

Giovagnoli, Paula; Pizzolitto, Georgina; Trías, Julieta

Working Paper

Monitoring the Socio-Economic Conditions in Chile

Documento de Trabajo, No. 19

Provided in Cooperation with:

Centro de Estudios Distributivos, Laborales y Sociales (CEDLAS), Universidad Nacional de La Plata

Suggested Citation: Giovagnoli, Paula; Pizzolitto, Georgina; Trías, Julieta (2005) : Monitoring the Socio-Economic Conditions in Chile, Documento de Trabajo, No. 19, Universidad Nacional de La Plata, Centro de Estudios Distributivos, Laborales y Sociales (CEDLAS), La Plata

This Version is available at:

<https://hdl.handle.net/10419/189574>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

C | E | D | L | A | S

Centro de Estudios
Distributivos, Laborales y Sociales

Maestría en Economía
Universidad Nacional de La Plata



Monitoring the Socio-Economic Conditions in Chile

Paula Giovagnoli, Georgina Pizzolitto y Julieta Trías

Documento de Trabajo Nro. 19
Marzo, 2005

Monitoring the Socio-Economic Conditions in Chile

Paula Giovagnoli, Georgina Pizzolitto and Julieta Trías*

Abstract

This report describes the socio-economic situation in Chile based on a large set of distributional, labor and social statistics computed from microdata of the *Encuesta de Caracterización Socioeconómica Nacional* (CASEN) from 1990 to 2000. The report also draws from other data sources and the existing literature. Chile had an outstanding economic performance during the 1990s, in particular in the first half of the decade, achieving a remarkable reduction in poverty, which contrasts with the experience of its neighbors in the Southern Cone. Poverty reduction was mainly due to economic growth, since inequality has remained very high.

Keywords: income, poverty, inequality, education, labor, wage, employment, Chile

*Corresponding author's e-mail: gpizzolitto@yahoo.com.ar. This document is part of the project "Monitoring the socio-economic conditions in Argentina, Chile, Paraguay and Uruguay", CEDLAS-The World Bank. CEDLAS team: Leonardo Gasparini (director), Victoria Fazzio, Paula Giovagnoli, Federico Gutiérrez, Georgina Pizzolitto, Leopoldo Tornarolli, Julieta Trías and Hernán Winkler. We are grateful to the very helpful comments of Jesko Hentschel, and seminar participants at The World Bank and UNLP.

1. Introduction

During the last decade Chile has had one of the best socio-economic performances in the region. On average GDP grew at an annual rate of 6.3% and the rate of inflation was substantially reduced, reaching the lowest level in the last 4 decades. The unemployment rate fell from an average of 15% in 1980s to 7.4% in the 1998, and real wages increased steadily. As a result of the economic progress, poverty – as measured by the headcount ratio using the official moderate poverty line - significantly decreased from 45.1% in 1987 to 21.7% in 1998. For the first time, the country reached the third position among the lowest poverty rates in LAC, after Uruguay and Costa Rica. During 1998 the economy suffered a slowdown, delaying the improvements in poverty reduction for some years. In 2000 the economic activity experienced a recovery, and social indicators showed again some improvements. According to official information, the poverty rate decreased from 20.6% in 2000 to 18.8% in 2003.

This document shows evidence on the socio-economic performance of Chile. The report is mostly focused on the period 1990-2000, and is based on statistics constructed from microdata of the *Encuesta de Caracterización Socioeconómica Nacional* (CASEN). All the statistics in this report computed by our team from survey microdata can be shown and download from www.depeco.econo.unlp.edu.ar/cedlas/monitoreo.htm. All the indicators are regularly updated as new information is released.

The rest of the document is organized as follows. In section 2 we present the main sources of information used in this report. The next ten sections show and analyze information on incomes, poverty, inequality, aggregate welfare, the labor market, education, housing, social services, demographics, and poverty alleviation programs. Section 13 provides a poverty profile, while section 14 closes with an assessment.

2. The data

Most of the statistics presented here are based on microdata from the official household survey, *Caracterización Socioeconómica Nacional* - CASEN. The CASEN is nationally and regionally representative and covers the whole population including rural areas, totalizing 15 million people.¹ The survey is multi-topic and provides a wide range of socioeconomic

¹ The survey does not cover those areas where access is difficult, which represent only 1.36% of the total population.

variables.² It also collects data on social programs, as well as information on the access to utilities and public services, health conditions, insurance and the use of health services. Education variables such as school attainment, type of schools, and fees are also gathered.

The survey is carried out by the Ministry of Planning (MIDEPLAN) through the Department of Economics at the Universidad de Chile in Santiago, who is responsible for the data collection, digitalization and consistency checking of the database. Once the database is ready, MIDEPLAN gives it to CEPAL (UN Economic Commission for Latin America and the Caribbean) to make adjustments for non-response, missing income values, and the under (or over) reporting of different income categories, with the National Accounts System being used as a reference. These processed databases are those officially available for public uses.

Some limitations are encountered by using these processed databases, instead of the original ones. First, some variables are dropped or re-codified, which implies constraints on the analysis of some issues. For instance, in some specific years it is not possible to identify public from private employment, although there is a specific question in the survey.

Probably the main limitation arises from the income adjustments made by CEPAL. Unfortunately, these adjustments cannot be easily undone. There are some documents in which adjustment factors are reported (e.g. CEPAL 1997), but the income variables to which the coefficients must be applied are not all available in the official databases. For instance, since information on capital, private transfers and other items is not disaggregated, we are not able to apply the adjustment factors to each specific item. For these reasons in this report we use the income variables reported by MIDEPLAN and CEPAL. A companion paper (CEDLAS, 2004) discusses this issue in detail.

The number of observations – individuals - for year 2000 is around 235,000 (65,000 households). The survey has been regularly implemented every two years since 1990 during November and in some cases, up to mid December. Additional surveys were carried out in 1985 and 1987. Although the last survey was carried out during 2003, data is not officially available yet. For this initial report we use data for 1990, 1994, 1996, 1998 and 2000. We will update this report as soon as the data for the CASEN 2003 becomes available to the public.

² It is worth noting that the questionnaire is designed to allow the distinction between labor incomes in cash and in kind, income from capital, rental income, imputed rent, employment related transfers and entitlement transfers. However, the official data base given by MIDEPLAN - the one we are working with- is re-coded by CEPAL. In the re-coded database not only adjustments for non-response or under (over) reporting are made, but also income variables are aggregated on specific ones created by CEPAL.

The random sampling method used in the survey is multi-stage with regional stratification and clustering. In the first step, the country is divided in rural and urban areas of each of the 13 regions. The primary sample units are selected with probabilities proportional to population. A slight change in the definition of rural-urban areas was made in 1996.³ In a second stage, once the stratification is done, households are selected with the same probability to be chosen.

