador	34.5	39.4
El Salvador	40.2	44.9
Guatemala	40.5	36.9
Honduras	42.3	45.1
Mexico	39.5	37.7
Nicaragua	44.2	46.2
Panama	39.0	41.8
Paraguay	43.1	46.8
Peru	38.5	42.0
Uruguay	31.4	36.1
Venezuela	31.9	33.4
The Caribbean		
Belize	-	28.1
Cuba	41.9	-
Dominican Republic	39.4	36.3
Guyana	-	37.6
Haiti	40.2	-
Jamaica	29.2	-
Puerto Rico	24.9	-
Trinidad & Tobago	36.1	-
LAC	37.2	37.2

Source: own estimates based on microdata from Gallup World Poll 2006 and 2007.

Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Table 5.11
Multidimensional deprivation

	Gallup	Hh surveys
LAC	37.2	37.2
Latin America	34.3	34.7
Argentina	9.3	16.5
Bolivia	72.6	62.6
Brazil	14.5	17.2
Chile	5.5	9.2
Colombia	7.6	20.1
Costa Rica	9.4	17.9
Ecuador	19.1	29.3
El Salvador	45.2	54.9
Guatemala	26.0	55.8
Honduras	76.8	65.2
Mexico	23.1	14.9
Nicaragua	74.9	71.0
Panama	32.8	27.6
Paraguay	81.7	35.5
Peru	40.6	44.0
Uruguay	10.3	12.9
The Caribbean	52.2	50.8
Dominican Republic	61.8	38.7
Haiti	86.8	82.0
Jamaica	7.9	31.8

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Note: based on access to water, electricity, telephone and a personal computer.

Table 5.12
Ranking of multidimensional deprivation

	Gallup	Hh surveys
1	Haiti	Haiti
2	Paraguay	Nicaragua
3	Honduras	Honduras
4	Nicaragua	Bolivia
5	Bolivia	Guatemala
6	Dominican Republic	El Salvador
7	El Salvador	Peru
8	Peru	Dominican Republic
9	Panama	Paraguay
10	Guatemala	Jamaica
11	Mexico	Ecuador
12	Ecuador	Panama
13	Brazil	Colombia
14	Uruguay	Costa Rica
15	Costa Rica	Brazil
16	Argentina	Argentina
17	Jamaica	Mexico
18	Colombia	Uruguay
19	Chile	Chile

Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Note: based on access to water, electricity, telephone and a personal computer.

Table 6.1
Specific questions on subjective welfare
Gallup Poll 2006

WP16	Please imagine a ladder/mountain with steps numbered from zero at the bottom to ten at the top. Suppose we say that the top of the ladder/mountain represents the best possible life for you and the bottom of the ladder/mountain represents the worst possible life for you. If the top step is 10 and the bottom step is 0, on which step of the ladder/mountain do you feel you personally stand at the present time?
WP17	Please imagine a ladder/mountain with steps numbered from zero at the bottom to ten at the top. Suppose we say that the top of the ladder/mountain represents the best possible life for you and the bottom of the ladder/mountain represents the worst possible life for you. On which step of the ladder/mountain would you say you stood 5 years ago?
WP18	Please imagine a ladder/mountain with steps numbered from zero at the bottom to ten at the top. Suppose we say that the top of the ladder/mountain represents the best possible life for you and the bottom of the ladder/mountain represents the worst possible life for you. Just your best guess, on which step do you think you will stand on in the future, say 5 years from now?
WP30	Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?
WP40	Have there been times in the past twelve months when you did not have enough money to buy food that you or your family needed?
WP43	Have there been times in the past twelve months when you did not have enough money to provide adequate shelter or housing for you and your family?
WP44	Have there been times in the past twelve months when you or your family have gone hungry?

Table 6.2
Basic descriptive statistics on subjective welfare

Country	wp16	wp17	wp18	wp30	wp40	wp43	wp44
Latin America	5.97	5.64	7.19	0.67	0.67	0.81	0.81
Argentina	6.34	5.70	7.60	0.66	0.76	0.91	0.89
Bolivia	5.40	4.85	7.05	0.70	0.59	0.73	0.73
Brazil	6.53	5.66	8.61	0.67	0.75	0.74	
Chile	6.28	5.89	7.45	0.70	0.78	0.90	0.87
Colombia	6.06	5.65	7.91	0.72	0.68	0.80	0.84
Costa Rica	7.09	6.79	7.72	0.78	0.73	0.87	0.93
Ecuador	5.15	5.29	6.23	0.67	0.65	0.81	0.76
El Salvador	5.65	5.83	5.49	0.61	0.60	0.85	0.77
Guatemala	6.07	5.94	6.87	0.73	0.77	0.90	0.83
Honduras	5.52	4.94	7.11	0.69	0.59	0.76	0.70
Mexico	6.73	6.27	7.69	0.72	0.67	0.81	
Nicaragua	5.07	5.00	6.25	0.63	0.56	0.76	0.71
Panama	6.24	5.61	8.12	0.64	0.69	0.83	0.85
Paraguay	4.84	5.64	5.17	0.46	0.64	0.86	0.85
Peru	5.07	4.62	6.75	0.53	0.53	0.77	0.71
Uruguay	5.66	5.60	6.83	0.60	0.72	0.88	0.89
Venezuela	7.32	6.23	8.47	0.81	0.59	0.64	
The Caribbean	5.50	5.13	7.23	0.56	0.62	0.78	0.70
Cuba	5.46	4.73	7.09	1.00			
Dominican Republic	5.21	4.71	7.76	0.57	0.53	0.79	0.66
Haiti	3.81	4.10	5.09	0.40	0.37	0.41	0.25
Jamaica	6.31	5.23	8.29	0.53	0.75	0.93	0.79
Puerto Rico	6.62	7.02	7.41	0.79	0.74	0.83	0.94
Trinidad & Tobago	5.76	5.68	7.32	0.51	0.75	0.91	0.87
LAC	5.88	5.54	7.19	0.65	0.66	0.81	0.79
High income: OECD	7.10	6.56	7.60	0.83	0.91	0.92	0.98
High income: nonOECD	6.36	6.06	7.19	0.76	0.89	0.91	0.95
Low income	4.45	3.91	6.52	0.48	0.54	0.72	0.58
Lower middle income	4.97	4.51	6.47	0.58	0.69	0.77	0.83
Upper middle income	5.69	5.37	6.81	0.55	0.74	0.82	0.89
East Asia & Pacific	5.62	5.06	6.84	0.74	0.78	0.82	0.92
Europe & Central Asia	5.11	4.79	6.22	0.48	0.76	0.79	0.93
Middle East & North Africa	5.29	4.92	6.69	0.71	0.82	0.84	0.93
North America	7.36	6.55	8.12	0.82	0.90	0.94	
South Asia	5.03	4.26	6.68	0.73	0.75	0.77	0.75
Sub-Saharan Africa	4.24	3.75	6.50	0.39	0.46	0.73	0.51
Western Europe	7.18	6.66	7.63	0.86	0.91	0.91	0.99

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.3
Subjective welfare rankings

best possible life -today- Ranking (wp16)	best possible life -past- Ranking (wp17)	best possible life -expectations- Ranking (wp18)	living standard satisfaction Ranking (wp30)	money to buy food Ranking (wp40)	money to provide housing Ranking (wp43)	have not gone hungry Ranking (wp44)	household per capita income Ranking
Venezuela	Puerto Rico	Brazil	Venezuela	Chile	Jamaica	Puerto Rico	Puerto Rico
Costa Rica	Costa Rica	Venezuela	Puerto Rico	Guatemala	Argentina	Costa Rica	Chile
Mexico	Mexico	Jamaica	Costa Rica	Argentina	Trinidad & Tobago	Uruguay	Jamaica
Puerto Rico	Venezuela	Panama	Guatemala	Jamaica	Chile	Argentina	Trinidad & Tobago
Brazil	Guatemala	Colombia	Mexico	Trinidad & Tobago	Guatemala	Trinidad & Tobago	Uruguay
Argentina	Chile	Dominican Republic	Colombia	Brazil	Uruguay	Chile	Costa Rica
Jamaica	El Salvador	Costa Rica	Bolivia	Puerto Rico	Costa Rica	Panama	Paraguay
Chile	Argentina	Mexico	Chile	Costa Rica	Paraguay	Paraguay	Argentina
Panama	Trinidad & Tobago	Argentina	Honduras	Uruguay	El Salvador	Colombia	Brazil
Guatemala	Brazil	Chile	Ecuador	Panama	Panama	Guatemala	Venezuela
Colombia	Colombia	Puerto Rico	Brazil	Ecuador	Puerto Rico	Jamaica	Panama
Trinidad & Tobago	Paraguay	Trinidad & Tobago	Argentina	Mexico	Ecuador	El Salvador	Dominican Republic
Uruguay	Panama	Honduras	Panama	Ecuador	Panama	Mexico	El Salvador
El Salvador	Uruguay	Cuba	Nicaragua	Paraguay	Colombia	Bolivia	Mexico
Honduras	Ecuador	El Salvador	El Salvador	El Salvador	Dominican Republic	Nicaragua	Nicaragua
Cuba	Jamaica	Bolivia	Uruguay	Bolivia	Peru	Peru	Ecuador
Bolivia	Nicaragua	Uruguay	Dominican Republic	Venezuela	Nicaragua	Honduras	Cuba
Dominican Republic	Honduras	Peru	Peru	Honduras	Honduras	Dominican Republic	Peru
Ecuador	Bolivia	Nicaragua	Jamaica	Nicaragua	Brazil	Haiti	Guatemala
Peru	Cuba	Ecuador	Trinidad & Tobago	Dominican Republic	Bolivia	(Brazil is out of the ranking)	Bolivia
Nicaragua	Dominican Republic	El Salvador	Paraguay	Paru	Venezuela	(Cuba is out of the ranking)	Haiti
Paraguay	Peru	Paraguay	Haiti	Haiti	Haiti	(Mexico is out of the ranking)	(Honduras is out of the ranking)
Haiti	Haiti	Haiti	(Cuba is out of the ranking)	(Cuba is out of the ranking)	(Cuba is out of the ranking)	(Venezuela is out of the ranking)	(Colombia is out of the ranking)

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.4
Spearman correlations between measures of subjective welfare

	wp16	wp17	wp18	wp30	wp40	wp43	wp44	income
wp16	1.000							
wp17	0.768	1.000						
wp18	0.693	0.217	1.000					
wp30	0.613	0.636	0.307	1.000				
wp40	0.794	0.740	0.446	0.425	1.000			
wp43	0.631	0.616	0.339	0.047	0.858	1.000		
wp44	0.765	0.814	0.330	0.435	0.751	0.670	1.000	
income	0.546	0.503	0.342	-0.013	0.571	0.702	0.692	1.000

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.5
Distribution of subjective welfare

Country	Mean	Median	% responses	Answers to question wp16										
				0	1	2	3	4	5	6	7	8	9	10
Latin America	5.84	6	99%	2.7	2.2	3.4	6.5	8.7	25.3	11.3	12.2	12.7	4.8	8.8
Argentina	6.31	7	100%	1.1	1.1	2.3	3.4	5.8	21.4	13.6	21.4	19.7	5.7	7.4
Bolivia	5.37	5	99%	1.5	1.2	2.8	6.1	11.3	37.4	16.7	9.1	8.7	1.7	2.7
Brazil	6.64	7	99%	2.0	1.4	3.1	3.7	5.0	18.8	9.4	14.4	19.5	6.2	15.7
Chile	6.06	6	100%	1.1	2.4	2.4	4.0	8.6	26.3	13.3	15.6	12.6	4.1	9.3
Colombia	6.03	6	100%	2.1	2.6	3.0	6.5	7.8	23.3	9.6	15.4	15.0	4.7	9.6
Costa Rica	7.08	7	98%	0.8	1.0	0.6	2.3	4.0	15.7	11.5	14.9	22.7	10.8	14.0
Ecuador	5.02	5	100%	3.5	5.1	5.8	9.1	11.8	30.3	9.6	8.8	8.0	2.4	5.4
El Salvador	5.70	5	98%	1.5	1.9	3.3	6.8	10.4	27.4	13.5	11.7	11.2	4.0	6.2
Guatemala	5.90	5	99%	1.5	0.8	2.0	5.5	9.2	30.8	12.7	12.7	12.3	4.1	6.8
Honduras	5.40	5	97%	5.2	3.6	5.1	9.3	9.3	23.3	11.0	6.7	7.8	4.1	11.5
Mexico	6.58	7	98%	0.7	1.2	2.3	5.2	6.9	17.4	10.4	13.5	19.8	11.8	8.7
Nicaragua	4.46	5	97%	9.3	5.2	7.2	14.1	11.8	21.1	6.4	5.0	6.4	2.4	6.4
Panama	6.13	6	99%	2.6	0.9	2.3	4.5	7.7	26.2	13.0	13.7	11.7	5.8	10.7
Paraguay	4.73	5	99%	3.2	2.9	6.3	9.9	12.6	41.3	7.8	7.6	3.7	1.3	2.5
Peru	4.81	5	99%	4.8	3.3	6.7	10.7	13.6	27.6	10.8	8.5	6.4	1.5	4.2
Uruguay	5.79	6	100%	2.8	2.1	2.1	6.7	8.3	25.4	12.9	16.9	13.9	3.2	5.5
Venezuela	7.17	8	99%	2.9	0.8	1.0	3.1	3.6	15.7	9.5	12.5	15.9	7.5	26.8
The Caribbean	5.43	5	99%	4.1	3.7	5.2	8.5	10.4	21.3	12.2	11.3	9.9	4.3	7.9
Cuba	5.42	5	99%	1.7	3.9	3.5	6.7	11.4	27.0	16.0	13.0	9.4	3.2	3.6
Dominican Republic	5.09	5	98%	10.9	4.9	5.6	8.5	7.4	20.0	8.9	6.5	9.0	3.9	11.9
Haiti	3.75	4	99%	2.0	6.5	18.2	21.0	19.6	15.5	7.5	4.8	2.8	0.9	1.2
Jamaica	6.21	6	99%	0.3	0.5	1.3	6.9	10.0	15.4	17.1	23.3	12.2	6.7	4.6
Puerto Rico	6.59	7	100%	2.9	3.0	2.2	2.9	6.0	19.5	8.6	12.5	16.5	8.3	17.5
Trinidad & Tobago	5.83	5	99%	2.8	2.0	2.1	6.8	10.2	26.1	14.1	10.0	10.9	4.1	10.4
LAC	5.76	5	99%	3.0	2.5	3.8	6.9	9.0	24.5	11.4	12.1	12.1	4.7	8.7
High income: OECD	7.00	7	99%	1.0	0.6	0.8	2.1	3.0	13.2	10.3	23.0	28.2	9.5	7.2
High income: nonOECD	6.28	6	99%	1.1	1.0	1.4	3.9	6.4	20.8	17.5	19.1	16.6	6.0	5.1
Low income	4.34	4	99%	1.6	4.3	9.4	16.1	18.9	27.1	11.2	5.1	2.8	0.8	1.3
Lower middle income	4.89	5	99%	3.1	3.6	6.4	11.3	14.3	26.2	12.8	9.5	6.6	2.0	3.1
Upper middle income	5.60	5	99%	2.0	2.5	4.1	8.0	10.3	24.4	13.0	13.8	11.1	4.0	5.6
East Asia & Pacific	4.95	5	99%	1.8	3.5	4.8	8.6	12.0	34.5	16.5	9.5	5.1	1.0	1.5
Europe & Central Asia	4.94	5	99%	2.3	3.0	5.8	11.8	14.0	27.6	12.6	10.7	6.6	2.1	2.1
Middle East & North Africa	4.82	5	99%	3.3	3.8	7.2	11.4	17.6	21.1	13.2	10.5	6.8	2.1	2.4
South Asia	4.83	5	97%	1.0	2.9	5.7	12.1	18.1	31.8	11.0	5.4	4.4	1.5	3.6
Sub-Saharan Africa	4.10	4	99%	2.0	5.1	11.6	18.7	20.0	22.1	10.4	4.7	2.5	0.8	0.8

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.6
Cumulative distribution of subjective welfare

Country	head count Income	Answers to question wp16										ranking by poverty Income	ranking by 4th step	ranking by 5th step	
		0	1	2	3	4	5	6	7	8	9				10
Latin America	0.365	2.8	5.0	8.5	15.1	23.9	49.5	60.9	73.4	86.2	91.0	100.0			
Argentina	0.229	1.1	2.2	4.5	7.9	13.6	35.1	48.7	70.2	89.9	95.6	100.0	3	2	5
Bolivia	0.588	1.5	2.7	5.5	11.7	23.0	60.8	77.7	86.9	95.6	97.3	100.0	15	12	15
Brazil	0.257	2.0	3.4	6.6	10.3	15.4	34.3	43.8	58.3	77.9	84.2	100.0	6	3	2
Chile	0.220	1.1	3.6	6.0	10.0	18.6	45.0	58.3	73.9	86.6	90.7	100.0	2	8	8
Colombia		2.1	4.7	7.7	14.2	22.0	45.4	55.0	70.5	85.6	90.4	100.0		10	9
Costa Rica	0.254	0.8	1.8	2.0	4.7	8.8	24.8	36.5	51.6	74.7	85.7	100.0	4	1	1
Ecuador	0.458	3.5	8.6	14.5	23.6	35.4	65.7	75.3	84.1	92.2	94.6	100.0	11	16	16
El Salvador	0.605	1.5	3.4	6.9	13.8	24.4	52.4	66.1	78.1	89.6	93.7	100.0	16	13	13
Guatemala	0.503	1.5	2.3	4.3	9.9	19.3	50.5	63.5	76.4	89.0	93.1	100.0	12	9	11
Mexico	0.433	0.7	1.9	4.3	9.7	16.7	34.5	45.1	58.9	79.1	91.1	100.0	9	4	3
Panama	0.326	2.7	3.6	5.9	10.4	18.1	44.6	57.8	71.6	83.4	89.2	100.0	8	6	7
Paraguay	0.549	3.2	6.1	12.5	22.5	35.2	76.9	84.7	92.4	96.1	97.4	100.0	13	15	18
Peru	0.578	4.9	8.3	15.1	26.1	39.9	68.0	79.0	87.7	94.2	95.8	100.0	14	18	17
Uruguay	0.256	2.8	4.9	7.0	13.7	22.0	47.5	60.4	77.3	91.3	94.5	100.0	5	14	12
Venezuela	0.288	2.9	3.8	4.8	7.9	11.5	27.3	36.9	49.5	65.6	73.0	100.0	7	11	10
The Caribbean	0.549	4.1	7.7	12.9	21.5	31.9	53.5	66.0	77.7	87.6	92.0	100.0			
Dominican Republic	0.454	10.4	15.3	21.0	29.7	37.3	58.2	67.5	74.8	84.1	88.3	100.0	10	17	14
Haiti	0.829	2.0	8.4	26.9	48.3	67.9	83.8	91.4	96.2	99.0	100.0	100.0	17	19	19
Jamaica		0.4	0.9	2.1	8.8	18.3	34.5	53.7	76.3	88.2	95.5	100.0		7	4
Puerto Rico	0.094	3.8	6.8	8.6	11.8	17.0	36.3	43.9	57.1	72.7	80.2	100.0	1	5	6
LAC	0.372	3.0	5.4	9.2	16.0	25.0	49.9	61.7	73.8	86.4	91.1	100.0			