The CASEN does not allow the close monitoring of labor statistics, as it is available only every two years. To cover this gap, the National Institute of Statistic (Instituto Nacional de Estadística – INE) implements a monthly on-going survey to compute the unemployment rate and other labor indicators. This survey is based on a random sample of households. The sample framework is part of the PIDEH (Integrated Program of Household Surveys). The survey is carried out in 37.386 dwellings every quarter. The questionnaires and methodology applied were prepared following international rules given by the International Labor Organization (ILO). This survey is nationally and regionally representative, except for areas in which access is difficult (0.8% of the whole Chilean territory).

Concerning administrative information, it is especially abundant to monitor the formal educational system. Besides collecting administrative information on schools, teachers and students, the Ministry of Education has been conducting a national education quality assessment, which includes school tests and surveys to school staff and students.

3. Incomes

Real incomes are the arguments of all poverty, inequality, polarization and welfare indicators. Thus, before computing measures of these distributional dimensions, we present in this section some basic statistics on real incomes. Monthly incomes are expressed in Chilean pesos of November 2000.⁴ It is important to point out that, for comparison with the other countries in the region, household incomes used in this report for Chile do not include imputed rents from own-housing. This is not the case for income variables used in MIDEPLAN reports, in which rents are counted as part of household income.

Table 3.1 shows real incomes by deciles for Chile for in 1990, 1994, 1996, 1998, and 2000. On average, income rose 54% between 1990 and 2000. During the 1990s real income only decreased 0.7% in the period 1998-2000 when the economy experienced a recession. Table

³ From 1987 up to 1994, urban areas were defined as any grouping of dwellings with more than 2000 people. As from 1996, the definition was broadened, including population between 1001 and 2000 where at least 50% of the economically active population were employed in secondary or tertiary activities (MIDEPLAN 1996).

⁴ The exchange rate in November 2000 was around 575 Chilean pesos per one dollar.

3.1 also shows that income changes over the decade were somewhat different across deciles. Between 1990 and 1994 real income grew 27% on average. In that period, gains were fairly uniformly distributed along the income distribution, with somewhat larger gains in deciles 1, 8, 9 and 10. From 1996 to 1998 per capita income rose 7.6%. Gains were unevenly distributed: while real income increased 8.8% in the top decile, it increased just 2.4% in the bottom decile of the household income distribution. The picture for the 1998-2000 period is different. Most income strata suffered an income reduction, with larger drops in deciles 7 to 9. Considering the whole period 1990-2000, all income groups enjoyed substantial income gains. The gains, however, were larger (even in proportional terms) for the rich. While income grew 45% in the bottom decile, it rose 57% in the top decile.

Figure 3.1 presents real incomes by deciles in 1990, 1994, 1996, 1998 and 2000. All deciles enjoyed gains from economic growth between 1990 and 1998, and most of them suffered a slight income fall during the period 1998-2000. In absolute terms, the gap between the poorest and the richest deciles is significant. In 2000, real income in the richest decile was 45 times higher than average income in the poorest decile.

The growth-incidence curves of Figure 3.2 present a more detailed picture of the income change patterns. Each curve shows the proportional income change of each percentile in a given time period. It is worth noting that the curve for the whole decade (i) lies well above the horizontal axis, implying economic growth for all the population, and (ii) it is slightly increasing, suggesting some unequalizing income changes. These two observations are key to understand the fall in poverty and the increase in inequality to be reported in the next two sections.

The Pen's parade curves of Figure 3.3 (A to D) present another view on the same facts. Each curve shows real income by percentiles. To make the figure clearer, in panels B to D we show the curves for different groups of percentiles. In all cases the curve for 1996 lies well above the curve for 1990. The order of 1998 and 2000 depends on the specific income strata.

4. Poverty

The persistent economic growth together with a targeted public social policy implied a significant reduction in poverty. Compared with the rest of LAC, the poverty reduction in Chile was remarkable, allowing the country to move to a better position in the poverty ranking in the region.

This report shows estimations using different poverty indicators and the most used poverty lines. We compute the three most frequently used poverty indicators: the headcount ratio,

the poverty gap, and the FGT (2).⁵ For each indicator we use the following alternative poverty lines and methodologies:

- a) The USD 1 a day and USD 2 a day at PPP prices -international poverty lines extensively used by the World Bank- (see World Bank Indicators, 2004).⁶
- b) Official moderate and extreme poverty lines used by MIDEPLAN and based on the cost of a basic food basket and the Engel/Orshansky ratio of food expenditures for rural and urban areas.⁷
- c) Poverty lines used in the World Bank Report (2002).
- d) A line set at 50% of the median of the household per capita income distribution.

For each case, different income definitions are used. For a) and d) the definition of income does not include imputed rent from own-housing, secondary members of the households are excluded, and income is expressed as a per capita value. In the case c) income is adjusted for adult equivalents using Contrera's scale (see Contreras 1995), and it includes imputed rents. The poverty lines used by the World Bank do not make adjustments to account for differences in urban and rural prices, and secondary members of the households are considered as different independent households.⁸ Finally, the official method (b) does not consider domestic servants, income is considered as a per capita value, it includes imputed rent, and uses two different lines for rural and urban areas.

Table 4.1 presents the value of the USD 1 a day and USD 2 a day at PPP prices poverty lines (in per capita terms) and the official poverty lines for urban and rural areas in local currency units for the period 1990-2000.

Moderate poverty

Tables 4.2 to 4.5 show various poverty measures with alternative poverty lines. Chile has witnessed a significant reduction in income poverty in the last decade. All indicators shown in Tables 4.2 to 4.5 and Figures 4.1 to 4.3 agree with this statement.

Table 4.2 and Figure 4.1 show a strong reduction in poverty computed according to the official methodology. The proportion of people in poverty fell from 38.6% in 1990 to

⁵ See Foster, Greer and Thornbecke (1984) for references.

⁶ See the methodological document for details.

⁷ See MIDEPLAN (1999) for methodological details

⁸ For a comprehensive explanation about the differences between WB lines and official ones, see *Chile's High Growth Economy: Poverty and Income Distribution, 1987-1998*. Background Paper 1: Updated income distribution and poverty measures for Chile: 1987-1998 written by Julie Litchfield.

20.6% in 2000 (almost a 50% reduction in ten years). While almost 5 million Chileans were poor in 1990 according to the official estimates, that number dramatically fell to 3 million in 2000 (out of a population of 15 millions). That poverty fall was particularly strong during the first half of the nineties. Poverty continued to fall in the second half but at a slower pace. MIDEPLAN reports that according to the information available from the CASEN 2003 national poverty fell to 18.8%.

By inspecting the poverty gap and the FGT (2), we conclude that over the decade the poor were closer to the poverty line, and there were fewer individuals far below the poverty line. It is worth noting that the poverty deficit - FGT (1) – fell by half over the decade. In summary, Chile had in 2000 fewer poor individuals than in 1990, and those who were poor were less poor than in 1990. The decreased in poverty is captured by all indicators.

From Table 4.2, poverty is higher in rural areas compared to urban ones. The difference however does not seem to be large. In 2000 the headcount ratio was 20.1% in urban areas and 23.8% in rural areas. According to MIDEPLAN in 2003 the rates were 18.6% and 20.1%, respectively. Notice that between 2000 and 2003 poverty reduction was greater in rural areas (3.7%) than in urban areas (1.5%).

The patterns shown in Tables 4.3, based on estimates by the WB, are similar to those mentioned above. The strongest reduction in the headcount poverty index occurred from 1990 to 1996, with a 50% decrease in urban areas and 20% in rural areas.

According to the USD1 line (see Table 4.4 and Figure 4.2), the headcount ratio decreased from 5.1% in 1990 to 2.8% in 2000. Poverty substantially fell between 1990 and 1998, due to the significant growth in GDP. After a temporary slowdown in the rate of reduction in 1998, poverty decreased again fueled by the economic recovery. The patterns for the other poverty indicators (poverty gap and FGT(2)) are similar. Notice that the poverty rate using a line of 1 dollar per day substantially decreased between 1990 and 1996, and slightly increased thereafter both in urban and rural areas. This rate is significantly higher in rural areas compared to urban areas.

Poverty measured with the USD 2 a day poverty line decreased 10.4 points from 1990 to 1998, and also fell 1.2 points during the stagnation of 1998-2000 (see Table 4.5 and Figure 4.2). In the whole period, the headcount ratio fell from 20 in 1990 to 9.3 in 2000, which means that the estimated number of poor people decreased in more than 1 million.

Some countries (*e.g.* those in the European Union) use a relative rather than an absolute measure of poverty. According to this view, since social perceptions of poverty change as the country develops and living standards go up, the poverty line should increase along with economic growth. Probably the most popular relative poverty line is that set at 50% of median income. Table 4.6 shows a stable pattern in national relative poverty over the

1990s. Since the whole income distribution shifted to the right with minor changes in its shape, relative poverty did not significantly change according with this indicator (see Figure 4.3).

The decreasing trend in poverty in Chile during the 1990s is well recognized and documented in the international literature (see Feres (2001), Valdés (1999), Litchfield (2002), Larrañaga (1994), Contreras (1995) and Mideplan (1999) among others). ECLAC (2002) reports poverty indicators for Chile and shows that the percentage of households below the poverty line is almost half of the average of 18 Latin American countries. Figure 4.4 based on data from ECLAC (2003) shows Chile as one of the five countries with the lowest poverty rates in the region. Chile is the country with the greatest reduction in poverty. After ten years it has reached the third position, after Uruguay and Costa Rica. Data from 1998 Székely (2001) also places Chile as a low-poverty country compared to the rest of LAC (see Figure 4.5). Using data for 1998 the author ranks Chile in second place after Uruguay and before Argentina, Venezuela and Mexico.

Extreme poverty

The dramatic fall in poverty also shows up when using extreme poverty lines. The headcount ratio using the official extreme poverty line fell from 12.9 in 1990 to 5.7 in 2000 (see Table 4.7). That fall took place mainly between 1990 and 1996. Official estimates of national extreme poverty stayed roughly unchanged in the second half of the 1990s. This result however is the consequence of a small rise in poverty in urban areas, and a significant fall in rural areas.

MIDEPLAN (2004) estimates a fall in poverty from 5.7 in 2000 to 4.7 in 2003. This reduction was three times bigger in rural areas, where poverty fell from 8.3 to 6.2. In urban areas poverty decreased from 5.3 to 4.5. Between 1990 and 2003 the number of people living under the poverty line was reduced in 8.2 points.

The picture is slightly different if we apply the World Bank methodology to estimate extreme poverty (Table 4.8). Between 1992 and 1994 a rise was recorded not only in the poverty deficit and severity but also in the headcount ratio in rural and urban areas: the number of those individuals living in extreme poverty increased during these years despite economic growth. It is argued that the rise in unemployment in this period, particularly among those in the lower tail of the household income distribution, is one of the main determinants of the increase in extreme poverty (see Lichtfield, 2002).

So far, we have measured poverty based on household income. However, there are convincing arguments for considering poverty as a multidimensional issue.⁹ Insufficient income is just one of the manifestations of a more complex problem. Given the availability of information for the countries in the region we construct an indicator of poverty according to the characteristics of the dwelling, access to water, sanitation, education (of household head and children) and dependency rates. In Table 4.9 we present an indicator of poverty based on endowments of the variables listed above.¹⁰ Chile has been successful not only in reducing income poverty, but also in achieving better results in endowment indicators. In ten years, the percentage of individuals without a minimum set of endowments (in terms of characteristics of housing, access to water and sanitation, and education) decreased from 59% to 39.5%. However, in the last two years the improvements were less important in magnitude.

5. Inequality and polarization

As mentioned above, poverty in Chile fell despite the absence of equalizing changes in the income distribution. The aim of this section is to provide a comprehensive picture of inequality. The first and most tangible measures presented are the shares of each decile and some income ratios. In Table 5.1 we show these measures computed over the distribution of household per capita income. Although the distribution has not been stable, changes have been rather small. The income share of the poorest decile fell from 1.24 in 1990 to 1.23 in 1996, and decreased to 1.17 by 2000. In the other extreme, the income share of the richest decile increased from 46.08 in 1990 to 47.07 in 2000.

In general, all 9 poorest deciles have lost participation over the decade, a fact that naturally translates into a more unequal household income distribution. The income ratio between deciles 10 and 1 rose from 37.24 in 1990 to 40.27 in 2000. Deciles 1 to 7 have slowly lost participation over the decade. Instead, changes in the top three deciles were more abrupt. During the first half of the 1990s, deciles 8 and 9 gain some participation in total income against decile 10. That movement was completely undone in the second half of the 1990s in favor of decile 10.

In Table 5.2 we compute several inequality indices: the Gini coefficient, the Theil index, the coefficient of variation, the Atkinson index, and the generalized entropy index with different parameters. The assessments of the changes in inequality in the first half of the 1990s differ across inequality indices. In any case, changes were very small. In contrast, all

⁹ Bourguignon (2003) discusses the need and the problem of going from income poverty to a multidimensional approach of endowments. Attanasio and Székely (eds.) (2001) show evidence of poverty as lack of certain assets for LAC countries.

¹⁰ See the methodological document for details.

measures of inequality suggest an increasing pattern over the second half of the decade. Overall, according to all value judgments considered in the report, inequality in Chile was in 2000 a little higher than in 1990. For instance, while the Gini coefficient was 0.562 in 1990, it rose to 0.572 by 2000, the highest value in the period under analysis.