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.7
Subjective and income-based poverty

Country	head count Income	best possible life wp16	living standard satisfaction		money to buy food		money to provide housing		have not gone hungry		poverty by 5th step of wp16
			wp30	wp40	wp43	wp44					
Latin America	0.365	0.217	0.332	0.330	0.186	0.188	0.188	0.188	0.495		
Argentina	0.229	0.141	0.343	0.244	0.089	0.113	0.113	0.351			
Bolivia	0.588	0.223	0.296	0.407	0.273	0.271	0.271	0.608			
Brazil	0.257	0.172	0.333	0.255	0.262			0.343			
Chile	0.220	0.158	0.301	0.220	0.096	0.134	0.134	0.450			
Colombia		0.213	0.279	0.324	0.204	0.159	0.159	0.454			
Costa Rica	0.254	0.088	0.224	0.265	0.126	0.074	0.074	0.248			
Ecuador	0.458	0.331	0.327	0.347	0.187	0.238	0.238	0.657			
El Salvador	0.605	0.254	0.391	0.396	0.147	0.234	0.234	0.524			
Guatemala	0.503	0.164	0.270	0.233	0.100	0.173	0.173	0.505			
Mexico	0.433	0.143	0.278	0.331	0.191			0.345			
Panama	0.326	0.169	0.358	0.308	0.167	0.146	0.146	0.446			
Paraguay	0.549	0.339	0.539	0.358	0.139	0.151	0.151	0.769			
Peru	0.578	0.342	0.467	0.468	0.227	0.290	0.290	0.680			
Uruguay	0.256	0.243	0.402	0.277	0.119	0.112	0.112	0.475			
Venezuela	0.288	0.101	0.192	0.410	0.363			0.273			
The Caribbean	0.549	0.307	0.438	0.384	0.221	0.301	0.301	0.536			
Dominican Republic	0.454	0.360	0.430	0.466	0.206	0.337	0.337	0.582			
Haiti	0.829	0.672	0.601	0.632	0.590	0.755	0.755	0.838			
Jamaica	0.178	0.162	0.467	0.251	0.072	0.208	0.208	0.345			
Puerto Rico	0.094	0.170	0.213	0.259	0.167	0.055	0.055	0.363			
LAC	0.372	0.234	0.348	0.338	0.191	0.208	0.208	0.499			

Source: own estimates based on microdata from Gallup World Poll 2006

Table 6.8
Subjective-based poverty profiles
Latin America and the Caribbean

	Income		best possible life -today-		living standard satisfaction		money to buy food		money to provide housing		have not gone hungry	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Population share by age												
[16,25]	0.39	0.61	0.19	0.81	0.30	0.70	0.30	0.70	0.16	0.84	0.19	0.81
[26,40]	0.41	0.59	0.25	0.75	0.39	0.61	0.36	0.64	0.19	0.81	0.23	0.77
[41,64]	0.35	0.65	0.29	0.71	0.41	0.59	0.37	0.63	0.18	0.82	0.21	0.79
[65+]	0.36	0.64	0.31	0.69	0.34	0.66	0.32	0.68	0.15	0.85	0.19	0.81
Mean age	38.19	39.94	42.05	37.92	40.10	38.31	39.58	38.64	38.98	38.95	39.18	38.90
Share males	0.42	0.47	0.46	0.45	0.46	0.45	0.43	0.46	0.44	0.45	0.44	0.46
Family size	4.97	3.92	4.45	4.23	4.39	4.23	4.58	4.14	4.57	4.23	4.59	4.21
Children (<12)	2.09	1.09	1.57	1.42	1.55	1.40	1.72	1.32	1.70	1.40	1.72	1.39
Water	0.79	0.94	0.81	0.91	0.84	0.91	0.82	0.92	0.80	0.91	0.77	0.92
Employed	0.36	0.48	0.38	0.44	0.42	0.42	0.39	0.44	0.40	0.43	0.37	0.43

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 6.9
Specific questions on subjective welfare
National household surveys

Country	Questions	
	Comparando su nivel de vida con el de los demás hogares de esta ciudad o localidad, usted piensa que su hogar se encuentra entre los: mas pobres, medianamente pobres, en el medio, medianamente ricos, mas ricos	1
Bolivia	Con los ingresos que perciben en su hogar, usted piensa que viven: muy bien, bien, regular, mal, muy mal?	2
	Durante los ultimos 12 meses el nivel de vida para su hogar: mejoro, se mantuvo igual o empeoro?	3
	Los ingresos de su hogar: no alcanzan a cubrir los gastos minimos, solo alcanzan a cubrirlos, cubren mas que los gastos minimos	1
Colombia	Actualmente las condiciones de vida en su hogar son: muy buenas, buenas, regulares, malas	2
	Usted piensa que el nivel de vida actual de su hogar respecto del que tenia 5 años atras es: mejor, igual, peor	3
	Usted considera que su hogar es pobre: si, no	1
Ecuador	Con los ingresos del hogar, Usted estima que viven: bien, mas o menos bien o mal	2
	Durante los ultimos 12 meses el nivel de vida para su hogar: mejoro, esta igual o empeoro?	3
	Usted considera que su hogar es: muy pobre, pobre, no pobre	1
Honduras	Como se siente usted con la situacion economica de su hogar: insatisfecho, poco satisfecho, satisfecho	2
	En los ultimos 12 meses el nivel de vida para su hogar: mejoro, siguió igual o empeoro?	3
	Usted considera que su hogar se ubica en una escala de 1 a 5: 1. +pobre a 5.+ rico	1
Peru	Con los ingresos del hogar, Usted estima que viven: muy bien, bien, mal, muy mal	2
	En el curso del ultimo año el nivel de vida para su hogar: mejoro, esta igual o empeoro?	3

Source: own estimates based on SEDLAC

Note: 1 = subjective poverty; 2 = current living conditions; 3 = past living conditions

Table 6.10
Poverty profiles
National household surveys

Subjective Poverty

	Bolivia 2004		Colombia 2003		Ecuador 2006		Honduras* 2006		Peru 2006	
	Poor	Non poor	Poor	Non poor	Poor	Non poor	Poor	Non poor	Poor	Non poor
-Total Households	9,126		22,944		13,578		21,076		20,567	
-Responses	9,029		22,911		13,578		4,052		19,149	
% of responses	98.9		99.9		100.0		19.2		93.1	
Demographic										
- Population share	72.7	27.3	92.1	7.9	66.7	33.3	79.6	20.4	71.1	28.9
- Mean Age	41.5	39.4	45.1	43.7	46.7	46.6	47.6	45.5	48.9	48.0
- Poverty by age										
[15,24]	69.0	31.0	92.5	7.5	69.5	30.5	75.9	24.1	70.0	30.0
[25,40]	71.0	29.0	91.0	9.0	67.1	32.9	78.4	21.6	70.6	29.4
[41,64]	74.6	25.4	92.4	7.6	65.3	34.7	79.2	20.8	70.4	29.6
[65+]	78.1	21.9	94.1	5.9	68.8	31.2	84.6	15.4	73.8	26.2
- Family size	4.2	4.0	3.9	3.1	4.2	3.7	4.9	4.4	4.3	4.0
- Children under 12	2.1	1.7	1.5	1.0	1.9	1.4	2.1	1.7	1.9	1.3
- Dependency rate	2.1	1.9	1.9	1.5	1.7	1.7	2.3	2.0	1.9	1.7
- Female head of hh	24.3	21.7	31.3	25.6	21.2	20.4	28.1	27.1	22.0	20.0
Human Capital										
- Years of education	6.2	10.1	6.6	12.1	6.5	10.8	4.2	8.1	6.1	10.5
- Literacy rate	82.7	94.9	90.3	98.6	85.5	97.2	74.0	92.8	80.4	95.9
Labor										
- In the labor force	82.7	76.8	66.5	75.1	90.5	89.0	80.4	83.0	82.2	71.3
- Employed	79.8	74.4	61.2	72.8	89.0	88.0	79.6	82.3	80.4	69.1
- Unemployment rate	3.5	3.1	7.7	3.0	1.7	1.0	1.0	0.9	2.2	3.1
- Work hours	47.3	48.2	41.9	46.0	44.3	48.2	45.6	47.9	42.7	46.9
Area										
Population share										
- Rural	82.3	17.7	97.4	2.6	82.9	17.1	87.7	12.3	88.8	11.2
- Urban	66.5	33.5	90.4	9.6	58.4	41.6	71.1	28.9	60.4	39.6
Distribution										
- Rural	44.4	25.4	26.0	8.2	42.3	17.5	56.7	31.1	47.1	14.6
- Urban	55.6	74.6	74.0	91.8	57.7	82.5	43.3	68.9	52.9	85.4
Income										
- Household pc income	432	1,126	334,717	1,575,283	139	317	1,457	3,967	267	634
- Gini coefficient	0.478	0.525	0.567	0.558	0.551	0.484	0.557	0.545	0.439	0.457

Objective Poverty (2USD)

	Bolivia 2004		Colombia 2003		Ecuador 2006		Honduras* 2006		Peru 2006	
	Poor	Non poor	Poor	Non poor	Poor	Non poor	Poor	Non poor	Poor	Non poor
	33.7	66.3	18.5	81.5	16.7	83.3	29.8	70.2	24.6	75.4
	43.4	39.6	43.6	45.3	47.5	46.5	46.4	45.4	47.2	49.7
	25.6	74.4	18.3	81.7	13.9	86.1	22.5	77.5	21.0	79.0
	32.2	67.8	17.3	82.7	14.3	85.7	30.0	70.0	27.8	72.2
	35.2	64.8	12.5	87.5	11.0	89.0	25.9	74.1	18.6	81.4
	47.4	52.6	15.3	84.7	17.3	82.7	32.7	67.3	20.0	80.0
	4.7	3.9	4.5	3.7	4.7	4.0	5.3	4.3	5.1	4.0
	2.8	1.6	2.3	1.3	2.8	1.6	2.8	1.6	2.6	1.4
	2.7	1.8	3.1	1.8	2.2	1.6	3.0	1.8	2.7	1.7
	23.1	23.8	31.7	30.7	23.0	20.6	31.1	33.6	16.9	23.5
	4.4	8.7	4.2	7.6	4.9	8.4	2.9	6.4	4.4	8.5
	74.0	92.2	79.3	93.0	75.3	91.7	62.6	86.5	71.1	89.8
	84.7	79.3	61.8	68.1	87.2	90.3	71.9	79.0	88.2	75.9
	82.2	76.3	51.1	64.1	82.6	89.5	71.0	78.3	86.7	73.9
	2.9	3.7	17.1	5.7	5.3	0.9	1.3	0.9	1.8	2.7
	45.8	48.5	36.1	43.1	36.7	47.0	44.0	49.1	38.4	46.5
	57.2	42.8	29.8	70.2	25.9	74.1	46.3	53.7	47.3	52.7
	18.6	81.4	10.3	89.7	6.9	93.1	14.6	85.4	8.1	91.9
	66.5	25.3	48.7	20.3	65.9	28.9	70.4	31.9	75.5	23.3
	33.5	74.7	51.3	79.7	34.1	71.1	29.6	68.1	24.5	76.7
	119	844	25,831	518,789	25	228	344	3,056	85	469
	0.265	0.477	0.367	0.588	0.232	0.523	0.330	0.474	0.195	0.420

Source: own estimates based on SEDLAC

(*) Response rate is low (19%).

Table 6.11
Living Standards
National household surveys

	Bolivia* 2004	Colombia 2003	Ecuador 2006	Honduras* 2006	Peru 2006
Living standards					
<i>Current</i>					
- Mean	3.02	2.50	1.92	2.23	2.56
- Median	3.00	3.00	2.00	2.00	3.00
- % of responses	19.83	99.85	100.00	19.37	89.06
<i>Past</i>					
- Mean	1.94	2.06	1.67	2.00	1.91
- Median	2.00	2.00	2.00	2.00	2.00
- % of responses	98.72	99.85	100.00	19.46	89.05
<i>Mean according to</i>					
- Objective poverty (2USD)					
Poor	2.83	2.14	1.68	2.05	2.38
Non-poor	3.10	2.57	1.95	2.28	2.62
Diff.	0.27	0.42	0.28	0.22	0.24
- Subjective poverty					
Poor	2.89	2.45	1.77	2.15	2.46
Non-poor	3.24	3.18	2.20	2.56	2.81
Diff.	0.36	0.74	0.43	0.41	0.34

Source: own estimates based on SEDLAC

Note: *Current LS*: Ecuador and Honduras have 3 categories
Bolivia, Colombia and Peru 4 categories

Past LS: Every country has 3 categories

(*) Response rate is low.

Table 7.1
Description of variables

Variable	Description
wp16	life today
wp17	life 5 years ago
wp18	life in 5 years
wp30	standard of living
wp40	not enough money: food
income	per capita income (in PPP US\$)
water	
electricity	
phone	
pc	
internet	
cell phone	

Table 7.2
Correlations

	wp16	wp17	wp18	wp30	wp40	income	water	electricity	phone	pc	internet	cell phone
wp16	1.00											
wp17	0.40	1.00										
wp18	0.58	0.17	1.00									
wp30	-0.28	-0.09	-0.23	1.00								
wp40	0.23	0.12	0.16	-0.24	1.00							
income	0.21	0.15	0.14	-0.14	0.20	1.00						
water	0.17	0.11	0.14	-0.11	0.15	0.15	1.00					
electricity	0.11	0.08	0.08	-0.07	0.13	0.10	0.26	1.00				
phone	0.21	0.17	0.11	-0.15	0.20	0.26	0.25	0.20	1.00			
pc	0.19	0.12	0.16	-0.12	0.19	0.36	0.15	0.10	0.32	1.00		
internet	0.17	0.11	0.15	-0.11	0.16	0.42	0.10	0.07	0.26	0.61	1.00	
cell phone	0.18	0.09	0.20	-0.09	0.13	0.21	0.10	0.15	0.15	0.26	0.23	1.00

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 7.3
Correlations among welfare indicators

	Subjective	Non-Monetary	Income
Subjective	1		
Non-Monetary	0.348	1	
Income	0.279	0.460	1

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 7.4
Correlations among deprivation indices

	Subjective	Non-Monetary	Income
Subjective	1		
Non-Monetary	0.486	1	
Income	0.433	0.428	1

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 7.5
Factor analysis results

a) Unrotated Factor Analysis

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	3.117	1.659	0.260	0.260
Factor2	1.458	0.275	0.122	0.381
Factor3	1.184	0.196	0.099	0.480
Factor4	0.987	0.063	0.082	0.562
Factor5	0.925	0.110	0.077	0.639
Factor6	0.814	0.080	0.068	0.707
Factor7	0.734	0.025	0.061	0.768
Factor8	0.709	0.019	0.059	0.827
Factor9	0.690	0.042	0.058	0.885
Factor10	0.648	0.265	0.054	0.939
Factor11	0.383	0.032	0.032	0.971
Factor12	0.351	.	0.029	1.000

b) Rotated Factory Analysis (orthogonal varimax rotation)

Factor	Variance	Difference	Proportion	Cumulative
Factor1	2.208	0.156	0.184	0.184
Factor2	2.052	0.553	0.171	0.355
Factor3	1.499	.	0.125	0.480

c) Rotated Factor Loadings

Variable	Factor1	Factor2	Factor3	Uniqueness
wp16	0.116	0.856	0.086	0.246
wp17	0.071	0.529	0.096	0.706
wp18	0.080	0.774	-0.003	0.394
wp30	-0.083	-0.485	-0.129	0.741
wp40	0.222	0.319	0.294	0.763
income	0.653	0.156	0.110	0.538
water	0.061	0.112	0.719	0.467
electricity	0.009	0.012	0.762	0.420
phone	0.402	0.121	0.492	0.582
pc	0.817	0.083	0.088	0.318
internet	0.844	0.064	-0.014	0.283
cell phone	0.396	0.201	0.144	0.783

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 7.6
Implicit poverty lines

	Enough money to buy food	Satisfaction with living standard
p*=0.5	37.0	
p*=0.659	163.1	
p*=0.637		177.4

Source: own estimates based on microdata from Gallup World Poll 2006.

Table 8.1
Proportion of respondents who believe that economic conditions in the city are good

	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.53	76%	0.47	0.56	-0.09	0.47	0.56	-0.09	0.40	0.61	-0.21
Argentina	0.61	90%	0.50	0.63	-0.13	0.62	0.60	0.02	0.44	0.67	-0.22
Bolivia	0.57	88%	0.54	0.59	-0.05	0.56	0.58	-0.02	0.49	0.62	-0.13
Brazil		0%									
Chile	0.52	94%	0.35	0.56	-0.21	0.45	0.54	-0.09	0.41	0.58	-0.16
Colombia	0.58	95%	0.56	0.61	-0.05	0.55	0.59	-0.03	0.45	0.63	-0.17
Costa Rica	0.61	91%	0.52	0.61	-0.10	0.48	0.64	-0.17	0.41	0.64	-0.23
Ecuador	0.51	96%	0.47	0.55	-0.08	0.46	0.54	-0.08	0.42	0.61	-0.19
El Salvador	0.41	93%	0.36	0.47	-0.12	0.33	0.47	-0.14	0.30	0.57	-0.27
Guatemala	0.56	94%	0.51	0.60	-0.09	0.52	0.58	-0.06	0.47	0.61	-0.14
Honduras	0.51	94%	0.53	0.49	0.04	0.52	0.51	0.01	0.44	0.59	-0.15
Mexico		0%									
Nicaragua	0.50	90%	0.45	0.58	-0.13	0.42	0.65	-0.22	0.42	0.65	-0.23
Panama	0.61	93%	0.45	0.68	-0.23	0.48	0.69	-0.21	0.40	0.70	-0.30
Paraguay	0.35	94%	0.27	0.40	-0.14	0.29	0.48	-0.19	0.23	0.54	-0.31
Peru	0.39	90%	0.38	0.40	-0.02	0.36	0.43	-0.06	0.33	0.47	-0.14
Uruguay	0.38	93%	0.36	0.40	-0.04	0.38	0.38	-0.01	0.32	0.41	-0.09
Venezuela		0%									
The Caribbean	0.41	90%	0.31	0.51	-0.20	0.30	0.53	-0.22	0.30	0.61	-0.32
Cuba	0.32	84%	0.26	0.32	-0.06	0.34	0.29	0.05			
Dominican Republic	0.46	92%	0.35	0.54	-0.18	0.40	0.52	-0.12	0.34	0.59	-0.25
Haiti	0.30	93%	0.27	0.40	-0.13	0.21	0.48	-0.27	0.27	0.56	-0.28
Jamaica	0.54	92%	0.17	0.58	-0.41	0.28	0.61	-0.33	0.25	0.67	-0.42
Puerto Rico	0.62	89%	0.52	0.61	-0.10	0.47	0.64	-0.17	0.38	0.70	-0.32
Trinidad & Tobago	0.56	91%				0.58	0.55	0.02	0.40	0.66	-0.26
LAC	0.52	79%	0.45	0.56	-0.10	0.45	0.56	-0.11	0.39	0.61	-0.22