In Tables 5.3 and 5.4 we extend the analysis to the distribution of equivalized household income. Equivalized income takes into account the fact that food needs are different across age groups – leading to adjustments for adult equivalent scales – and that there are household economies of scale.¹¹ The introduction of these adjustments does not imply significant changes in the assessments of the results.

In Tables 5.5 and 5.6 we consider the distribution of a more restricted income variable: the equivalized household labor monetary income in urban areas. By focusing on labor income, capital income and transfers are ignored. Again, the inequality patterns are similar than in previous tables. Between 1990 and 2000 the share of the two top deciles increased, while the participation of the bottom eight deciles went down. The income ratio between deciles 10 and 1 rose from 32.46 in 1990 to 41.16 in 2000. Table 5.6 reports a significant increase in inequality between 1990 and 1996 in all indicators, in contrast to the results of Tables 5.2 and 5.4. The increase in inequality observed during the second half of the 1990s was greater in 1998-2000 period measured over the distribution of the equivalized household labor monetary income in urban areas.

Table 5.7 and 5.8 are aimed at assessing the robustness of the results by presenting the Gini coefficient over the distribution of several income variables. The different columns consider different adult equivalent scales, restrict income to labor sources, consider total household income without adjusting for family size, and restrict the analysis to people in the same age bracket to control for life-cycle factors. Most of the results drawn from previous tables hold when making these adjustments. Two exceptions are worth mentioning. First, the Gini coefficient for the distribution among households of total household income did not increase, which suggests a relevant role for demographic factors in the increase in household per capita income inequality. Second, the Gini for the distribution of equivalized income for individuals older than 60 went significantly down between 1998 and 2000. Although this result might not be statistically significant, it can also reflect a relative improvement of pensions in the lower strata of the distribution.

Table 5.8 presents an interesting result. Inequality, measures by the Gini coefficient on the distribution of household per capita income in rural areas became significantly less unequal, especially in the first half of the 1990s. Since in urban areas the trend was the opposite, and given the small share of rural areas in total population, this improvement in

¹¹ See Deaton and Zaidi (2003) and the methodological appendix.

inequality did not have a large impact on national inequality indicators. Similar results are observed in Gini coefficient for urban and rural areas considering the distribution of equivalized household income.

Inequality in Chile is high, according to international standards. Gasparini (2003) compute Gini coefficients for the distribution of equivalized household income for most Latin American economies. In the early 1990s Chile ranked as one of the high-inequality countries in the region (see Figure 5.1). The second panel suggests that the failure in reducing inequality has placed Chile in the second position in the inequality ranking, after Brazil, a country historically known as been very unequal. The small unequalizing changes in Chile contrast with some distributional improvements in the other high-inequality countries of the region (Honduras, Brazil, Colombia).

Polarization is a dimension of equity that has recently received attention in the literature. It refers to homogeneous clusters that antagonize each other. Table 5.9 shows the Wolfson (1994) and Esteban, Gradín and Ray (1999) indices of bipolarization. Polarization depends on three factors: (a) the number of groups and their relative size, (b) identification (the degree of equality within each group), and (c) alienation (the degree of income differences among groups). Lower levels of identification and alienation would decrease polarization. Note that polarization and inequality can go in different directions. This is the case for Chile. Polarization indexes experienced a small fall during the decade while inequality, under most measures, went up. Recall that the share of the top decile significantly increased in the last decade, driving inequality measures up. Among the main losers of the distributional changes were people in the deciles 7 to 9, *i.e.* people that are considered by bipolarization measures as belonging to the same “class” of the winners of the top decile. This fact weakens the identification within the high-income group, driving bipolarization measures down.

6. Aggregate welfare

Rather than maximizing mean income, or minimizing poverty or inequality, in principle societies seek the maximization of aggregate welfare. Welfare is usually analyzed with the help of growth-incidence curves, generalized Lorenz curves, Pen’s parade curves and aggregate welfare functions. In section 3 we present growth incidence curves and Pen’s parade curves, which reveal an increase in welfare over the last decade. The same conclusion arises from the generalized Lorenz curves of Figure 6.1. The curve for 2000 lies well above the corresponding generalized Lorenz curve for 1990.

We have also performed a welfare analysis in terms of abbreviated welfare functions (see Table 6.1 and Figure 6.2). We consider four functions. The first one is represented by the average income of the population: according to this value judgment inequality is irrelevant.

The rest of the functions take inequality into account. These are the ones proposed by Sen (equal to the mean times 1 minus the Gini coefficient) and Atkinson (CES functions with two alternative parameters of inequality aversion).¹²

As we have mentioned above, the Chilean economy grew during the last decade. However, the distribution became more unequal, turning the assessment of the Chilean economy in terms of aggregate welfare in principle ambiguous. Table 6.1 and Figure 6.2 shows that no ambiguity arises. Aggregate welfare has substantially increased in Chile, despite the increase in inequality, and thanks to the strong growth in mean income. In fact, the increase in welfare according to alternative non-utilitarian value judgments was similar to the increase in mean income.

7. The labor market

This section summarizes the structure and changes of the labor market in Chile in the last decade. Table 7.1 shows hourly wages in the main occupation, hours of work and labor income for the working population. Mean hourly wages (deflated by the CPI) have increased 48% during the 1990s. Instead, hours of work fell from 49.9 hours per week in 1990 to 47.4 in 1998, and increased to 48.1 by 2000. As a result, Chileans work, on average, around 2 hours a week less than a decade ago. The trend in real monthly labor income was dominated by the behavior of wages.

Tables 7.2 to 7.4 report hourly wages, hours of work and earnings by gender, age and education. There is a significant gap between men and women in hourly wages and hours of work. Men earn more than women and work substantially more hours, which implies higher earnings. The wage gap reached the highest levels of the decade in 2000, when men earned on average 25% more than women and worked 10.5% more, in terms of weekly hours.

The gaps are also significant if we classify the population by age groups. Table 7.3 suggests that older workers are better paid: while young workers (15-24 years old) earned on average \$840 in 2000, those who were older than 64 earned more than double (\$2,272). People in the 41-64 bracket have significantly improved in relative terms. While mean hourly wages for people aged 41 to 64 was 23% higher than wages for people aged 25 to 40 in 1990, that difference expanded to 39% in 2000. People in the 25-40 bracket has experienced the lowest increase in their wages during the decade (32%), followed by the group of 65 and more (37%) and people between 15 and 24 (39%). The changes in hours of

¹² See Lambert (1993) for technical details.

work were similar across age groups, with the exception of those older than 65: hours worked by the elderly decreased over the decade 9.5%.

Table 7.4 shows wages, hours and labor income by educational levels. Note that when comparing 1990 to 2000, all groups experienced an increase in wages and labor incomes in real terms. The increase, however, was significantly greater for those who have higher education. For instance, while during the decade the hourly wage increased 46% in the skilled group, the rise was 18% for people with low education. People with less education work more hours than skilled workers. However, this gap has been narrowing down as hours worked have decreased 5% for the unskilled and increased 2% for the skilled workers. While in 2000 a typical high-educated Chilean worked one hour more than in 1990, a typical unskilled worker worked nearly 3 hours less than in the early 1990s. Table 7.11 shows that the negative correlation between worked hours and hourly wages fell throughout the decade.

Table 7.5 shows large differences in real hourly wages from the main occupation among entrepreneurs, wage earners, and the self-employed. Entrepreneurs earn more than five times what salaried workers earn. Similar gaps are found in the case of labor income. Differences between entrepreneurs and salaried workers and the self-employed have been decreasing along the decade. While from 1990 to 2000 entrepreneurs' wages grew up around 26%, the increase for wage earners was 47%. In the case of the self-employed, earnings increased on average 36% in the same period. Changes in earnings of the self-employed professionals and the unskilled self-employed were fairly similar (see Table 7.6).

Table 7.7 provides information on wages, hours worked, and labor income by economic activity.¹³ The sector with the highest mean wage is the skilled services sector. Education and Health was the second better paid sector in 2000, while in the early 1990s Utilities and Transportation was ranked in second place, followed by Education and Health. Comparing 1990-2000, the highest increase in real wages was experienced in manufacturing firms with low technology, while Commerce and Utilities and Transportation enjoyed the smallest wage increase. The increase in labor incomes in the last 10 years was generalized across economic sectors.

Table 7.8 presents wages, hours and labor income by area and region. On average, not only urban incomes are higher than rural ones, but also experienced a higher increase over the decade. In fact, while mean labor income in urban areas rose 52%, in rural areas decreased a 4% due to a fall in hours of work. The dispersion in the labor market performance across regions is large. While in some regions hourly wages increased by more than 50% (regions II, VII, VIII, IX, and XII), in region III the increase was less than 10%, and in region I the

¹³ The dataset available from CASEN 1994 and 1998 does not allow computing these statistics.

mean hourly wage fell 1.5% The average hours of work fell in most of the regions and only increased in regions IV and XI. Again, in general labor incomes increased across regions during the decade despite a slowdown in the economic growth since 1998.

Table 7.9 records the share of salaried workers, self-employed workers and entrepreneurs in total labor income. Salary workers and entrepreneurs experienced an increase in labor income participation against the self-employed. The share of the latter group fell from 26% in 1990 to 19% in 2000. At the end of the decade, the share of self-employed workers and entrepreneurs in total labor income was similar. The share of salaried workers has increased to 60% in 2000.

Inequality in labor outcomes is probably the main source of inequality in household income. Table 7.10 shows the Gini coefficient for the distribution of hourly wages for men workers aged 25 to 55. Inequality has greatly increased over the first half of the period (1990-1996) and decreased between 1998 and 2000 at a higher rate. Inequality in wages within educational groups went up for the high-educated group and substantially fell for the unskilled and middle educated group.

In order to understand whether the difference in hourly wages among workers is reinforced by differences in hours of work, Table 7.11 records the correlation between the two variables. As it can be seen from the table, results suggest the opposite. Correlations between hours worked and hourly wages are negative and significant for all years. The negative correlations have fallen in absolute terms, a fact that has an unequalizing impact on the earnings distribution

Table 7.12 presents wage gaps among workers classified into three educational groups. All figures in the table are greater than 1, implying that more educated workers earn on average more than less educated ones. Additionally, the gap between high and low educated people increased during the decade. In 1990 a skilled prime-age male worker earned on average 3.9 times per hour more than a similar unskilled worker in his primary job. This value increased to 5.3 by 2000.

The wage gap analysis described above is unconditional, since we are not controlling for other factors that may affect the gap between these groups. In order to do that, we carried out conditional analyses regressing the logarithm of hourly wage in the primary job on educational dummies and other control variables (such as age, age squared, regional dummies and urban/rural dummies). Table 7.13 shows the results of these *Mincer* equations. For instance, in 1990 a male worker between 25 and 55 years old with a primary education degree earned on average nearly 6% more than a similar worker without that degree. Having secondary school complete implied a wage increase of 42% over the earnings of a worker with only primary school: the *marginal* return of completing secondary school -

versus completing primary school and not even starting secondary school- was 42%. The wage premium for a college education was an additional 92%. The marginal returns to primary and college education increased over the period. There was a significant jump in the returns to primary (from 6% to 13.1%), while the returns for secondary school increased from 43% in 1990 to 45% in 2000 and college education from 92% to 97% in the same period.

The Mincer equation is also informative on two interesting factors: the role of unobservable variables and the gender wage gap. The error term in the Mincer regression is usually interpreted as capturing the effect on hourly wages of factors that are unobservable in household surveys, like natural ability, contacts and work ethics. An increase in the dispersion of this error term may reflect an increase in the returns to these unobservable factors in terms of hourly wages (Juhn *et al.* (1993)). Table 7.14 shows the standard deviation of the error term of each Mincer equation. The returns to unobservable factors have decreased for men, while no clear pattern emerges for women.

The coefficients in the Mincer regressions are different for men and women, indicating that they are paid differently even when having the same observable characteristics (education, age, location). To further investigate this point we simulate the counterfactual wage that men would earn if they were paid like women. The last column in Table 7.14 reports the ratio between the average of this simulated wage and the actual average wage for men. In all cases this ratio is less than one, reflecting the fact that women earn less than men even when controlling for observable characteristics. This result has two main alternative interpretations: it can be either the consequence of gender discrimination against women, or the result of men having more valuable unobservable factors than women (*e.g.* be more attached to work). It seems that the gender wage gap has slightly increased during the last decade.

Table 7.15 presents statistics of the labor force by gender, age, education and area. Labor force participation increased around 7 points between 1990 and 2000 as a consequence of the massive incorporation of mainly unskilled and semi-skilled women into the urban labor markets. As it is shown in the first panel, in 1990 only 38% of adult women participated in the labor market. Ten years later, this proportion went up to 46%. While labor market participation went down for youngsters, it substantially increased for prime-age people. Finally, although high-educated people participate more than low-educated people, the gap has significantly shrunk over the decade, as the unskilled became increasingly active.

Fueled by the economic growth, the employment rate jumped 5 points in the first half of the 1990s (see Table 7.16). That rate fell in the second half, when growth became slower. Changes have been very different across gender and age groups. While women employment increased throughout the decade, the employment rate for men decreased since

1996. Employment significantly increased for people above 40, and went down for those younger than 24. The increase in employment during the first half of the 1990s was concentrated in people with low and medium education, while the fall in the second half was rather homogeneous across educational groups.