B. LAC vs. other regions of the world

	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.53	76%	0.48	0.54	-0.06
The Caribbean	0.41	90%	0.25	0.46	-0.22
LAC	0.52	79%	0.45	0.53	-0.08
Eastern Asia & Pacific	0.62	79%	0.43	0.65	-0.22
Eastern Europe & Central Asia	0.43	72%	0.46	0.42	0.04
Middle East & North Africa	0.40	18%			
South Asia	0.69	55%	0.58	0.72	-0.13
Sub-Saharan Africa	0.38	96%			
Western Europe	0.75	35%			
North America	0.81	57%			
Regions by income					
High income: OECD	0.64	38%			
High income: nonOECD	0.75	73%			
Low income	0.50	83%	0.56	0.76	-0.20
Lower middle income	0.59	72%	0.42	0.62	-0.20
Upper middle income	0.49	60%	0.53	0.49	0.04

Source: own estimates based on microdata from Gallup World Poll 2006, question wp87.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.2
Proportion of respondents who believe that economic conditions in the country are good

	Total sample		% yes according to deprivation status								
	% satisfied	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.31	93%	0.27	0.33	-0.06	0.31	0.30	0.01	0.25	0.34	-0.10
Argentina	0.43	88%	0.40	0.44	-0.03	0.55	0.39	0.16	0.37	0.44	-0.07
Bolivia	0.38	89%	0.37	0.36	0.01	0.39	0.36	0.03	0.35	0.39	-0.05
Brazil	0.28	93%	0.26	0.29	-0.03	0.33	0.25	0.09	0.23	0.29	-0.06
Chile	0.56	95%	0.40	0.61	-0.21	0.49	0.58	-0.09	0.43	0.62	-0.18
Colombia	0.37	94%	0.35	0.38	-0.03	0.40	0.36	0.05	0.35	0.37	-0.02
Costa Rica	0.25	92%	0.25	0.23	0.03	0.31	0.23	0.07	0.21	0.26	-0.05
Ecuador	0.14	97%	0.16	0.14	0.02	0.16	0.14	0.02	0.11	0.17	-0.06
El Salvador	0.12	93%	0.11	0.13	-0.02	0.11	0.13	-0.02	0.07	0.17	-0.10
Guatemala	0.28	96%	0.28	0.27	0.01	0.29	0.28	0.01	0.26	0.27	0.00
Honduras	0.26	92%	0.28	0.21	0.07	0.29	0.20	0.09	0.17	0.31	-0.14
Mexico	0.32	93%	0.27	0.41	-0.14	0.30	0.34	-0.03	0.28	0.36	-0.08
Nicaragua	0.14	92%	0.12	0.16	-0.04	0.13	0.15	-0.03	0.12	0.16	-0.04
Panama	0.32	93%	0.25	0.34	-0.09	0.29	0.34	-0.05	0.22	0.36	-0.14
Paraguay	0.09	97%	0.06	0.09	-0.02	0.09	0.09	0.00	0.05	0.12	-0.07
Peru	0.15	94%	0.13	0.17	-0.04	0.14	0.17	-0.03	0.11	0.25	-0.15
Uruguay	0.27	91%	0.28	0.27	0.01	0.31	0.26	0.05	0.22	0.29	-0.08
Venezuela	0.47	90%	0.43	0.48	-0.05	0.48	0.46	0.01	0.30	0.52	-0.22
The Caribbean	0.29	71%	0.26	0.34	-0.08	0.27	0.32	-0.05	0.26	0.37	-0.11
Cuba		0%									
Dominican Republic	0.38	95%	0.32	0.45	-0.13	0.40	0.36	0.04	0.34	0.43	-0.08
Haiti	0.22	94%	0.21	0.23	-0.01	0.18	0.32	-0.15	0.23	0.34	-0.12
Jamaica	0.23	96%	0.19	0.20	-0.01	0.17	0.24	-0.07	0.15	0.26	-0.11
Puerto Rico	0.10	96%	0.09	0.10	-0.01	0.14	0.09	0.05	0.04	0.12	-0.08
Trinidad & Tobago	0.41	90%				0.37	0.42	-0.05	0.36	0.50	-0.14
LAC	0.31	89%	0.27	0.33	-0.07	0.31	0.31	0.00	0.25	0.34	-0.09

	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.31	93%	0.27	0.32	-0.05
The Caribbean	0.29	71%	0.23	0.32	-0.09
LAC	0.31	89%	0.26	0.32	-0.06
Eastern Asia & Pacific	0.44	71%	0.37	0.45	-0.07
Eastern Europe & Central Asia	0.30	86%	0.47	0.28	0.18
Middle East & North Africa	0.40	68%			
South Asia	0.61	91%	0.66	0.61	0.05
Sub-Saharan Africa	0.35	95%			
Western Europe	0.42	93%			
North America	0.55	99%			
Regions by income					
High income: OECD	0.45	94%			
High income: nonOECD	0.72	92%			
Low income	0.55	89%	0.66	0.64	0.02
Lower middle income	0.32	72%	0.29	0.33	-0.04
Upper middle income	0.34	90%	0.32	0.34	-0.01

Source: own estimates based on microdata from Gallup World Poll 2006, question wp147.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.3
Proportion of respondents who think that people can get ahead by working hard

A. LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.81	98%	0.84	0.79	0.04	0.84	0.79	0.04	0.80	0.81	-0.01
Argentina	0.87	97%	0.95	0.87	0.08	0.95	0.85	0.10	0.82	0.88	-0.06
Bolivia	0.95	99%	0.95	0.95	0.00	0.95	0.97	-0.02	0.95	0.96	-0.01
Brazil	0.68	99%	0.72	0.68	0.03	0.73	0.65	0.07	0.68	0.69	-0.01
Chile	0.87	99%	0.86	0.88	-0.02	0.86	0.87	-0.02	0.82	0.89	-0.07
Colombia	0.86	100%	0.86	0.83	0.03	0.90	0.84	0.05	0.84	0.87	-0.03
Costa Rica	0.93	98%	0.94	0.92	0.03	0.95	0.92	0.03	0.89	0.94	-0.04
Ecuador	0.90	100%	0.89	0.91	-0.02	0.92	0.89	0.03	0.87	0.93	-0.07
El Salvador	0.73	98%	0.73	0.71	0.03	0.76	0.71	0.05	0.64	0.74	-0.10
Guatemala	0.82	98%	0.78	0.87	-0.09	0.78	0.84	-0.06	0.81	0.83	-0.02
Honduras	0.93	100%	0.98	0.90	0.08	0.94	0.90	0.04	0.88	0.95	-0.07
Mexico	0.88	99%	0.89	0.90	0.00	0.86	0.90	-0.03	0.82	0.89	-0.07
Nicaragua	0.92	97%	0.90	0.95	-0.05	0.91	0.94	-0.03	0.90	0.96	-0.06
Panama	0.94	98%	0.93	0.94	-0.01	0.95	0.94	0.01	0.91	0.95	-0.04
Paraguay	0.79	97%	0.76	0.81	-0.05	0.78	0.83	-0.05	0.76	0.81	-0.05
Peru	0.92	99%	0.91	0.92	-0.01	0.93	0.90	0.03	0.91	0.93	-0.03
Uruguay	0.78	97%	0.81	0.78	0.03	0.85	0.77	0.08	0.71	0.82	-0.10
Venezuela	0.93	99%	0.93	0.93	0.00	0.95	0.93	0.02	0.84	0.95	-0.11
The Caribbean	0.85	96%	0.90	0.81	0.09	0.89	0.81	0.08	0.88	0.85	0.03
Cuba	0.46	91%	0.46	0.43	0.02	0.48	0.43	0.05			
Dominican Republic	0.85	99%	0.87	0.84	0.03	0.89	0.80	0.09	0.83	0.87	-0.04
Haiti	0.93	94%	0.93	0.93	0.01	0.94	0.91	0.03	0.95	0.84	0.10
Jamaica	0.75	98%	0.65	0.78	-0.13	0.77	0.75	0.02	0.58	0.80	-0.23
Puerto Rico	0.84	97%	0.85	0.84	0.01	0.94	0.83	0.12	0.79	0.84	-0.06
Trinidad & Tobago	0.90	97%				0.95	0.89	0.06	0.93	0.92	0.01
LAC	0.81	98%	0.84	0.79	0.05	0.84	0.79	0.05	0.81	0.81	-0.01

B. LAC vs. other regions of the world					
	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.81	98%	0.84	0.80	0.03
The Caribbean	0.85	96%	0.91	0.83	0.08
LAC	0.81	98%	0.84	0.81	0.04
Eastern Asia & Pacific	0.81	73%	0.94	0.78	0.16
Eastern Europe & Central Asia	0.67	66%	0.75	0.62	0.13
Middle East & North Africa	0.85	75%			
South Asia	0.94	98%	0.93	0.95	-0.02
Sub-Saharan Africa	0.86	97%			
Western Europe	0.80	96%			
North America	0.83	99%			
Regions by income					
High income: OECD	0.78	96%			
High income: nonOECD	0.87	96%			
Low income	0.92	94%	0.92	0.94	-0.02
Lower middle income	0.85	70%	0.89	0.83	0.06
Upper middle income	0.75	85%	0.79	0.72	0.07

Source: own estimates based on microdata from Gallup World Poll 2006, question wp128.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.4
Proportion of respondents with confidence in the local police force

	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.44	95%	0.46	0.43	0.03	0.48	0.42	0.07	0.42	0.45	-0.03
Argentina	0.46	95%	0.56	0.45	0.10	0.59	0.42	0.16	0.46	0.44	0.02
Bolivia	0.31	96%	0.31	0.30	0.01	0.34	0.28	0.06	0.29	0.32	-0.03
Brazil	0.41	96%	0.43	0.40	0.03	0.50	0.36	0.13	0.39	0.41	-0.02
Chile	0.57	97%	0.50	0.59	-0.09	0.49	0.58	-0.09	0.49	0.61	-0.12
Colombia	0.57	95%	0.57	0.55	0.03	0.62	0.55	0.07	0.54	0.58	-0.04
Costa Rica	0.49	92%	0.52	0.50	0.02	0.52	0.48	0.04	0.51	0.48	0.03
Ecuador	0.39	98%	0.42	0.37	0.06	0.40	0.39	0.00	0.41	0.37	0.04
El Salvador	0.59	97%	0.65	0.48	0.17	0.71	0.51	0.20	0.54	0.54	0.00
Guatemala	0.43	96%	0.45	0.42	0.03	0.48	0.41	0.06	0.37	0.42	-0.05
Honduras	0.36	94%	0.36	0.34	0.01	0.37	0.35	0.02	0.32	0.38	-0.06
Mexico	0.44	98%	0.42	0.44	-0.02	0.47	0.42	0.05	0.40	0.46	-0.05
Nicaragua	0.54	95%	0.51	0.58	-0.07	0.55	0.50	0.05	0.59	0.48	0.11
Panama	0.56	93%	0.57	0.55	0.01	0.56	0.57	-0.01	0.50	0.58	-0.08
Paraguay	0.54	92%	0.55	0.51	0.04	0.58	0.48	0.10	0.49	0.57	-0.08
Peru	0.34	96%	0.35	0.35	0.00	0.36	0.32	0.04	0.33	0.37	-0.04
Uruguay	0.53	96%	0.55	0.53	0.03	0.63	0.51	0.13	0.46	0.55	-0.08
Venezuela	0.45	96%	0.46	0.44	0.02	0.46	0.43	0.03	0.38	0.46	-0.07
The Caribbean	0.56	71%	0.62	0.51	0.11	0.60	0.51	0.09	0.59	0.53	0.06
Cuba		0%									
Dominican Republic	0.50	95%	0.59	0.44	0.16	0.60	0.40	0.20	0.54	0.46	0.08
Haiti	0.68	95%	0.68	0.71	-0.03	0.66	0.71	-0.06	0.67	0.79	-0.11
Jamaica	0.46	95%	0.29	0.48	-0.19	0.27	0.53	-0.26	0.28	0.54	-0.26
Puerto Rico	0.68	95%	0.56	0.68	-0.13	0.68	0.68	0.00	0.49	0.71	-0.22
Trinidad & Tobago	0.34	92%				0.32	0.35	-0.03	0.29	0.39	-0.09
LAC	0.45	91%	0.47	0.43	0.04	0.49	0.42	0.07	0.43	0.45	-0.02

B. LAC vs. other regions of the world

	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.44	95%	0.44	0.44	0.00
The Caribbean	0.56	71%	0.59	0.57	0.02
LAC	0.45	91%	0.45	0.44	0.00
Eastern Asia & Pacific	0.79	67%	0.84	0.78	0.06
Eastern Europe & Central Asia	0.46	86%	0.53	0.41	0.12
Middle East & North Africa	0.68	44%			
South Asia	0.61	91%	0.62	0.62	0.01
Sub-Saharan Africa	0.56	90%			
Western Europe	0.77	93%			
North America	0.81	99%			
Regions by income					
High income: OECD	0.77	93%			
High income: nonOECD	0.75	64%			
Low income	0.60	83%	0.62	0.63	-0.01
Lower middle income	0.68	70%	0.68	0.67	0.00
Upper middle income	0.46	91%	0.42	0.43	-0.01

Source: own estimates based on microdata from Gallup World Poll 2006, question wp112.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.5
Proportion of respondents with confidence in national government

A. LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.41	94%	0.43	0.40	0.04	0.46	0.38	0.08	0.37	0.43	-0.06
Argentina	0.56	92%	0.72	0.54	0.18	0.71	0.51	0.20	0.53	0.57	-0.04
Bolivia	0.56	95%	0.57	0.54	0.03	0.54	0.59	-0.05	0.57	0.54	0.03
Brazil	0.35	97%	0.43	0.33	0.09	0.46	0.29	0.18	0.31	0.35	-0.04
Chile	0.61	95%	0.62	0.63	-0.01	0.69	0.60	0.10	0.58	0.63	-0.06
Colombia	0.51	94%	0.49	0.50	0.00	0.60	0.48	0.12	0.52	0.51	0.01
Costa Rica	0.40	94%	0.45	0.41	0.03	0.46	0.39	0.07	0.35	0.42	-0.07
Ecuador	0.12	99%	0.15	0.10	0.04	0.15	0.11	0.04	0.13	0.13	0.00
El Salvador	0.39	94%	0.42	0.32	0.11	0.51	0.32	0.19	0.29	0.35	-0.05
Guatemala	0.41	95%	0.42	0.43	-0.01	0.41	0.42	-0.01	0.38	0.41	-0.03
Honduras	0.46	95%	0.62	0.44	0.18	0.52	0.35	0.17	0.47	0.45	0.02
Mexico	0.46	94%	0.44	0.49	-0.05	0.46	0.46	0.00	0.41	0.47	-0.06
Nicaragua	0.23	95%	0.23	0.21	0.03	0.25	0.19	0.06	0.19	0.28	-0.09
Panama	0.40	90%	0.44	0.37	0.08	0.45	0.37	0.08	0.36	0.41	-0.05
Paraguay	0.32	95%	0.33	0.27	0.05	0.34	0.28	0.06	0.26	0.37	-0.11
Peru	0.17	96%	0.21	0.13	0.08	0.19	0.14	0.06	0.14	0.23	-0.10
Uruguay	0.70	93%	0.69	0.71	-0.02	0.75	0.68	0.07	0.61	0.73	-0.12
Venezuela	0.54	92%	0.64	0.51	0.13	0.62	0.48	0.14	0.43	0.56	-0.13
The Caribbean	0.49	91%	0.49	0.53	-0.04	0.54	0.45	0.08	0.45	0.49	-0.05
Cuba	0.59	87%	0.61	0.60	0.02	0.56	0.62	-0.06			
Dominican Republic	0.66	97%	0.66	0.67	-0.01	0.70	0.62	0.08	0.66	0.64	0.02
Haiti	0.42	85%	0.42	0.45	-0.03	0.45	0.40	0.05	0.38	0.49	-0.11
Jamaica	0.19	91%	0.22	0.20	0.02	0.13	0.21	-0.08	0.13	0.23	-0.10
Puerto Rico	0.30	94%	0.30	0.31	-0.01	0.43	0.28	0.15	0.21	0.30	-0.09
Trinidad & Tobago	0.34	93%				0.33	0.35	-0.02	0.23	0.41	-0.17
LAC	0.41	94%	0.44	0.40	0.04	0.46	0.38	0.08	0.37	0.43	-0.06

B. LAC vs. other regions of the world					
	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.41	94%	0.43	0.41	0.02
The Caribbean	0.49	91%	0.52	0.50	0.02
LAC	0.41	94%	0.44	0.41	0.03
Eastern Asia & Pacific	0.61	71%	0.76	0.60	0.17
Eastern Europe & Central Asia	0.43	87%	0.61	0.38	0.24
Middle East & North Africa	0.57	31%			
South Asia	0.70	91%	0.77	0.70	0.07
Sub-Saharan Africa	0.47	90%			
Western Europe	0.44	92%			
North America	0.54	99%			
Regions by income					
High income: OECD	0.47	93%			
High income: nonOECD	0.63	73%			
Low income	0.65	86%	0.77	0.71	0.05
Lower middle income	0.55	67%	0.58	0.53	0.06
Upper middle income	0.46	88%	0.48	0.43	0.06

Source: own estimates based on microdata from Gallup World Poll 2006, question wp139.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.6
Proportion of respondents who think that corruption is widespread in the country

A. LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.78	91%	0.79	0.77	0.02	0.76	0.79	-0.03	0.80	0.77	0.03
Argentina	0.84	91%	0.82	0.85	-0.03	0.72	0.88	-0.17	0.86	0.84	0.02
Bolivia	0.73	90%	0.73	0.74	-0.01	0.71	0.74	-0.03	0.70	0.76	-0.06
Brazil	0.75	94%	0.73	0.75	-0.02	0.71	0.76	-0.05	0.79	0.74	0.06
Chile	0.59	91%	0.54	0.61	-0.07	0.57	0.60	-0.03	0.62	0.59	0.03
Colombia	0.80	90%	0.81	0.80	0.01	0.80	0.80	-0.01	0.79	0.80	-0.01
Costa Rica	0.81	92%	0.84	0.80	0.04	0.78	0.82	-0.04	0.82	0.80	0.02
Ecuador	0.94	99%	0.92	0.95	-0.04	0.94	0.93	0.00	0.94	0.93	0.02
El Salvador	0.83	77%	0.84	0.82	0.02	0.83	0.83	0.00	0.84	0.84	0.00
Guatemala	0.74	96%	0.72	0.75	-0.03	0.69	0.76	-0.08	0.77	0.73	0.04
Honduras	0.86	90%	0.83	0.89	-0.06	0.84	0.88	-0.04	0.88	0.83	0.05
Mexico	0.80	94%	0.81	0.79	0.02	0.78	0.83	-0.05	0.73	0.83	-0.10
Nicaragua	0.89	92%	0.90	0.89	0.02	0.88	0.92	-0.03	0.89	0.87	0.02
Panama	0.91	93%	0.93	0.90	0.03	0.92	0.90	0.02	0.96	0.90	0.06
Paraguay	0.86	89%	0.88	0.87	0.01	0.86	0.86	0.00	0.90	0.80	0.10
Peru	0.93	97%	0.92	0.95	-0.03	0.91	0.94	-0.03	0.92	0.93	-0.02
Uruguay	0.37	86%	0.34	0.37	-0.04	0.29	0.38	-0.08	0.42	0.34	0.08
Venezuela	0.68	84%	0.70	0.67	0.03	0.58	0.71	-0.13	0.74	0.67	0.07
The Caribbean	0.80	67%	0.79	0.78	0.01	0.78	0.82	-0.04	0.80	0.80	0.00
Cuba		0%									
Dominican Republic	0.69	88%	0.67	0.68	-0.01	0.68	0.71	-0.03	0.69	0.69	0.00
Haiti	0.84	84%	0.83	0.88	-0.05	0.83	0.85	-0.01	0.83	0.88	-0.05
Jamaica	0.96	91%	0.99	0.95	0.04	0.96	0.95	0.01	0.97	0.95	0.02
Puerto Rico	0.94	92%	0.89	0.94	-0.05	0.89	0.95	-0.06	0.95	0.94	0.01
Trinidad & Tobago	0.90	92%				0.92	0.89	0.03	0.92	0.88	0.04
LAC	0.78	86%	0.79	0.77	0.02	0.76	0.79	-0.03	0.80	0.77	0.03