During the 1990s, unemployment increased in Chile. While the share of unemployed adults was around 4% in 1990, by 2000 it had increased to 7% (see Table 7.17). That share fell more than 1 point during the fast growth years, and has risen since 1996. That pattern has been similar across gender, age and education groups, and areas.

The social concern for unemployment increases when unemployment spells are large. Table 7.18 shows a significant increase of these spells between 1996 and 2000. While in 1996 a typical unemployed person stayed 2.6 months without employment, in 2000 that spell lasted more than 4 months. Unemployment spells are larger for the skilled workers.

Tables 7.19 to 7.24 show the employment structure in Chile. The share of men in total employment is still high, despite the increase in women labor market participation (Table 7.19). People older than 40 have gained participation, against those younger than 25. Finally, the last three columns of Table 7.19 show a sizeable change in the educational structure of the working population in favor of the semi-skilled and the skilled.

Table 7.20 reports a reduction in the share of rural workers, and a rather stable distribution of workers across regions.

Table 7.21 presents the employment structure by type of work. Along the decade, there has been an increase in the share of entrepreneurs and self-employed workers in total employment. The share of the public sector has significantly increased in the second half of the 1990s, while the share of employment in large and small firms fell.¹⁴

In Table 7.22 we show the formal-informal structure of employment. Following Gasparini (2003), two definitions are implemented. According to the first definition, the formal workers group includes the entrepreneurs, salaried workers in large firms and in the public sector, and self-employed professionals. On the other hand, the second definition considers as formal workers those who are entitled to receive pensions when they retire. Using the first definition, formal employment increased over the decade. Instead, according to the second definition, the Chilean labor market has become more informal over the last decade. While in 1990 34% of the working population declared not being entitled to receive pensions, in 2000 that share increased to 37.3%.

¹⁴ Figures are not reported for 1990 and 1998 because it is not possible to classify people working in the public sector due to lack of data.

Table 7.23 and 7.24 depict the sectoral structure of the economy. While the share of skilled services sector and public administration in total employment increased, primary activities and the manufacturing industry lost relevance along the decade. Employment went significantly up in construction, utilities and transportation, as well as in the public sector.

Table 7.25 shows the proportion of working children between 10 and 14 years of age. According to these figures, there is no evidence to consider child labor as a particularly relevant issue in Chile.

Tables 7.26 to 7.28 show some indicators related to job quality. The proportion of people who report having a permanent job is around 77%. Skilled workers have more stable jobs. Over time, the gap with the skilled has not increased. Instead, the gap between low and high-educated workers has widened in terms of entitlements to receive social security. The access to health insurance has substantially increased for all types of workers (men, females, unskilled and skilled). While in 1990 65% of workers had access to health insurance, that share increased to 73% in 2000.

8. Education

According to official reports by the Ministry of Education, education coverage grew in the last decade. The increase in attendance to primary education was small, since it is already close to be universal. The highest increase in coverage took place between 1998 and 2000 (MIDEPLAN, 2000). Although education improved in the 1990s, changes have been heterogeneous across different socioeconomic and demographic groups.

In this section we analyze the changes in the educational structure of the population by demographic groups (age and gender), areas (rural and urban) and income levels. Most of the figures and tables presented here are own estimates based on microdata from the CASEN survey.

Years of schooling

Table 8.1 depicts the educational structure of adults aged 25 to 65. During the last decade, the share of high-educated people has increased. While in 1990 13.8% of adults had more than 13 years of education, that proportion rose to 15.2% in 1996 and to 18% four years later. There is no evidence that this increase in the share of highly educated people significantly differs by gender.

Table 8.2 presents the average years of schooling in formal education by age and gender. As we move from the youngest to the oldest age-group, years of schooling decrease. In 2000 people older than 60 had on average 6.2 years of education; this figure was almost doubled for those aged 21 to 30, reflecting the improvement of the education coverage

during the last decades. In the latter group females show a slight advantage compared to males. On the contrary, in the oldest groups, males have more years of schooling. There seems to be a recent reversion of the gap in years of education between men and women. For the working-age population (25 to 65), years of education have become slightly greater for women since 2001.

Large differences are observed in years of schooling by areas (see Table 8.3). Although from 1990 to 2000, years of schooling increased both in rural and urban areas, the growth was higher for urban than for rural areas, thus widening the gap.

Years of education also differ by income quintiles. Table 8.4 shows again that although there were increases on the average years of schooling across all quintiles in the decade, the absolute differences in average years of education among the poorest and the richest have widened between 1990 and 2000. While years of education increased in 0.7 for quintile 1, the increase for quintile 5 was 1.2 years. The poorest quintile has almost half of the years of education than the richest quintile.

In Table 8.5 people are divided according to age and household income quintiles. The widest gap in years of education between top to bottom quintiles corresponds to adults aged 51-60 in 2000. The gap is narrower for younger individuals. Specifically, the educational gap between the poor and the rich was 6.8 years for people aged 51 to 60, and 6.25 for people in their thirties.

In Table 8.6 we compute Gini coefficients for the distribution of years of education. These coefficients fell for all groups during the 1990s, showing that the ratio of years of schooling between the rich and the poor has decreased. This is not inconsistent with the point made above on the widening gap of years of education between the rich and the poor, because the Gini is a measure of the relative differences among individuals, rather than of absolute differences.

Literacy

Tables 8.7 to 8.9 show a rough measure of education: the self-reported literacy rate. During the 1990s there was a small increase in the mean literacy rate, which is close to 100%. While in 1990 5% of adults aged 25 to 65 were illiterate, that share fell to 4% ten years later. Table 8.8 shows the literacy rates by household equivalized income quintiles. Literacy rates were 91% and 92% for quintiles 1 and 2 in 1990, while one decade after are 92% and 95% respectively.

Table 8.9 shows the dramatic increase in literacy achieved in rural areas. While only 62% of people older than 65 living in rural areas reports reading and writing skills, that share jumps to 98% for youths aged 10 to 24.

Enrollment rates

Table 8.10 shows enrollment rates by areas and age groups. Enrollment rates substantially rose for all age groups in the last ten years in both urban and rural areas. These increases were larger in rural areas. For instance, in 1990 the enrollment rate for youth aged 13 to 17 in rural areas was 63%, reaching 83% in 2000. In the same period, the increase in urban areas was from 88% to 93%.

Attendance rates have increased for children aged 3 to 5. While in 1990 around one third of these children attended kindergarten, in 2000 the proportion was 46%. Attendance also increased for children in primary-school age, reaching almost 100% in 2000. Enrollment rates for young people also grew in the decade. In 1990 83% of young people aged 13 to 17 reported that they were attending school. Ten years later, this figure increased up to 92%. There are no significant differences between girls and boys in primary and high school attendance. Finally, there was a large increase in attendance for youngsters aged 18 to 23, especially for females. In 1990, there was only 28% of females and 32% of men in that age group who were attending the formal education system. In 2000, both groups (men and women) had reached a rate close to 41%.

The increase in attendance rates was larger in poor quintiles for children aged 3 to 5, 6 to 12, and for young people aged 13-17 (see table 8.12). The opposite occurred for those in the 18-23 bracket. In this case, attendance in the poorest quintile has been unchanged during the decade. On the contrary, the middle income groups – quintiles 3 and 4 – experienced noticeable increases in college attendance rates during the decade. Similar patterns are observed in the case of the richest quintile, confirming that education disparities in terms of school attendance rose in the 1990s for higher education.

Although we have seen that the increase in attendance rates was large, still there is a sizeable part of the relevant population not attending school. For instance, in 2000 8.2% of the youths aged 13 to 17 -around 110 thousands - did not attend school (see Table 8.10). For this group, it is interesting to analyze the reasons for leaving school. The CASEN survey includes a specific question about the reasons for non-attendance of the drop out population.

From Table 8.13 demand factors are by far the most important reason behind non attendance to school (about 89% of those who dropped out). 23% reported that they had economic problems to continue school. This reason is more relevant in rural than in urban areas. For the whole population, about 13.4% are at work or looking for a job. A similar proportion reported that “they are not interested” and another 13% reported that they were pregnant or already had a child. Note that the latter phenomenon is more important in urban than in rural areas. On the other hand, on average only 4% of people reported a supply-

related factor as the main reason for not attending school. This figure is double in the case of rural areas, in which 5% of people do not attend because there are no schools in the nearby area.

Educational mobility

We follow the methodology developed in Andersen (2001) to provide estimates of *educational* mobility, *i.e.* the degree to which parental education and income determine a child's education. The dependent variable is the schooling gap, defined as the difference between (i) years of education that a child would have completed had she entered school at normal age and advanced one grade each year, and (ii) the actual years of education. In other words, the schooling gap measures years of missing education. The Educational Mobility Index (EMI) is defined as 1 minus the proportion of the variance of the school gap that is explained by family background. In an economy with low mobility, family background would be important and thus the index would be small.¹⁵ Table 8.14 shows the EMI for teenagers (13 to 19) and young adults (20 to 25). The index has been relatively constant along the decade, being always higher for teenagers than for young adults.

9. Housing and social services

Table 9.1 presents the share of families owning a house (the building and the lot) for each income quintile. Housing ownership has significantly increased along the income distribution. The share of poor people who owns a dwelling is not so different from the corresponding share for the rich. For instance, while in 2000 the share of families owning a house was 61% for the poorest quintiles, this share was 65% for the richest quintile. As expected, poor people live in smaller houses -with fewer rooms-. Since poor families are also larger in size, the number of persons per room is higher than in rich families. However, the number of persons per room fell for all quintiles during the last decade.

From the CASEN it is possible to know whether the dwelling has been acquired through some public subsidy. Figure 9.1 presents the percentage of owners who purchased their dwellings through public subsidies in 2000, classified by income quintiles. It is worth noting that this percentage is relatively high, in particular for poor people: half of the owners in the poorest quintiles had public subsidies to buy the house. The subsidy typically covers a fraction of the price of the dwelling, which is directly bought by the beneficiary in the private housing market.

¹⁵ For technical details see Andersen (2001).

We have constructed an indicator of poor dwelling. This variable takes a value of 1 if the family lives in a shantytown or other places that are not meant to be used as a house. On average, around 4 percent of the population lives in poor dwellings. This proportion was substantially reduced in the 1990s and stayed roughly unchanged between 1998 and 2000. It is important to point out that the share of these dwellings is so small, that it is difficult to know when changes or differences across groups are statistically significant. There is a 12% of dwellings made of “low-quality” materials, *i.e.* with walls of tin (*chapa*) or *adobe*. For the poor, this percentage is almost double.

Tables 9.2 and 9.3 report housing statistics by age and education groups. All housing indicators have improved for all groups.

Table 9.4 reports statistics on the access to some basic services: water, hygienic restrooms, sewerage, and electricity.¹⁶ The table suggests a remarkable improvement in the coverage of these services over the last decade. It is interesting to notice that the increase in the access to these services was rather small for those in quintile 1, very large for those in quintiles 2, 3 and 4, and more modest for those in quintile 5, who already had high access levels.

The gaps between the poor and the rich are larger for hygienic restrooms and sewerage than for electricity and water, where coverage is more widespread. Statistics are affected by the fact that we include rural areas, where, for instance, the public sewerage system is hardly available. In fact, only 4% of the rural population has access to this kind of system. Most of them have only “*cajon sobre pozo negro*”. In Table 9.5 we compute the access to services only in urban areas. Some gaps between rich and poor are relatively smaller in urban areas, implying that part of the differences observed at the national level is due to differences between urban and rural areas.

The gap in the access to a telephone between the rich and the poor is large. While 93% of the people in the richest quintile have a phone, only 35% of those who are in the poorest quintile do.

10. Demographics

Resources available to each person depend on the number of people among whom she/he has to share household total resources with. The size and composition of the household are

¹⁶ Water refers to the availability of a water source in the house or lot. The variable restroom is equal to 1 when the household has a restroom with a toilet connected to the sewerage system or to a septic tank. The variable sewerage is 1 when the house is connected to a public sewerage system. The variable electricity includes all sources of electricity.

key determinants of an individual's economic well-being. Table 10.1 shows household size by areas, income quintiles and education of the household head. On average, household size slightly decreased in both, rural and urban areas.

Table 10.2 shows a fall in the number of children per household. From the second panel, the fall in the number of children is about the same across quintiles of parental income. This homogeneous change, however, is far from being neutral on, for instance, the household per capita income distribution. Since the poor have more children than the rich a similar fall in the number of children has more impact on the rich's per capita income, thus leading to more inequality.

Table 10.3 presents the number of income earners over household size by areas, quintiles and education of the household head. On average that share slightly increased during the decade for urban and rural areas.

The mean age of the population has increased over the decade (see Table 10.4). This increase was fairly similar across quintiles. Between 1990 and 2000, on average, the age increased by 2 years.

Inequality is reinforced if marriages take place between persons of similar income potential. Table 10.5 presents some simple linear correlations that suggest the existence of assortative mating in Chile.¹⁷ Men with more years of formal education tend to get married with women with a similar educational background (column(i)). This is one of the factors that contributes to a positive correlation of hourly wages within couples shown in column (ii). There are no signs of changes in the degree of assortative mating in the last decade, according to these simple statistics. Finally, columns (iii) and (iv) show positive correlations in hours of work, both considering and excluding people who do not work.