B. LAC vs. other regions of the world					
	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.78	91%	0.79	0.78	0.02
The Caribbean	0.80	67%	0.78	0.80	-0.02
LAC	0.78	86%	0.79	0.78	0.02
Eastern Asia & Pacific	0.81	61%	0.88	0.80	0.08
Eastern Europe & Central Asia	0.88	80%	0.82	0.90	-0.08
Middle East & North Africa	0.78	41%			
South Asia	0.83	88%	0.87	0.82	0.04
Sub-Saharan Africa	0.82	91%			
Western Europe	0.63	84%			
North America	0.62	96%			
Regions by income					
High income: OECD	0.64	86%			
High income: nonOECD	0.53	57%			
Low income	0.82	83%	0.85	0.81	0.05
Lower middle income	0.88	65%	0.87	0.91	-0.04
Upper middle income	0.82	87%	0.79	0.82	-0.03

Source: own estimates based on microdata from Gallup World Poll 2006, question wp146.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.7
Proportion of respondents who think that education in the country is accessible to anybody who wants to study

LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.53	86%	0.55	0.52	0.03	0.56	0.50	0.06	0.49	0.52	-0.03
Argentina	0.58	97%	0.66	0.58	0.08	0.68	0.55	0.13	0.52	0.58	-0.05
Bolivia	0.63	98%	0.65	0.61	0.04	0.61	0.65	-0.04	0.63	0.62	0.01
Brazil	0.50	99%	0.59	0.47	0.12	0.58	0.45	0.12	0.48	0.49	0.00
Chile	0.42	99%	0.50	0.42	0.08	0.52	0.40	0.13	0.40	0.41	0.00
Colombia	0.45	98%	0.46	0.42	0.04	0.53	0.43	0.10	0.45	0.43	0.01
Costa Rica	0.80	97%	0.77	0.80	-0.03	0.81	0.79	0.02	0.73	0.81	-0.08
Ecuador	0.64	100%	0.65	0.65	0.00	0.65	0.64	0.01	0.62	0.67	-0.05
El Salvador	0.54	96%	0.56	0.47	0.10	0.60	0.49	0.11	0.43	0.52	-0.09
Guatemala	0.52	97%	0.55	0.49	0.06	0.50	0.53	-0.03	0.50	0.51	-0.01
Honduras		0%									
Mexico	0.54	96%	0.47	0.60	-0.13	0.54	0.54	0.00	0.47	0.55	-0.08
Nicaragua		0%									
Panama	0.79	96%	0.79	0.79	0.00	0.78	0.80	-0.01	0.78	0.80	-0.02
Paraguay	0.31	98%	0.31	0.28	0.03	0.33	0.28	0.05	0.27	0.31	-0.04
Peru	0.45	98%	0.48	0.44	0.04	0.46	0.42	0.04	0.45	0.45	0.00
Uruguay	0.75	98%	0.76	0.74	0.03	0.72	0.75	-0.04	0.72	0.75	-0.03
Venezuela	0.72	96%	0.80	0.66	0.13	0.74	0.70	0.05	0.63	0.72	-0.10
The Caribbean	0.51	98%	0.42	0.62	-0.20	0.48	0.56	-0.08	0.39	0.61	-0.22
Cuba	0.99	99%	0.98	0.99	-0.01	0.99	0.98	0.00			
Dominican Republic	0.75	98%	0.75	0.77	-0.03	0.78	0.72	0.07	0.78	0.73	0.05
Haiti	0.18	96%	0.18	0.17	0.00	0.17	0.22	-0.05	0.16	0.26	-0.10
Jamaica	0.38	97%	0.46	0.34	0.12	0.33	0.39	-0.07	0.32	0.40	-0.08
Puerto Rico	0.84	96%	0.89	0.84	0.05	0.91	0.83	0.08	0.77	0.86	-0.09
Trinidad & Tobago	0.88	97%				0.93	0.87	0.07	0.90	0.87	0.04
LAC	0.53	88%	0.54	0.52	0.02	0.56	0.50	0.06	0.48	0.52	-0.04

Source: own estimates based on microdata from Gallup World Poll 2006, question wp843.

Table 8.8
Proportion of respondents satisfied with efforts to deal with the poor in the country

A. LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.34	97%	0.39	0.32	0.07	0.40	0.31	0.09	0.30	0.36	-0.06
Argentina	0.28	96%	0.39	0.28	0.12	0.42	0.24	0.18	0.23	0.30	-0.07
Bolivia	0.59	97%	0.60	0.58	0.01	0.59	0.58	0.00	0.57	0.58	-0.01
Brazil	0.31	99%	0.44	0.27	0.17	0.44	0.24	0.20	0.31	0.30	0.01
Chile	0.37	98%	0.35	0.38	-0.03	0.43	0.35	0.08	0.31	0.38	-0.07
Colombia	0.39	98%	0.40	0.37	0.04	0.47	0.37	0.10	0.40	0.40	0.00
Costa Rica	0.33	97%	0.37	0.32	0.05	0.42	0.31	0.11	0.29	0.32	-0.03
Ecuador	0.19	100%	0.21	0.18	0.02	0.22	0.18	0.04	0.16	0.23	-0.07
El Salvador	0.25	95%	0.24	0.22	0.02	0.26	0.24	0.02	0.20	0.28	-0.08
Guatemala	0.44	98%	0.46	0.42	0.04	0.44	0.45	0.00	0.47	0.41	0.06
Honduras	0.37	98%	0.32	0.33	-0.01	0.38	0.36	0.03	0.33	0.38	-0.05
Mexico	0.38	98%	0.37	0.42	-0.05	0.38	0.38	-0.01	0.29	0.42	-0.13
Nicaragua	0.37	96%	0.34	0.43	-0.08	0.40	0.33	0.07	0.33	0.38	-0.05
Panama	0.39	97%	0.49	0.34	0.15	0.44	0.37	0.07	0.38	0.38	0.00
Paraguay	0.20	97%	0.21	0.18	0.03	0.19	0.21	-0.02	0.16	0.22	-0.07
Peru	0.22	98%	0.25	0.19	0.06	0.24	0.20	0.04	0.20	0.27	-0.06
Uruguay	0.43	98%	0.48	0.41	0.07	0.48	0.42	0.06	0.43	0.43	0.00
Venezuela	0.49	97%	0.57	0.47	0.10	0.51	0.47	0.04	0.35	0.53	-0.18
The Caribbean	0.32	96%	0.28	0.38	-0.10	0.33	0.31	0.02	0.26	0.38	-0.12
Cuba	0.48	94%	0.49	0.47	0.02	0.50	0.47	0.03			
Dominican Republic	0.52	98%	0.55	0.52	0.03	0.58	0.47	0.11	0.52	0.55	-0.02
Haiti	0.15	95%	0.15	0.17	-0.02	0.14	0.18	-0.04	0.15	0.19	-0.04
Jamaica	0.16	99%	0.11	0.18	-0.07	0.13	0.17	-0.04	0.12	0.19	-0.07
Puerto Rico	0.27	96%	0.55	0.25	0.30	0.44	0.25	0.20	0.19	0.27	-0.08
Trinidad & Tobago	0.22	96%				0.19	0.23	-0.04	0.16	0.24	-0.08
LAC	0.34	97%	0.38	0.32	0.06	0.40	0.31	0.09	0.30	0.36	-0.06

B. LAC vs. other regions of the world

	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.34	97%	0.38	0.34	0.04
The Caribbean	0.32	96%	0.28	0.34	-0.05
LAC	0.34	97%	0.37	0.34	0.03
Eastern Asia & Pacific	0.49	72%	0.25	0.48	-0.23
Eastern Europe & Central Asia	0.21	88%	0.22	0.16	0.06
Middle East & North Africa	0.40	74%			
South Asia	0.37	96%	0.33	0.38	-0.05
Sub-Saharan Africa	0.28	98%			
Western Europe	0.45	92%			
North America	0.42	98%			
Regions by income					
High income: OECD	0.46	93%			
High income: nonOECD	0.60	92%			
Low income	0.36	92%	0.33	0.41	-0.08
Lower middle income	0.36	78%	0.27	0.33	-0.06
Upper middle income	0.30	94%	0.36	0.29	0.08

Source: own estimates based on microdata from Gallup World Poll 2006, question wp131.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.9
Proportion of respondents satisfied with efforts to increase the number and quality of jobs in the country

A. LAC countries											
	Total sample		% yes according to deprivation status								
	% yes	% responses	Income deprivation: US\$ 2 a day			Non-monetary deprivation			Subjective deprivation		
			Poor	Non poor	Diff.	Poor	Non Poor	Diff.	Poor	Non Poor	Diff.
Latin America	0.34	97%	0.36	0.33	0.03	0.38	0.32	0.06	0.28	0.37	-0.09
Argentina	0.33	93%	0.39	0.31	0.08	0.42	0.30	0.12	0.25	0.35	-0.10
Bolivia	0.52	94%	0.52	0.51	0.01	0.52	0.52	0.00	0.52	0.50	0.01
Brazil	0.31	98%	0.39	0.28	0.11	0.40	0.26	0.13	0.27	0.33	-0.06
Chile	0.33	98%	0.28	0.35	-0.07	0.41	0.32	0.10	0.27	0.36	-0.08
Colombia	0.36	98%	0.37	0.35	0.02	0.41	0.35	0.06	0.34	0.38	-0.04
Costa Rica	0.39	96%	0.44	0.39	0.05	0.46	0.37	0.09	0.32	0.39	-0.07
Ecuador	0.17	99%	0.19	0.16	0.03	0.22	0.15	0.06	0.17	0.20	-0.03
El Salvador	0.18	95%	0.20	0.13	0.07	0.20	0.17	0.03	0.14	0.23	-0.09
Guatemala	0.35	97%	0.37	0.35	0.02	0.36	0.35	0.02	0.35	0.33	0.02
Honduras	0.33	96%	0.27	0.30	-0.02	0.35	0.31	0.04	0.29	0.37	-0.07
Mexico	0.42	96%	0.37	0.45	-0.08	0.41	0.44	-0.03	0.33	0.45	-0.12
Nicaragua	0.32	96%	0.32	0.34	-0.02	0.32	0.33	-0.01	0.28	0.35	-0.07
Panama	0.31	97%	0.40	0.26	0.14	0.35	0.29	0.07	0.31	0.30	0.01
Paraguay	0.13	97%	0.12	0.14	-0.01	0.13	0.15	-0.02	0.09	0.18	-0.09
Peru	0.21	98%	0.22	0.20	0.01	0.22	0.20	0.02	0.20	0.25	-0.05
Uruguay	0.41	97%	0.40	0.41	-0.01	0.43	0.40	0.03	0.38	0.42	-0.04
Venezuela	0.50	96%	0.56	0.50	0.06	0.51	0.49	0.02	0.35	0.55	-0.20
The Caribbean	0.33	93%	0.30	0.38	-0.08	0.35	0.32	0.03	0.28	0.40	-0.12
Cuba	0.37	89%	0.41	0.35	0.06	0.38	0.36	0.02			
Dominican Republic	0.46	96%	0.42	0.50	-0.08	0.49	0.43	0.06	0.44	0.49	-0.05
Haiti	0.25	90%	0.24	0.30	-0.06	0.26	0.23	0.03	0.21	0.45	-0.24
Jamaica	0.17	98%	0.16	0.21	-0.05	0.12	0.19	-0.07	0.16	0.20	-0.03
Puerto Rico	0.20	94%	0.34	0.18	0.16	0.40	0.17	0.23	0.13	0.19	-0.05
Trinidad & Tobago	0.38	94%				0.35	0.39	-0.03	0.25	0.44	-0.19
LAC	0.34	96%	0.36	0.33	0.03	0.38	0.32	0.06	0.28	0.37	-0.09

B. LAC vs. other regions of the world					
	Total sample		% yes according to income deprivation: US\$ 2 a day*		
	% yes	% responses	Poor	Non poor	Diff.
Geographic regions					
Latin America	0.34	97%	0.36	0.34	0.02
The Caribbean	0.33	93%	0.30	0.35	-0.06
LAC	0.34	96%	0.35	0.34	0.02
Eastern Asia & Pacific	0.43	70%	0.19	0.42	-0.23
Eastern Europe & Central Asia	0.19	92%	0.19	0.17	0.02
Middle East & North Africa	0.31	74%			
South Asia	0.37	94%	0.27	0.39	-0.13
Sub-Saharan Africa	0.26	96%			
Western Europe	0.37	91%			
North America	0.50	98%			
Regions by income					
High income: OECD	0.43	92%			
High income: nonOECD	0.57	91%			
Low income	0.35	92%	0.27	0.41	-0.14
Lower middle income	0.31	78%	0.22	0.29	-0.07
Upper middle income	0.29	94%	0.36	0.29	0.07

Source: own estimates based on microdata from Gallup World Poll 2006, question wp133.

* Means for LAC differ between panels A and B when dividing the population by income deprivation, since we can implement a better income measure when working only with LAC countries, than when working with the sample for the whole world.

Table 8.10
Correlation in perceptions across LAC countries

A- Simple correlations										
		wp87	wp147	wp128	wp131	wp133	wp112	wp139	wp146	wp843
wp87	believe economic conditions in the city are good	1.00								
wp147	believe economic conditions in the country are good	0.39	1.00							
wp128	think people can get ahead by working hard	0.25	0.23	1.00						
wp131	satisfied with efforts to deal with the poor in the country	0.31	0.47	0.20	1.00					
wp133	satisfied with efforts to increase the number and quality of jobs in the country	0.32	0.68	0.39	0.84	1.00				
wp112	confidence in the local police force	-0.19	-0.19	-0.30	-0.18	-0.30	1.00			
wp139	confidence in National Government	0.01	0.68	-0.05	0.67	0.72	0.14	1.00		
wp146	think corruption is widespread in the country	0.23	-0.44	0.23	-0.58	-0.57	-0.10	-0.81	1.00	
wp843	think education in country is accessible to anybody who wants to study	0.40	0.22	-0.08	0.17	0.27	-0.05	0.19	-0.17	1.00

B- Spearman rank correlations										
		wp87	wp147	wp128	wp131	wp133	wp112	wp139	wp146	wp843
wp87	believe economic conditions in the city are good	1.00								
wp147	believe economic conditions in the country are good	0.38	1.00							
wp128	think people can get ahead by working hard	0.31	0.24	1.00						
wp131	satisfied with efforts to deal with the poor in the country	0.16	0.58	0.10	1.00					
wp133	satisfied with efforts to increase the number and quality of jobs in the country	0.16	0.74	0.27	0.80	1.00				
wp112	confidence in the local police force	-0.08	-0.26	-0.24	-0.12	-0.30	1.00			
wp139	confidence in National Government	-0.08	0.71	-0.02	0.72	0.73	0.11	1.00		
wp146	think corruption is widespread in the country	0.13	-0.58	0.09	-0.71	-0.72	-0.03	-0.84	1.00	
wp843	think education in country is accessible to anybody who wants to study	0.32	0.27	-0.05	0.33	0.41	-0.09	0.22	-0.08	1.00

Source: own estimates based on microdata from Gallup World Poll 2006

Table 8.11
Probit models of satisfaction with efforts to deal with the poor

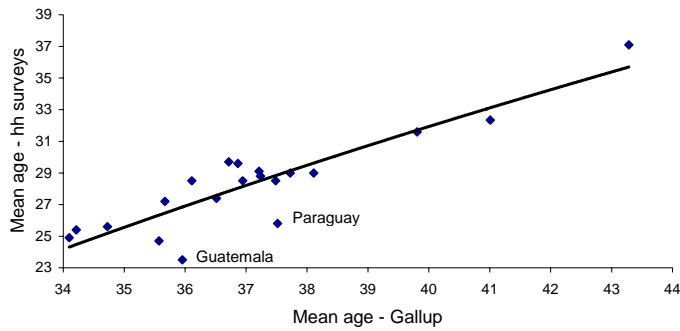
	Model 1		Model 2		Model 3			Predicted probability of satisfaction with LAC characteristics	Obs
	income deprived	income deprived	asset deprived	subjecte deprived	income deprived	asset deprived	subjecte deprived		
Latin America									
Argentina	0.317 [0.109]***	0.296 [0.123]**	0.476 [0.120]***	-0.346 [0.119]***	0.244 [0.129]*	0.452 [0.127]***	-0.357 [0.126]***	0.338	638
Bolivia	0.049 [0.087]	0.020 [0.100]	-0.034 [0.099]	-0.035 [0.096]	0.025 [0.102]	-0.051 [0.104]	-0.031 [0.097]	0.595	741
Brazil	0.374 [0.088]***	0.277 [0.097]***	0.485 [0.091]***	-0.110 [0.107]	0.287 [0.098]***	0.410 [0.096]***	-0.130 [0.109]	0.360	876
Chile	0.069 [0.114]	-0.036 [0.132]	0.259 [0.135]*	-0.041 [0.107]	-0.104 [0.137]	0.243 [0.140]*	-0.120 [0.110]	0.362	783
Colombia	0.077 [0.089]	0.040 [0.098]	0.312 [0.113]***	-0.107 [0.106]	0.064 [0.103]	0.213 [0.119]*	-0.124 [0.109]	0.396	745
Costa Rica	0.124 [0.108]	0.232 [0.125]*	0.071 [0.131]	-0.159 [0.136]	0.221 [0.129]*	0.030 [0.136]	-0.151 [0.140]	0.320	610
Ecuador	0.063 [0.092]	0.070 [0.104]	0.151 [0.111]	-0.230 [0.099]**	0.063 [0.106]	0.155 [0.112]	-0.223 [0.102]**	0.192	917
El Salvador	0.159 [0.099]	0.262 [0.132]**	0.067 [0.135]	-0.304 [0.123]**	0.256 [0.137]*	0.087 [0.141]	-0.274 [0.124]**	0.228	593
Guatemala	0.093 [0.086]	0.133 [0.097]	0.009 [0.111]	0.039 [0.101]	0.097 [0.099]	-0.003 [0.113]	0.039 [0.105]	0.417	722
Honduras	-0.040 [0.121]	-0.165 [0.155]	0.098 [0.128]	-0.060 [0.122]	-0.152 [0.160]	0.098 [0.137]	-0.024 [0.126]	0.291	485
Mexico	-0.097 [0.095]	-0.060 [0.107]	0.092 [0.108]	-0.304 [0.122]**	-0.042 [0.109]	0.110 [0.110]	-0.310 [0.123]**	0.374	662
Nicaragua	-0.094 [0.090]	-0.193 [0.117]*	0.531 [0.122]***	-0.207 [0.123]*	-0.208 [0.118]*	0.677 [0.133]***	-0.184 [0.127]	0.289	541
Panama	0.302 [0.092]***	0.340 [0.108]***	0.061 [0.101]	-0.066 [0.107]	0.268 [0.114]**	0.005 [0.104]	-0.082 [0.108]	0.371	807
Paraguay	0.067 [0.100]	0.178 [0.127]	-0.177 [0.124]	-0.260 [0.118]**	0.148 [0.133]	-0.199 [0.130]	-0.238 [0.125]*	0.181	726
Peru	0.203 [0.097]**	0.211 [0.125]*	0.095 [0.124]	-0.212 [0.118]*	0.251 [0.126]**	0.122 [0.128]	-0.242 [0.121]**	0.211	659
Uruguay	0.126 [0.093]	0.178 [0.111]	0.065 [0.127]	-0.142 [0.098]	0.247 [0.115]**	0.046 [0.128]	-0.181 [0.100]*	0.486	752
Venezuela	0.238 [0.098]**	0.274 [0.118]**	0.114 [0.119]	-0.558 [0.143]***	0.297 [0.127]**	0.040 [0.128]	-0.563 [0.155]***	0.463	586
The Caribbean									
Dominican Republic	0.104 [0.088]	0.020 [0.108]	0.347 [0.108]***	-0.186 [0.104]*	-0.019 [0.111]	0.326 [0.109]***	-0.192 [0.106]*	0.532	645
Haiti	-0.077 [0.186]	0.133 [0.216]	-0.188 [0.168]	-0.228 [0.218]	0.152 [0.219]	-0.235 [0.174]	-0.249 [0.218]	0.174	384
Jamaica	-0.433 [0.253]*	-0.379 [0.285]	-0.181 [0.223]	-0.270 [0.207]	-0.102 [0.297]	0.091 [0.246]	-0.110 [0.223]	0.225	314
Puerto Rico	0.651 [0.205]***	0.550 [0.227]**	0.287 [0.194]	-0.267 [0.164]	0.585 [0.231]**	0.344 [0.196]*	-0.275 [0.167]	0.327	388

Source: own estimates based on microdata from Gallup World Poll 2006, question wp131.

Note: Standard errors in brackets. * significant at 10%; ** significant at 5%; *** significant at 1%

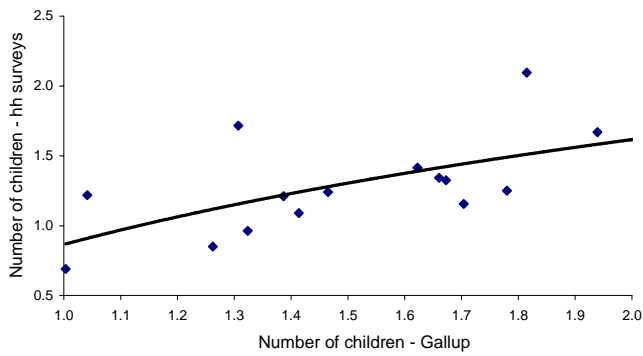
Model 1 only includes the income-poverty indicator, model 2 adds non-monetary and subjective-poverty indicators, and model 3 also controls for demographic (gender and age) and geographic (urban-rural) factors. LAC mean predicted probability of satisfactions is computed based on estimates of model 3 for each country. Number of observations correspond to model 3. Estimates for Cuba and Trinidad & Tobago are not available because of lack of information on at least one of the poverty measures.

Figure 2.1
Mean age
Gallup World Poll 2006 and household surveys



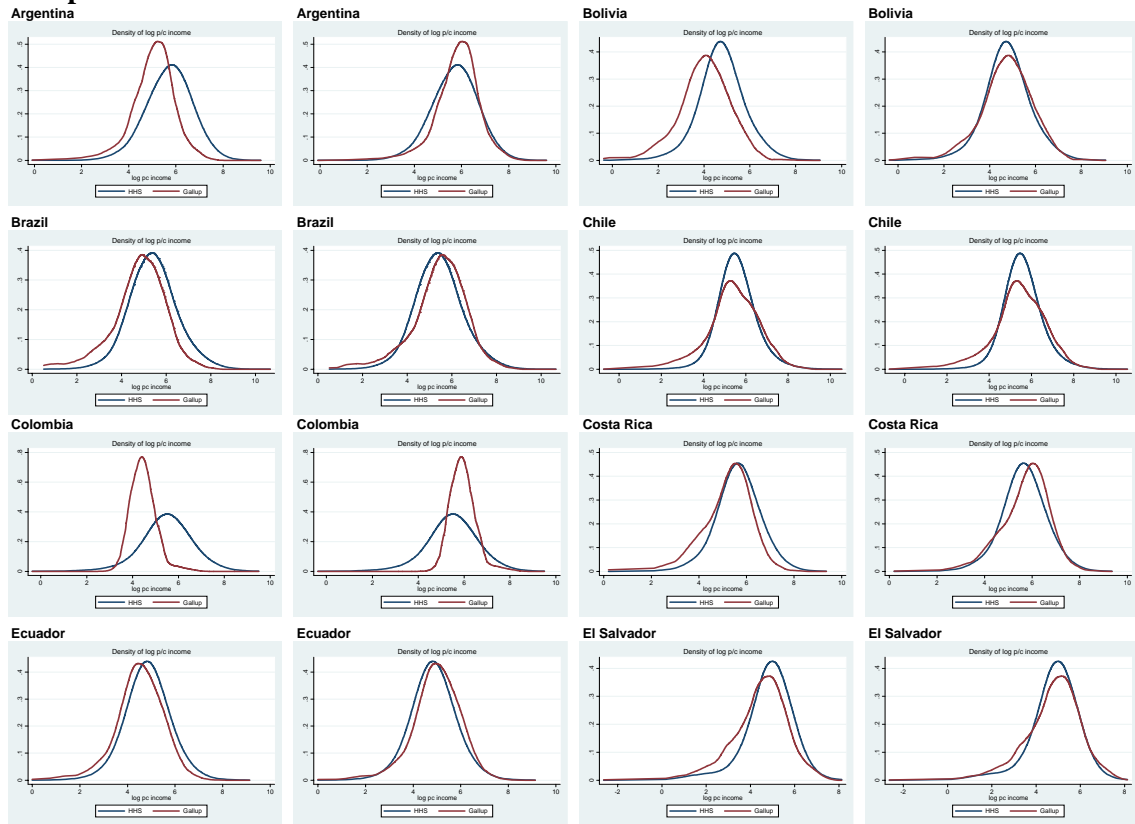
Source: own estimates based on microdata from Gallup World Poll 2006 and LAC household surveys.
 Note: Gallup is conducted only to those people older than 15.

Figure 2.2
Mean number of children (under 15) in household
Gallup World Poll 2006 and household surveys



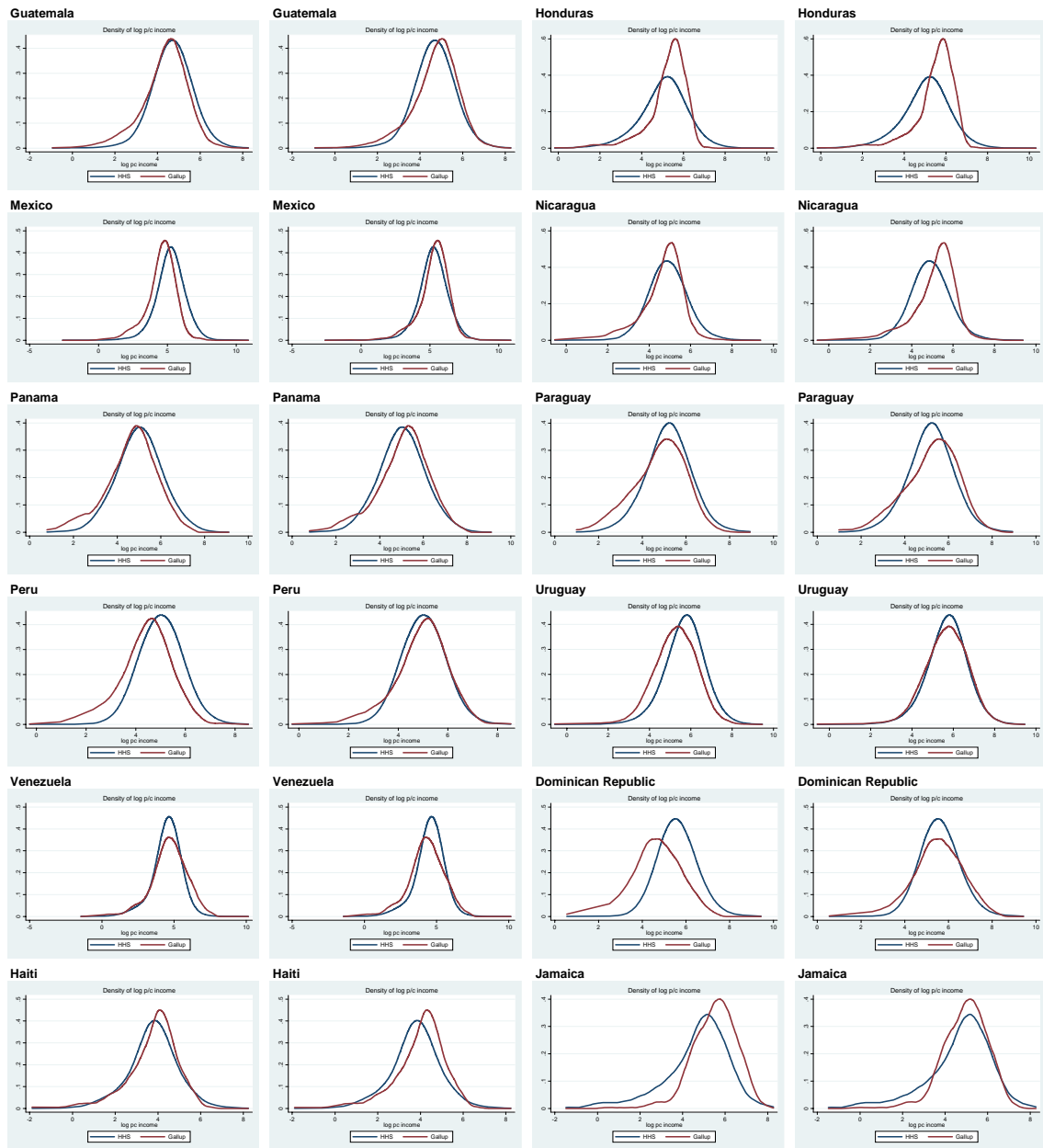
Source: own estimates based on microdata from Gallup World Poll 2006 and LAC household surveys.

Figure 3.1
Density function of log per capita income
LAC countries
Gallup and national household surveys
Non parametric estimates



Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.
 Note: The first panel for each country shows the original data, while in the second we multiply all incomes in Gallup for a factor in order to make the means of both sources to coincide.

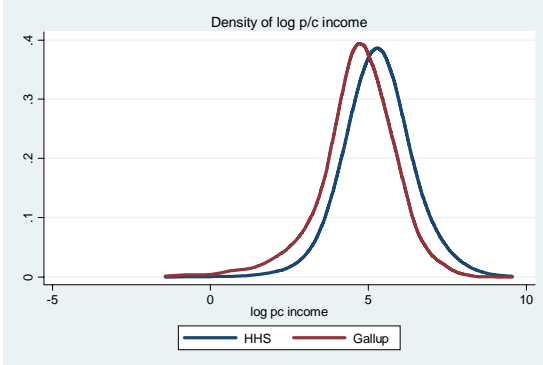
Figure 3.1 (cont.)
Density function of log per capita income
LAC countries
Gallup and national household surveys
 Non parametric estimates



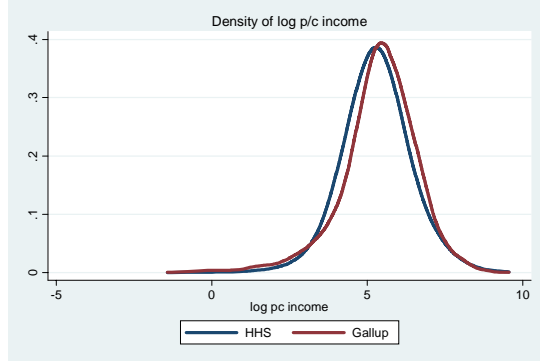
Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.
 Note: The first panel for each country shows the original data, while in the second we multiply all incomes in Gallup for a factor in order to make the means of both sources to coincide.

Figure 3.2
Density function of log per capita income
Gallup and national household surveys
Non parametric estimates

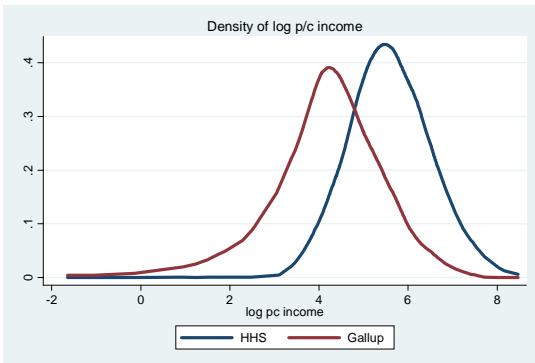
Latin America



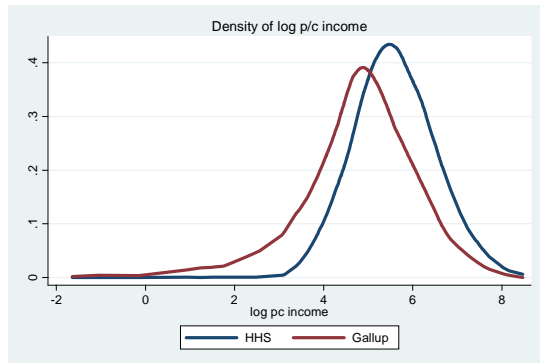
Latin America



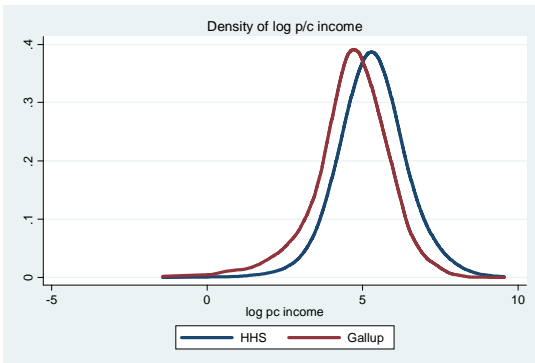
The Caribbean



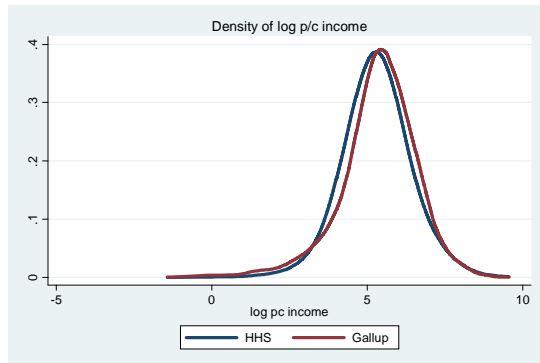
The Caribbean



LAC

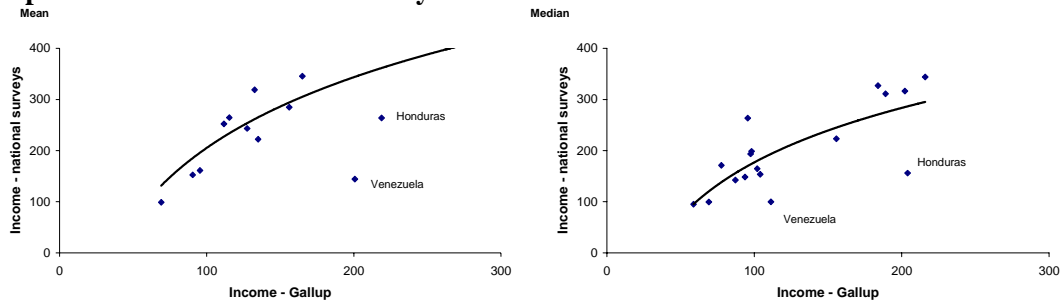


LAC



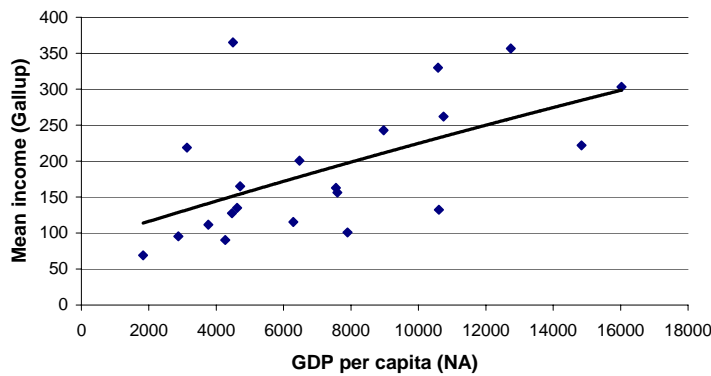
Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.
 Note: The first panel for each region shows the original data, while in the second we multiply all incomes in Gallup for a factor in order to make the means of both sources to coincide.

Figure 3.3
Scatterplot mean and median of the distribution of per capita income (in US\$ PPP)
Gallup and national household surveys



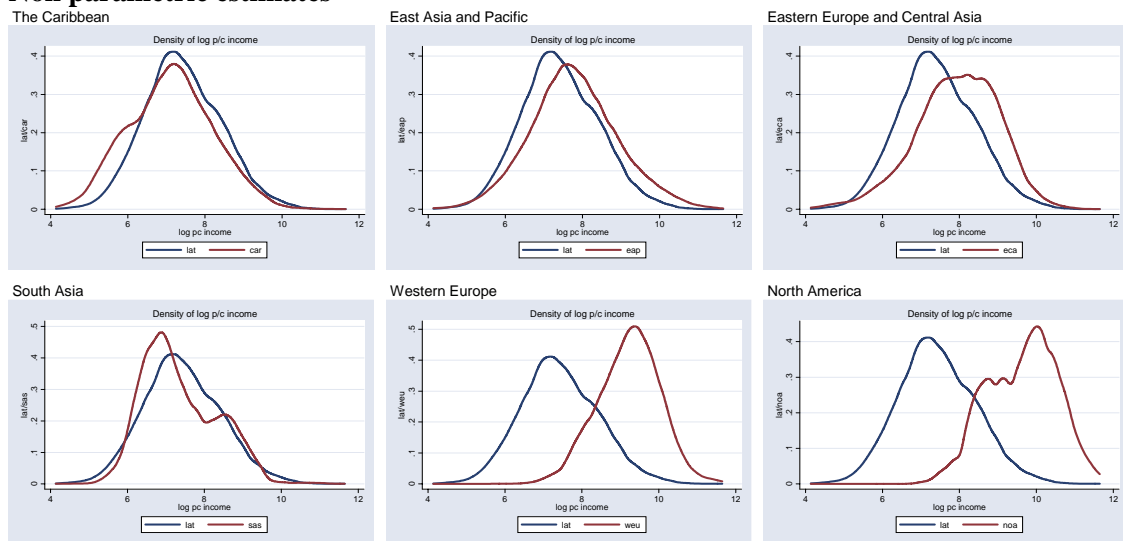
Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.

Figure 3.4
Per capita GDP (PPP) - per capita income from Gallup



Source: own estimates based on IMF and Gallup World Poll 2006.

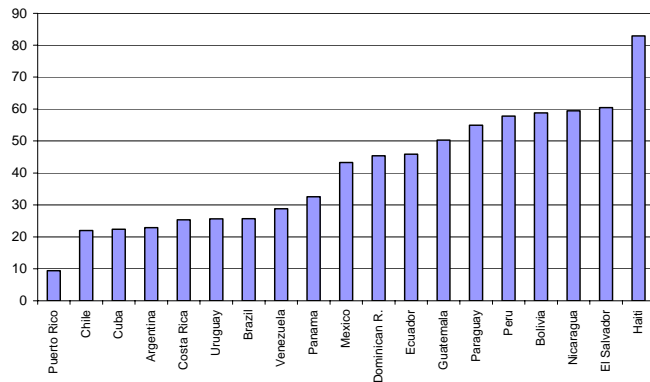
Figure 3.5
Density function of log per capita income
Non parametric estimates



Source: own estimates based on microdata from Gallup World Poll 2006.

Figure 4.1
Poverty headcount ratio
Gallup Poll 2006

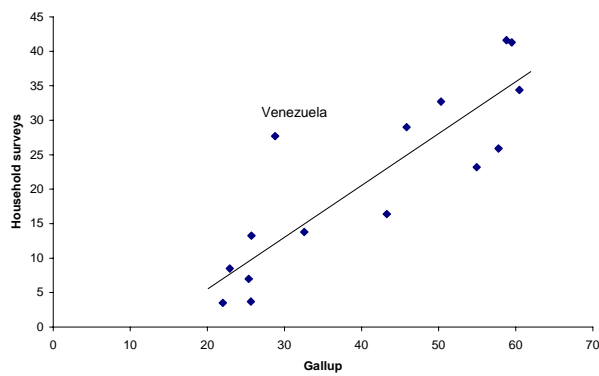
Poverty line=US\$2 a day



Source: own estimates based on microdata from Gallup World Poll 2006.

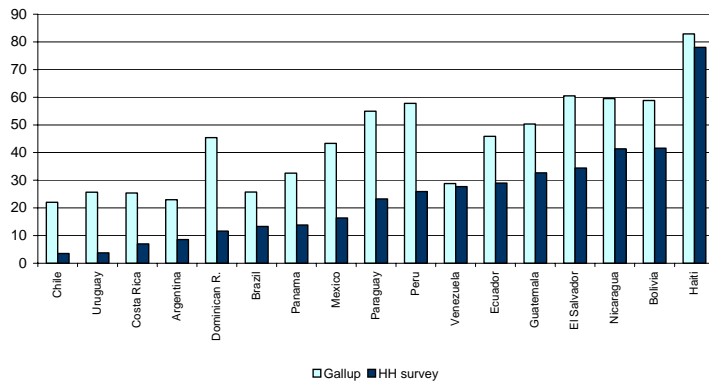
Figure 4.2
Poverty headcount ratio

Line=US\$2 a day



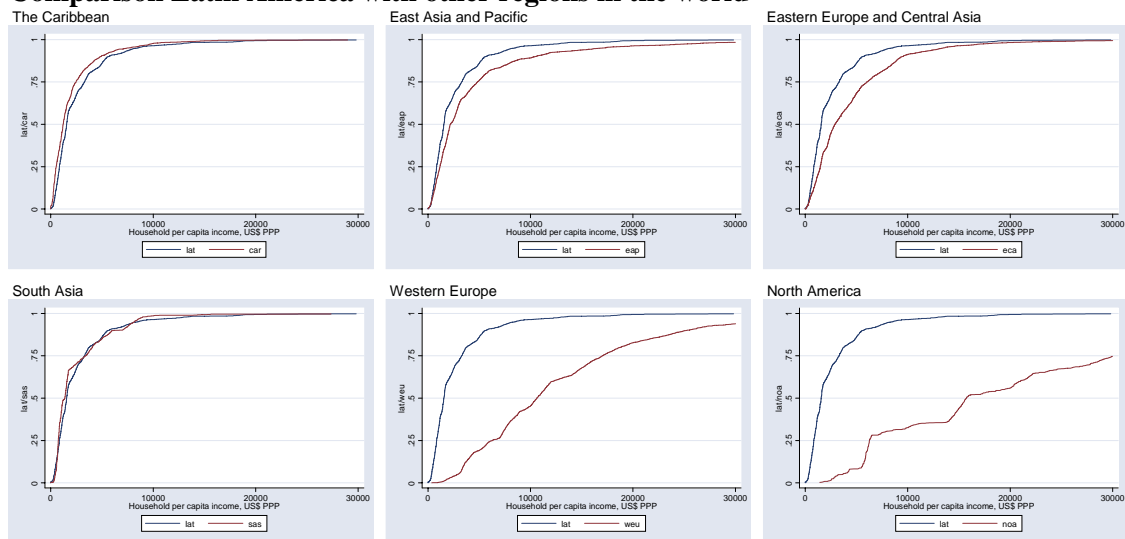
Source: own estimates based on microdata from Gallup World Poll 2006 and household surveys.

Figure 4.3
Poverty headcount ratio
Household surveys and Gallup 2006
 Line=US\$2 a day



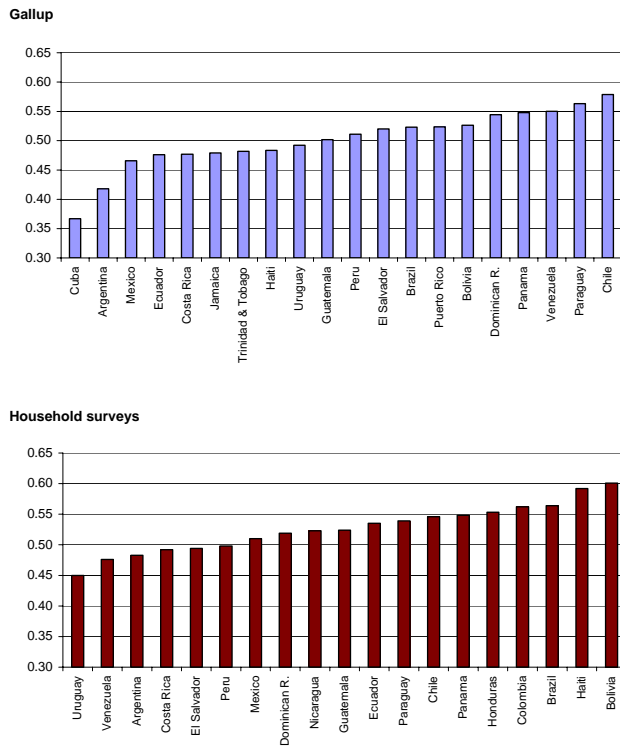
Source: own estimates based on microdata from Gallup World Poll 2006 and household surveys.

Figure 4.4
Distribution functions
Comparison Latin America with other regions in the world



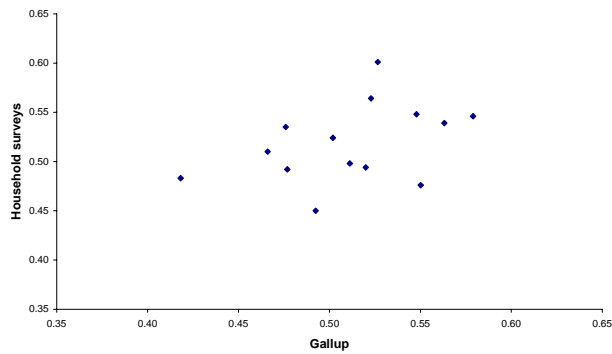
Source: own estimates based on microdata from Gallup World Poll 2006.

Figure 4.5
The ranking of inequality in LAC
Gini coefficient



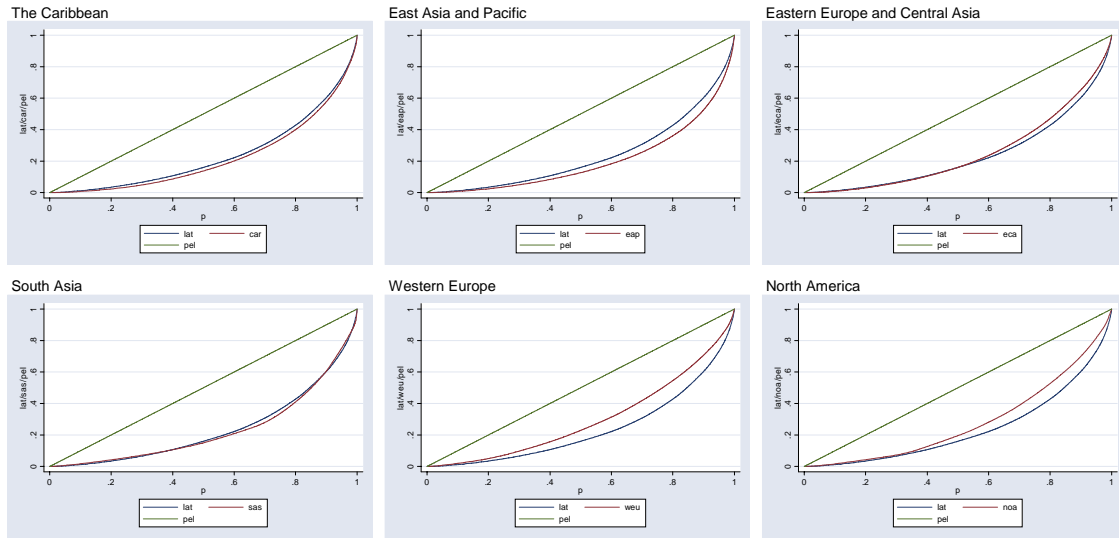
Source: own estimates based on microdata from Gallup World Poll and national household surveys .

Figure 4.6
The Gini coefficient in Gallup and household surveys



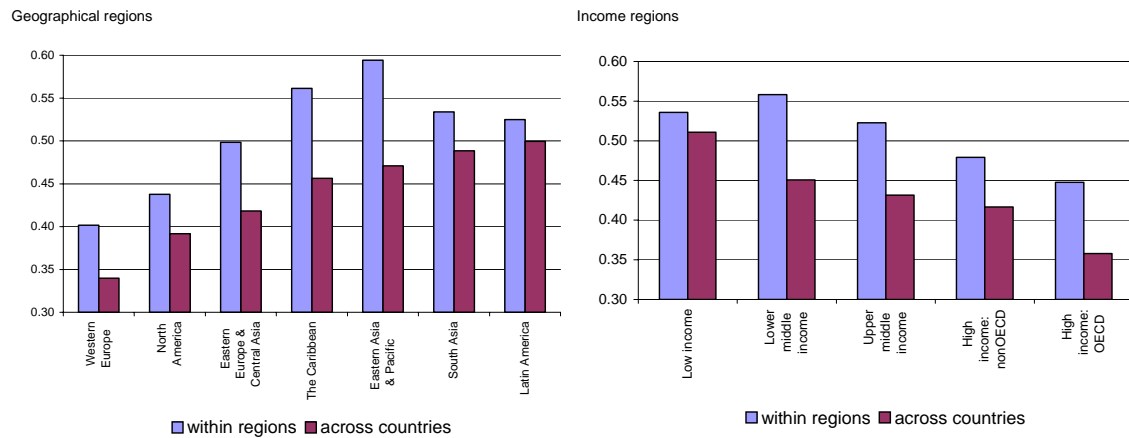
Source: own estimates based on microdata from Gallup World Poll and national household surveys

Figure 4.7
Lorenz curves
Comparison Latin America with other regions in the world



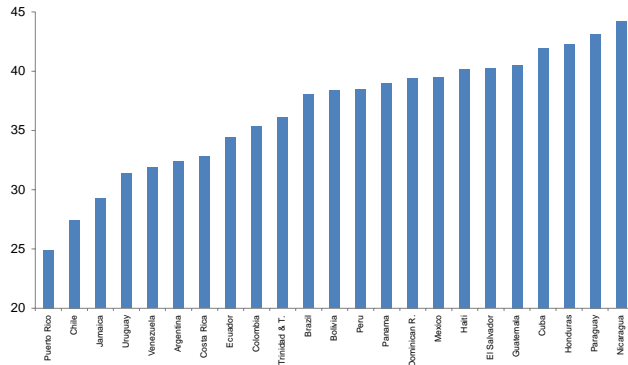
Source: own estimates based on microdata from Gallup World Poll 2006.

Figure 4.8
Gini coefficient



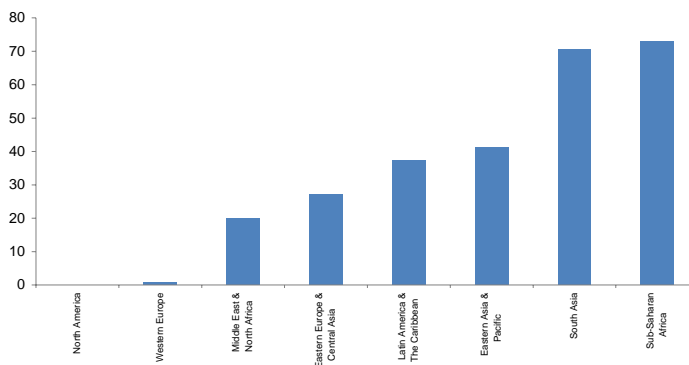
Source: own estimates based on microdata from Gallup World Poll 2006.

Figure 5.1
Multidimensional deprivation
LAC countries



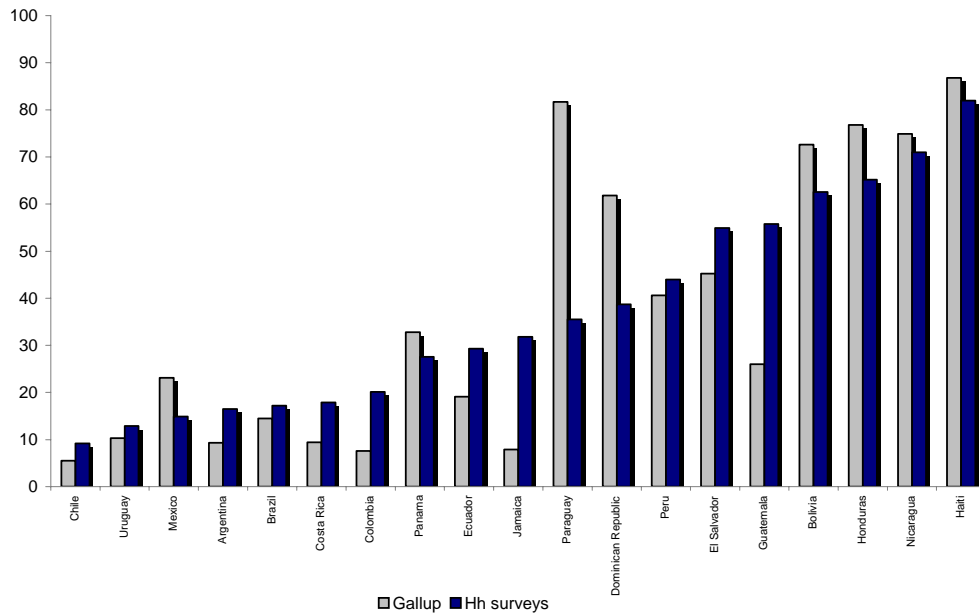
Source: own estimates based on microdata from Gallup World Poll 2006.
 Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Figure 5.2
Multidimensional deprivation
Regions in the world



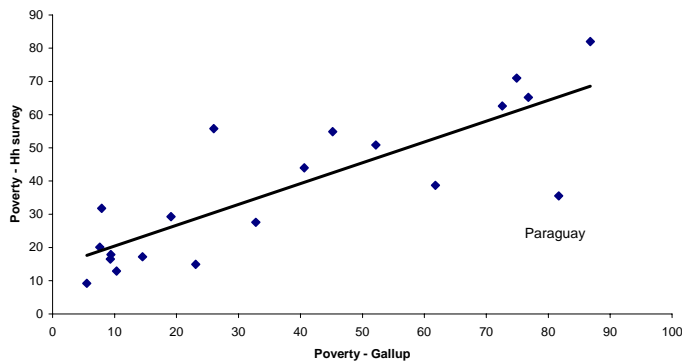
Source: own estimates based on microdata from Gallup World Poll 2006
 Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).

Figure 5.3
Multidimensional deprivation



Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.
 Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).
 Note: based on access to water, electricity, telephone and a personal computer.

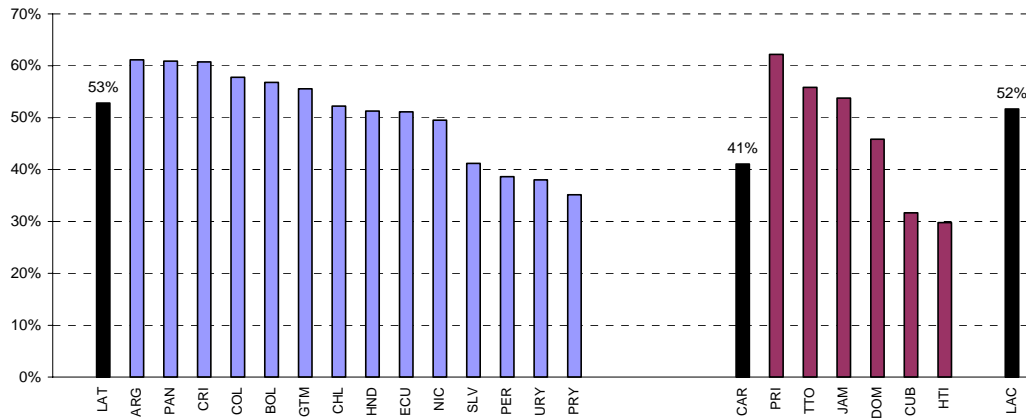
Figure 5.4
Multidimensional deprivation



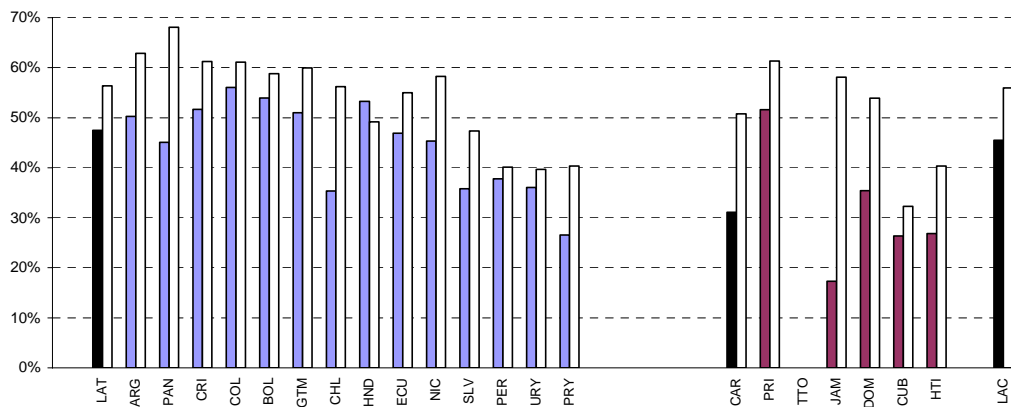
Source: own estimates based on microdata from Gallup World Poll 2006 and national household surveys.
 Note: poverty line set to generate a LAC headcount ratio similar to the LAC income poverty ratio with US\$ 2 a day (37.2%).
 Note: based on access to water, electricity, telephone and a personal computer.

Figure 8.1
Believe that economic conditions are good in the city

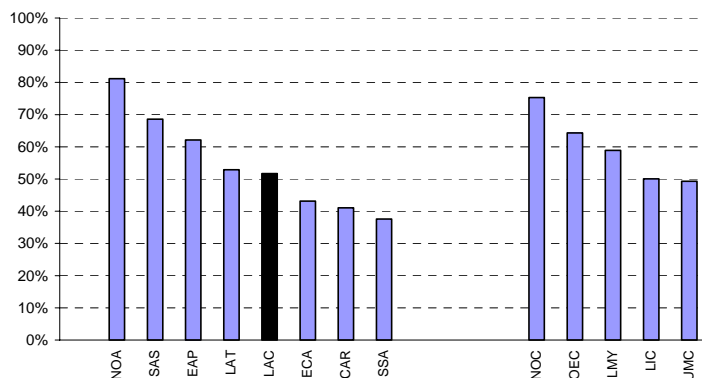
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

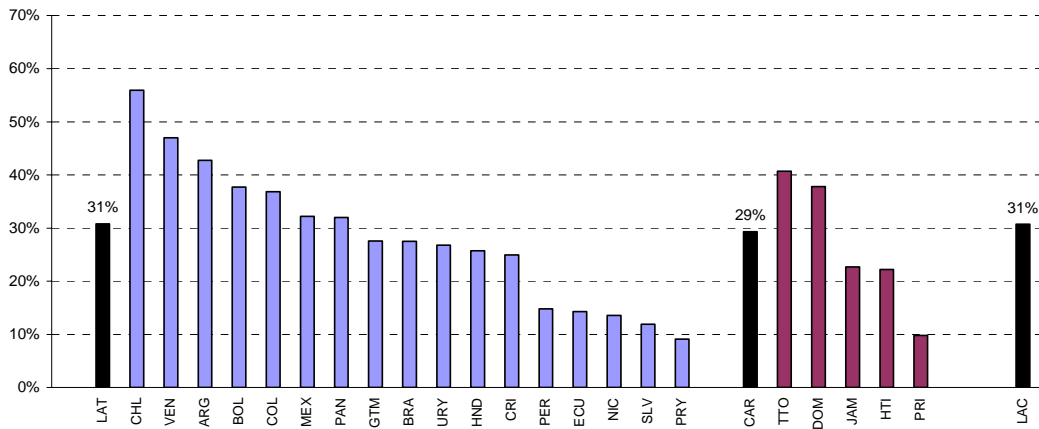


Source: own estimates based on microdata from Gallup World Poll 2006, question wp87.

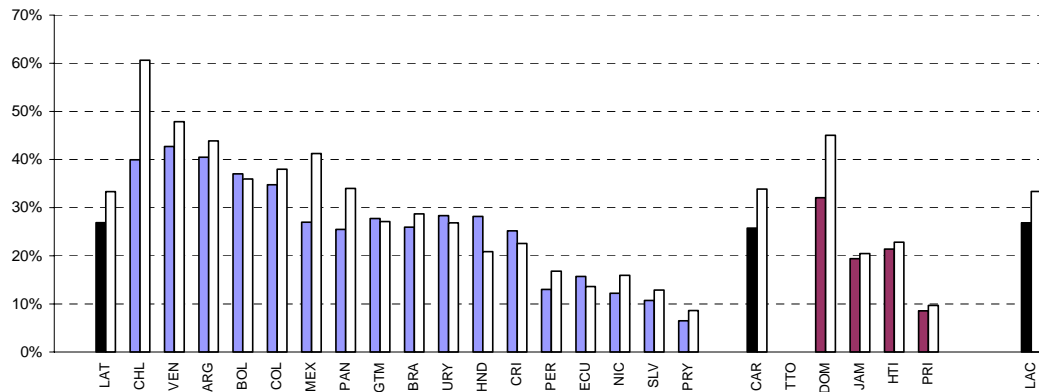
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.2
Believe that economic conditions are good in the country

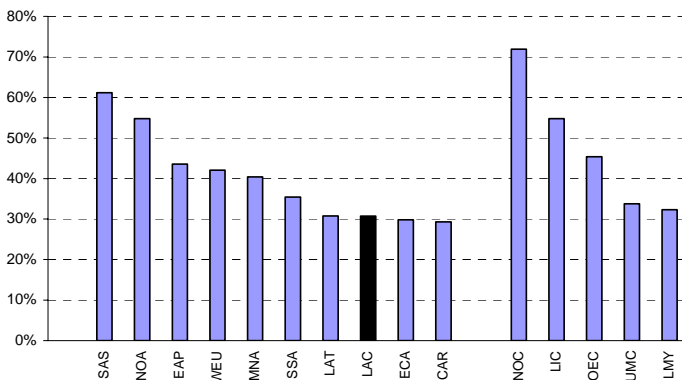
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

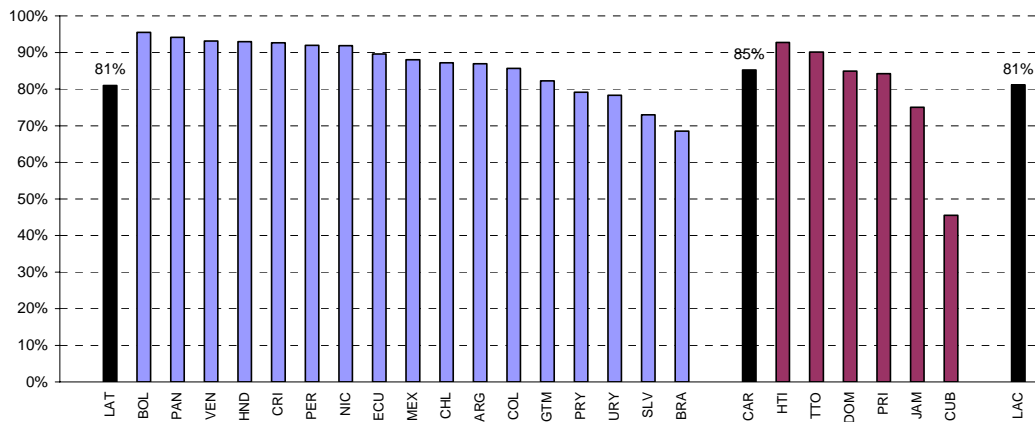


Source: own estimates based on microdata from Gallup World Poll 2006, question wp147.

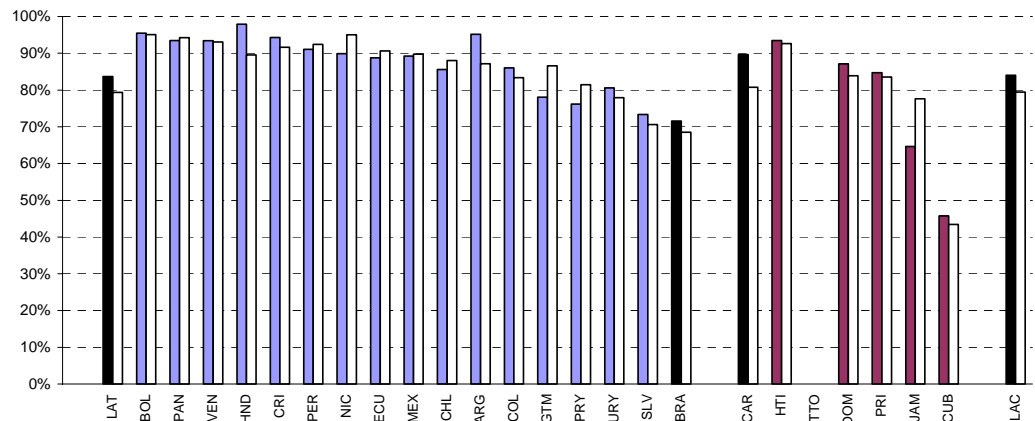
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.3
Think that people can get ahead by working hard

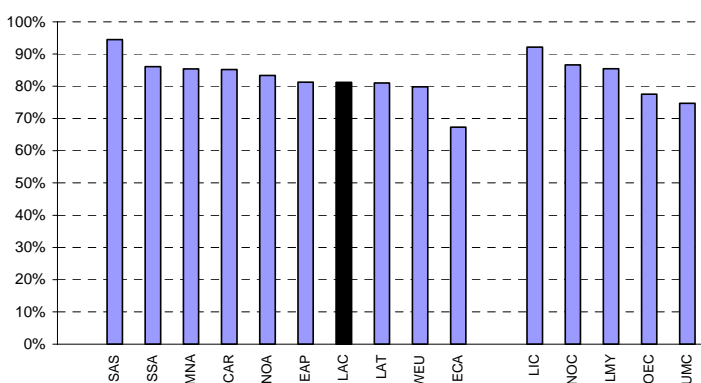
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

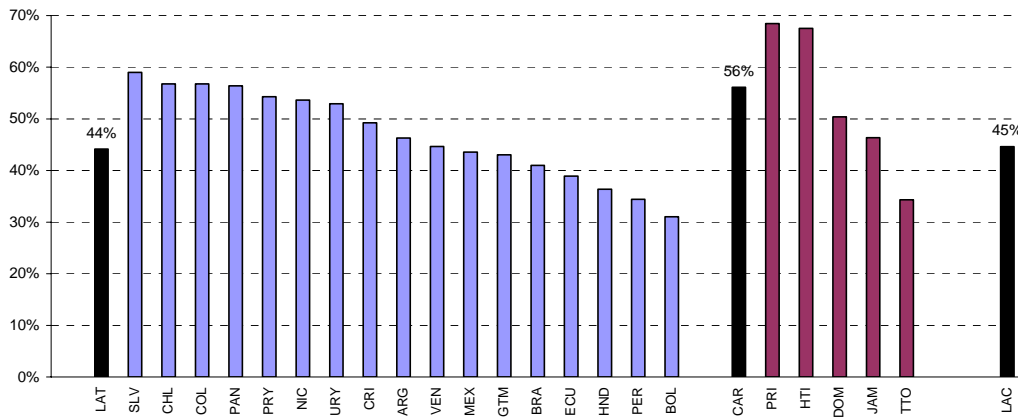


Source: own estimates based on microdata from Gallup World Poll 2006, question wp128.

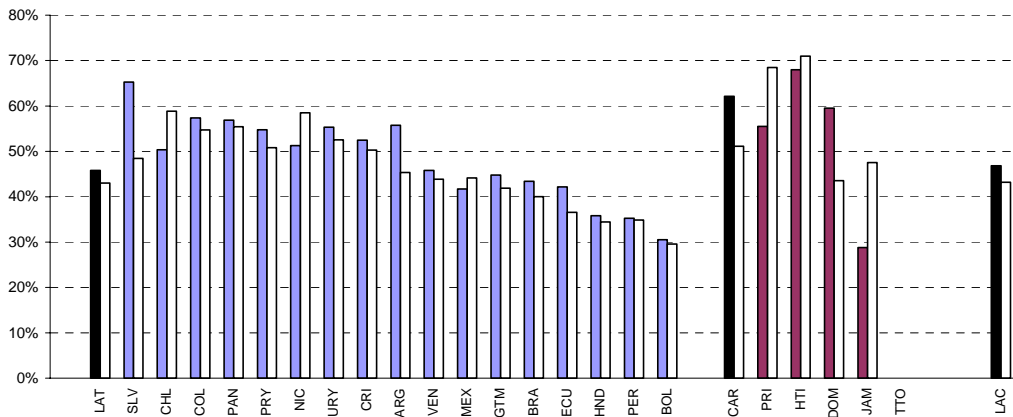
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.4
Confidence in the local police force

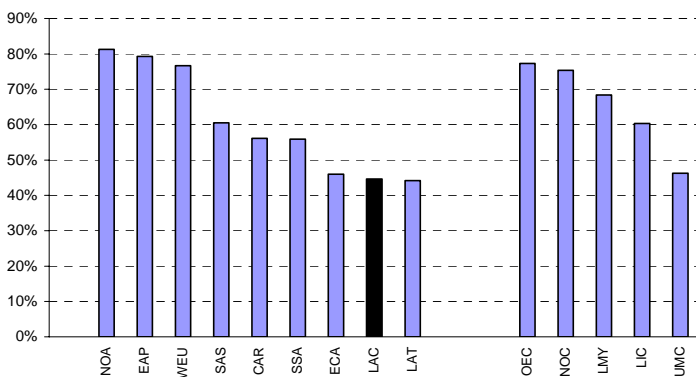
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

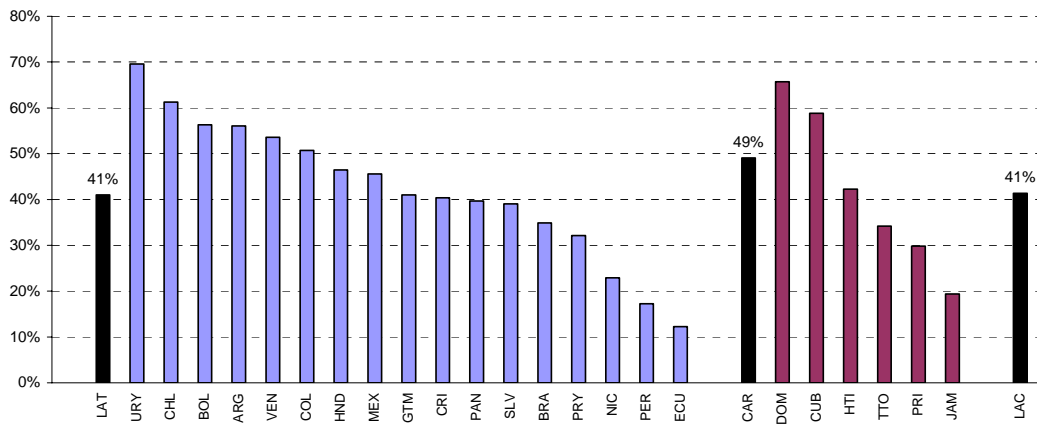


Source: own estimates based on microdata from Gallup World Poll 2006, question wp112.

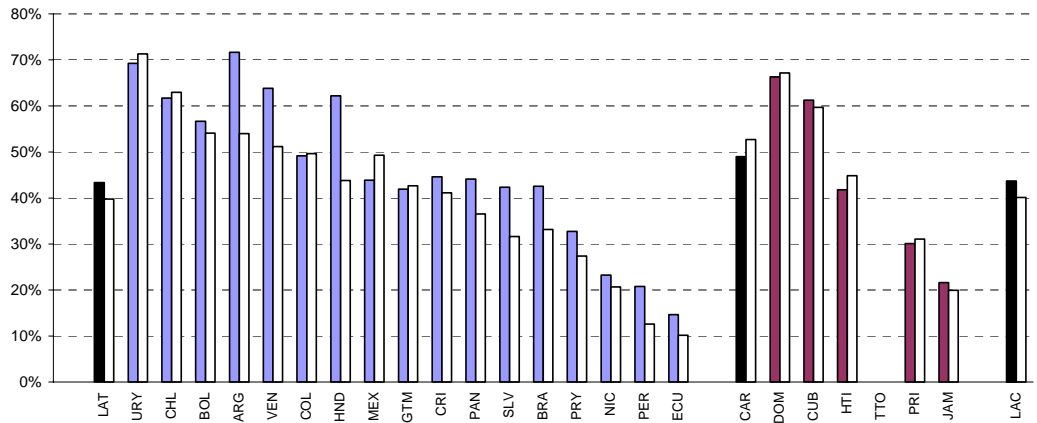
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.5
Confidence in the national government

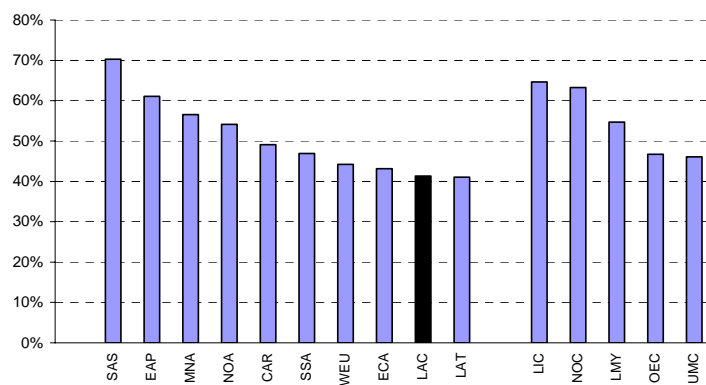
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

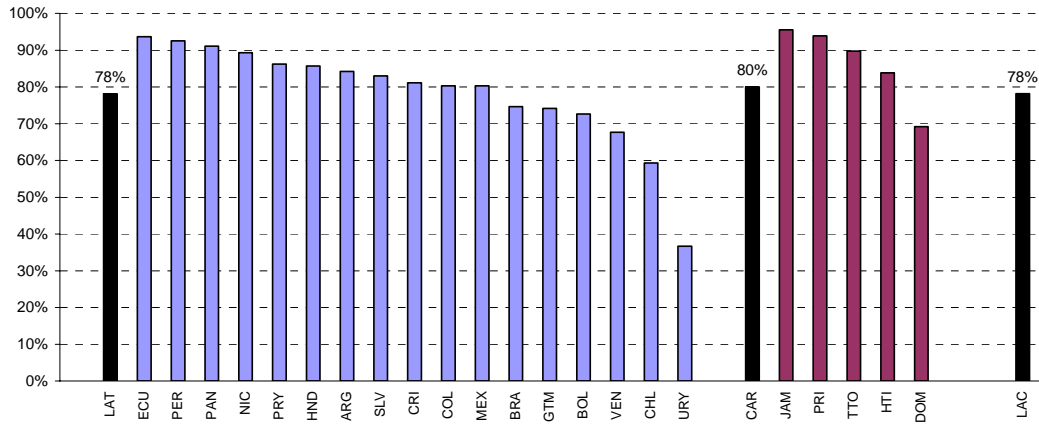


Source: own estimates based on microdata from Gallup World Poll 2006, question wp139.

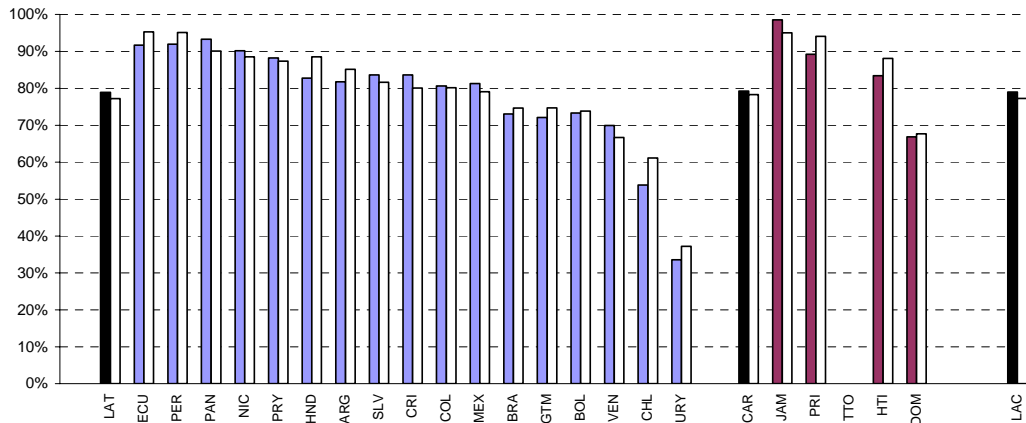
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.6
Think that corruption is widespread in the country

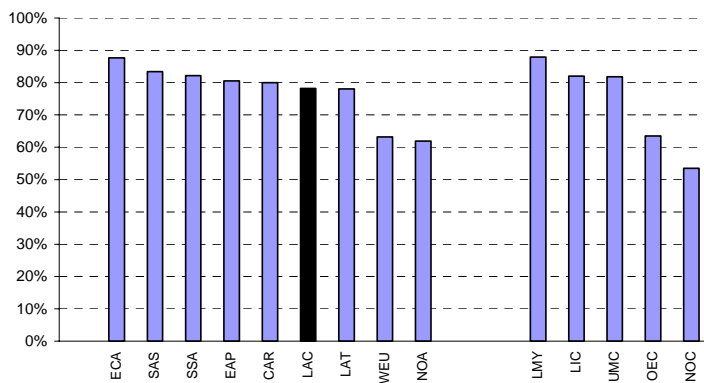
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

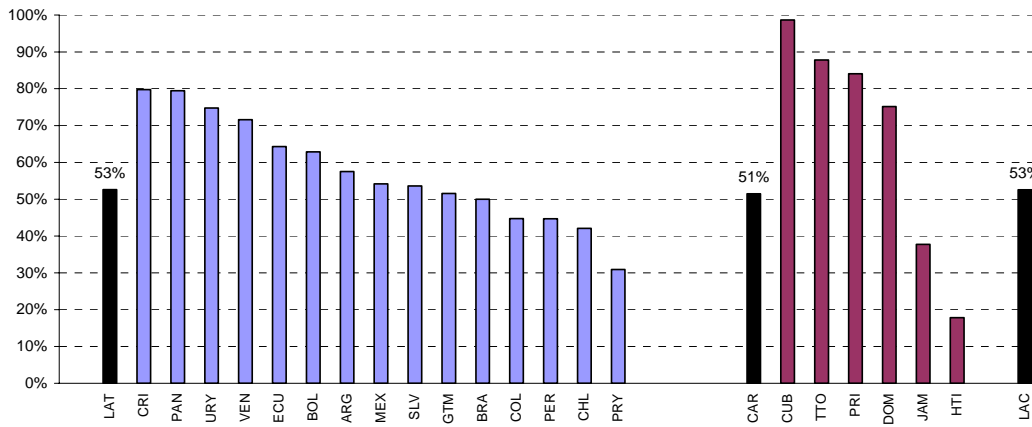


Source: own estimates based on microdata from Gallup World Poll 2006, question wp146.

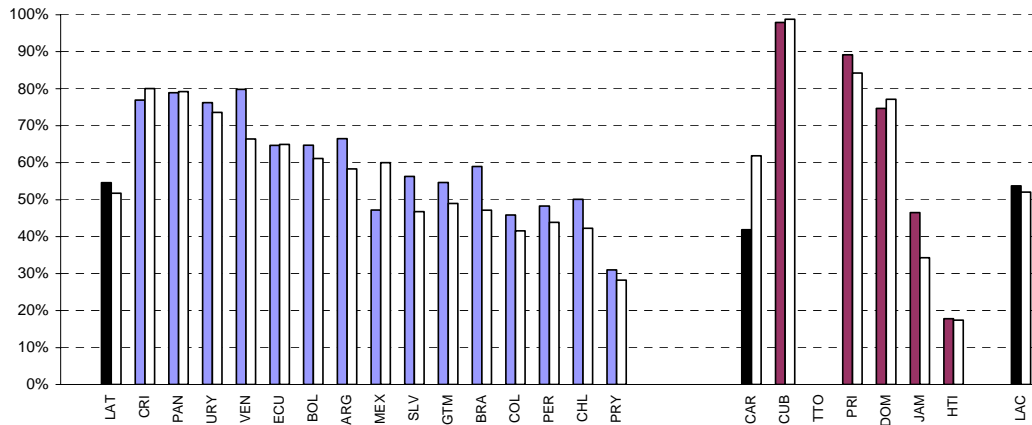
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.7
Think that education in the country is accessible to anybody who wants to study

A- LAC countries



B- According to income deprivation status, LAC countries

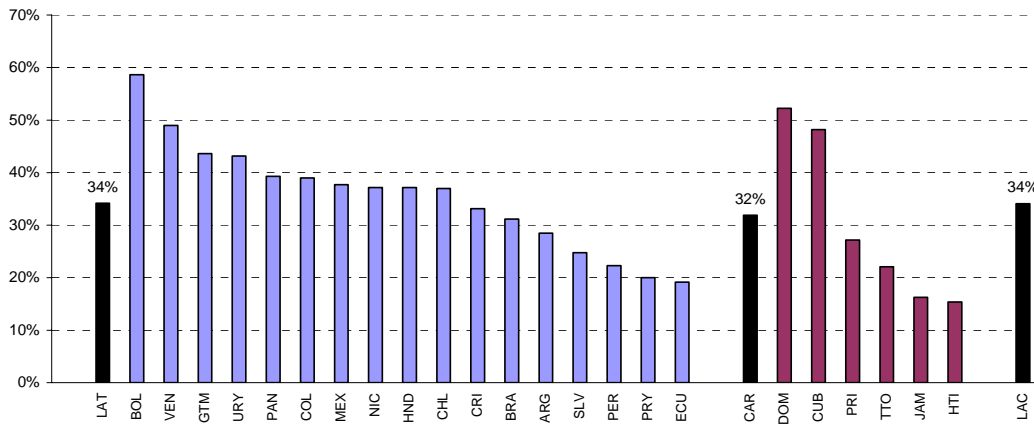


Source: own estimates based on microdata from Gallup World Poll 2006, question wp843.

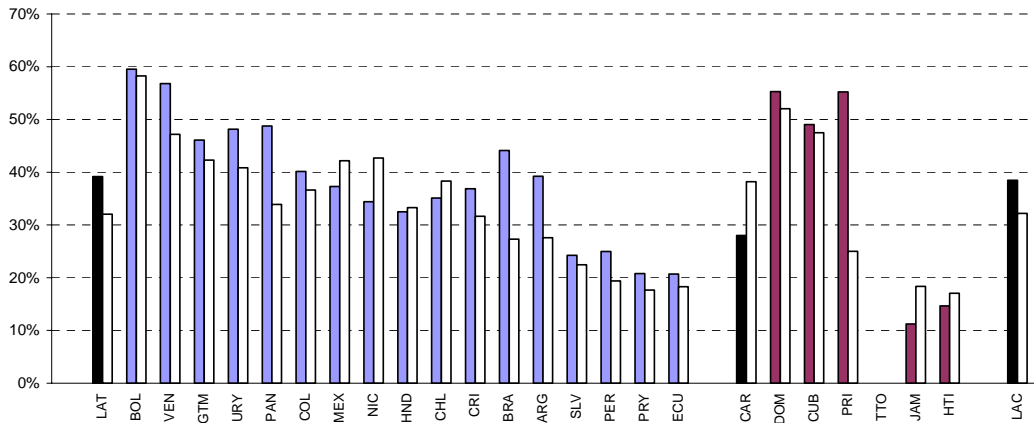
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, and LAC=Latin America and the Caribbean.

Figure 8.8
Satisfied with efforts to deal with the poor in the country

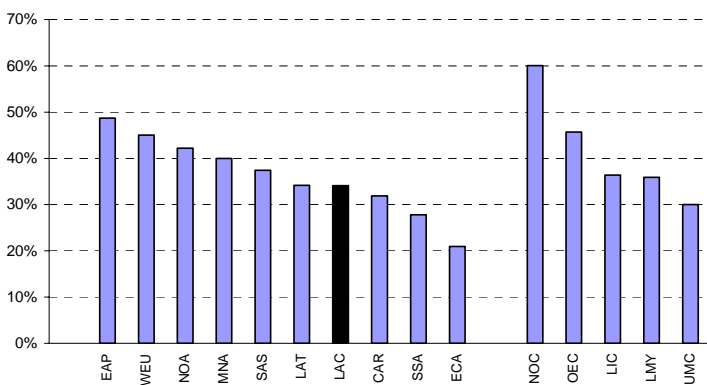
A- LAC countries



B- According to income deprivation status, LAC countries



C- LAC vs. other regions

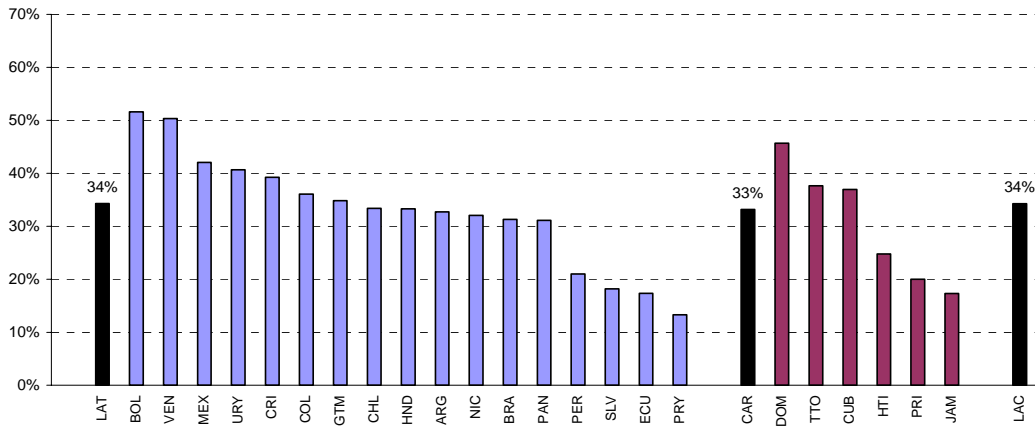


Source: own estimates based on microdata from Gallup World Poll 2006, question wp131.

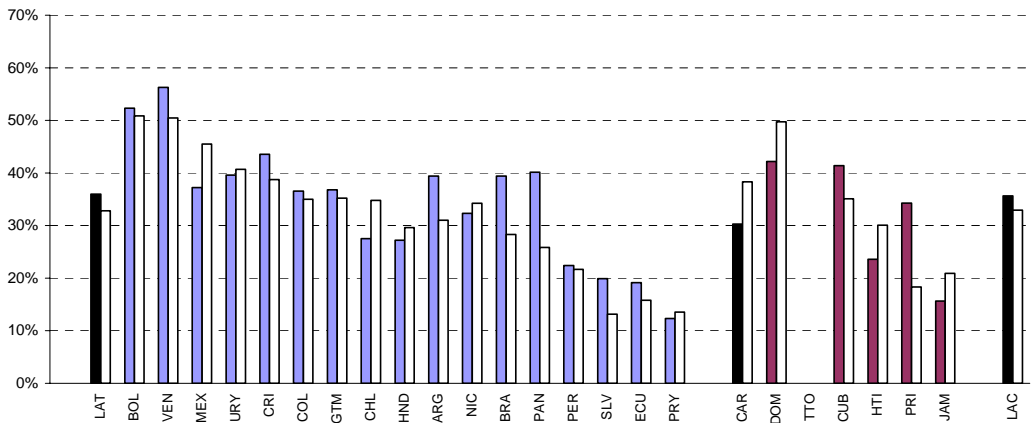
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.9
Satisfied with efforts to increase the number and quality of jobs in the country

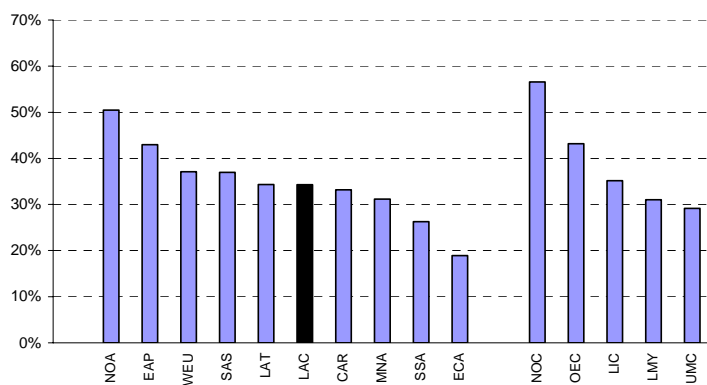
A- LAC countries



B- According to income deprivation status, LAC countries



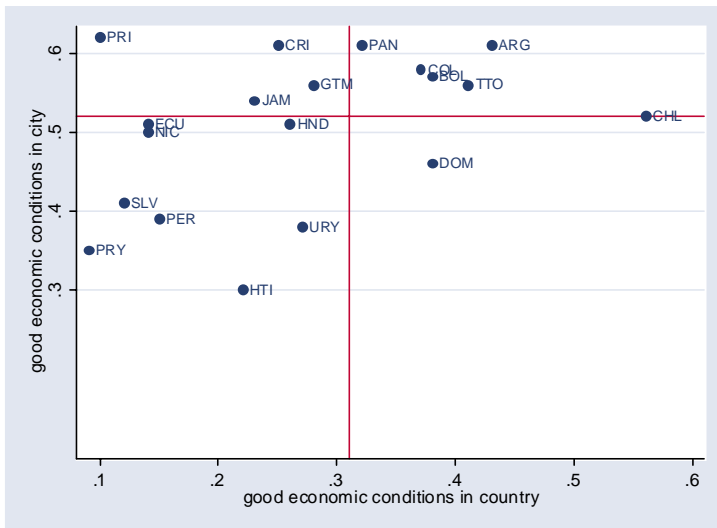
C- LAC vs. other regions



Source: own estimates based on microdata from Gallup World Poll 2006, question wp133.

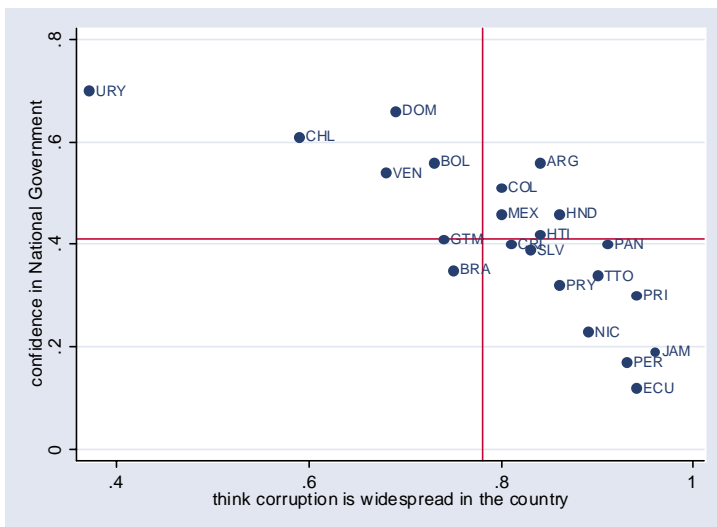
Note: In panel B, first bar is for poor and second bar is for non-poor. ARG=Argentina, BOL=Bolivia, BRA=Brazil, CHL=Chile, COL=Colombia, CRI=Costa Rica, ECU=Ecuador, SLV=El Salvador, GTM=Guatemala, HND=Honduras, MEX=Mexico, NIC=Nicaragua, PAN=Panama, PRY=Paraguay, PER=Peru, URY=Uruguay, VEN=Venezuela, CUB=Cuba, DOM=Dominican Republic, HTI=Haiti, JAM=Jamaica, PRI=Puerto Rico, TTO=Trinidad & Tobago, LAT=Latin America, CAR=The Caribbean, LAC=Latin America and the Caribbean, EAP=Eastern Asia & Pacific, ECA=Eastern Europe & Central Asia, MNA=Middle East & North Africa, SAS=South Asia, SSA=Sub-Saharan Africa, WEU=Western Europe, NOA=North America, OEC=High income: OECD, NOC=High income nonOECD, LIC=Low income, LMY=Lower middle income, and UMC=Upper middle income.

Figure 8.10
Believe that economic conditions are good: city vs. country



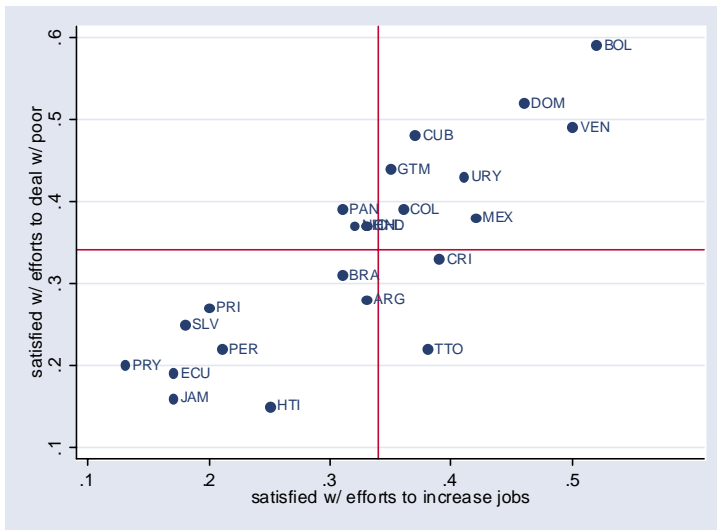
Source: own estimates based on microdata from Gallup World Poll 2006, questions wp87 and wp147.
 Note: Average for the LAC region is represented by the vertical (question wp147) and horizontal (question wp87) lines.

Figure 8.11
Opinion about government performance: confidence vs. corruption



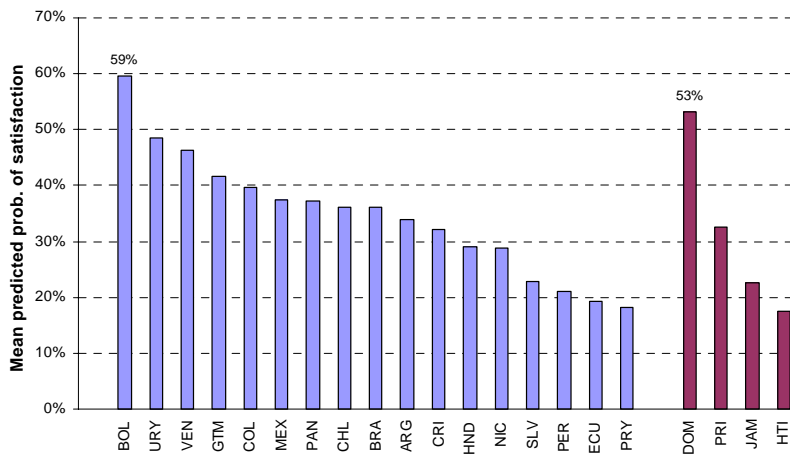
Source: own estimates based on microdata from Gallup World Poll 2006, questions wp139 and wp146.
 Note: Average for the LAC region is represented by the vertical (question wp146) and horizontal (question wp139) lines.

Figure 8.12
Satisfied with public policies



Source: own estimates based on microdata from Gallup World Poll 2006, questions wp131 and wp133.
Note: Average for the LAC region is represented by the vertical (question wp133) and horizontal (question wp131) lines.

Figure 8.13
Predicted probability of being satisfied with efforts to deal with the poor conditional to characteristics of LAC



Source: own estimates based on microdata from Gallup World Poll 2006, question wp131.
Note: Predictions based on Probit estimates of model 3 for each country (see also table 8.11)