11. Poverty-alleviation programs

In this section we provide some statistics for poverty-alleviation programs for the last year available, 2000. We consider the programs PASIS, SUF, SAP and Family Benefits.

Pensions PASIS (Pensiones de Asistencia) are provided to elderly and/or disabled individuals. To be eligible, an elderly needs to have a total income below half of the minimum pension allowance. Additionally, those who receive PASIS pensions are automatically eligible for free access to public health services through the health gratuity card.

¹⁷ See also Fernández, Guner and Knowles (2001).

Family allowances SUF (Subsidio Unico Familiar): it is targeted to pregnant women or parents with children not covered by the social insurance. The potential beneficiaries have to take their children under 6 years old to periodical medical controls, and send their children aged 6 to 18 to school. As in the case of PASIS, they are automatically eligible for free access to the national public health service.

Water subsidies SAP (Subsidio Agua Potable): The water subsidy provides an allowance to poor households for paying a percentage of the water consumption. It can cover from 20% to 85% of the bill for the first 15 cubic meters of monthly consumption. To determine household eligibility the *ficha CAS* is used. As for other programs targeted with the *ficha CAS*, household eligibility is re-assessed every three years.

Table 11.1 shows that coverage is decreasing in income for total monetary subsidies, and for each program separately, except for the case of Family Benefits.¹⁸ One of the largest programs, SUF, reaches about 26 percent of people in the first quintile.¹⁹ The PASIS program reaches about 15 percent of the poor. The coverage of PASIS and SUF is significantly higher in rural than in urban areas (see Table 11.3). Table 11.2 shows that around 54% of those households headed by a person with low education are beneficiaries of a monetary subsidy.

According to the results shown in Table 11.4 on average 56% of the beneficiaries of monetary subsidies belong to the 40% poorest of the population. The degree of targeting is substantially higher when ignoring the Family benefits. For example, about 86% of the beneficiaries of SUF belong to the two poorest quintiles, while the corresponding share for the PASIS is 78%. In Table 11.5, we report the mean transfer by household. A typical family in quintile 1 receives \$11.946, while the monetary transfer for a typical family in quintile 5 is \$715.

12. A Poverty profile

This section presents a poverty profile based on information from the CASEN 2000. A poverty profile is a characterization of the poor population, often in comparison to the non-poor population. We use the 2USD a day and the official moderate poverty lines as the two criteria to define the poor. For simplicity we discuss the results for the USD2-a-day poverty line (columns (i) and (ii) in each table), except when a significant difference between the

¹⁸ In order to construct the quintiles, we used the real household income subtracting the income coming from the subsidies.

¹⁹ It should be taken into account that some of the poor may not be eligible for this program.

USD2-a-day poverty line and the official poverty line justifies an additional discussion of the alternative poverty definition.

Table 12.1 shows some basic demographic characterization of the poor and non-poor population. According to the USD2 poverty line, 9.9% of the total population is poor. The differences in this share across age groups are substantial: while 14.1% of the children under 15 are poor, that share is just 4% for the elderly. The share of the poor population is monotonically decreasing in age. More than 40% of the poor are children aged less than 15, while only 3.2% are people above 65. Mean age for the poor is 24 years old while for those who are non-poor, it is 7 years older.

The household size also differs between poor and non-poor. While a typical non-poor household consists approximately of 4 persons, 5 persons live in a typical poor household. Part of this difference is explained by the number of children under 12 living in the household. For the case of non-poor families with the head aged 25 to 45, there is on average 1.3 child, while in poor families there are almost 2 children on average. The dependency rates (number of income earners per person) are lower for poor households (0.45) than for non-poor households (0.58).

The share of female-headed households is slightly higher for the poor than for the non-poor: 26% and 23%, respectively. When poverty is calculated using official poverty lines, the proportion of female-headed households does not vary between the poor and the non-poor.

Table 12.2 shows that poverty is significantly higher in rural areas (20.5) than in urban areas (8.1). However, given the large fraction of the population living in urban areas, it turns out that most of the poor (70%) live in cities. The second part of Table 12.2 shows that region IX has the highest poverty rates in the country, using any of the poverty lines under analysis. On the other extreme, region II enjoys the lowest poverty rate in the country. In any case, regional disparities do not seem to be large across regions. Although poverty is relatively low in Santiago, most of the poor live in the capital city, given its size.

Although housing ownership is less common among the poor, the difference with the non-poor is not large: while 66% of the non-poor are owners, 57% of the poor report being owners of both the lot and the dwelling where they live (Table 12.3). The poor live in smaller houses of a worse quality and with fewer services. An average poor household has 1.42 persons per room. In the case of non-poor households, this figure is 0.8 person per room. Almost $\frac{1}{4}$ of the poor live in houses built of low quality material, while only 62% have access to hygienic rooms. The access to electricity, although lower than for the non-poor, is relatively high: 94% of the poor report having electricity. The gap in the access to safe water in the lot is wider: 81% for poor households and 94% for non-poor. The gap in

the access to the public sewerage system is similar: while 79% of the urban non-poor are connected to the system, that share drops to 65% for the urban poor.

As it is expected, the poor have fewer years of formal education than the rest of the population (see Table 2.4). This educational gap is wider for the [51,60] age group.²⁰ While just a third of the non-poor adults are unskilled, that share rises to nearly 66% for the poor. 19% of the non-poor adults are skilled, while just 1.9% of the poor are. These figures are quiet similar performing the same analysis for men and women separately.

The literacy rate is fairly high for the poor: 92% of those older than 10 report being able to read and write. That share rises to 99% for the non-poor. The last panel of Table 12.4 indicates that school attendance is almost universal for those children aged 6 to 12. Attendance rates significantly fall, especially for the poor, in the pre-primary, secondary and tertiary levels. While the rate of attendance is 97% for the poor aged 6 to 12, it drops to 85% for those aged 13 to 17 and to 24% for those in the (18,23) age group. In the case of the latter group, the attendance rate for non-poor is almost double than for the poor.

Participation rates in the labor market for the poor are smaller than for the non-poor (see Table 12.5). This gap is observed across all age groups, and it is particularly large for women. While 54% of the non-poor women are in the labor market, that share drops to 29% for the poor women. Employment rates for the non-poor are double than for the poor. For example, 68% of the non-poor aged 25 to 55 work, while only 36% of the poor are employed. These figures are lower in the case of women: 49% for the non-poor and 17% for the poor.

The unemployment rate of the poor is substantially higher than for the non-poor. While 8% of the non-poor are unemployed, the share for the poor climbs to a high 38%. This enormous gap is valid for all age-groups, as well as for men and women. The unemployment spell of the poor is on average slightly higher than for the non-poor. This may reflect that the non-poor are able to wait more to find the best job according to their own expected salary. Finally, Table 12.5 reports that child labor is very low, and as frequent in the poor as in the non poor population.

According to Table 12.6, the poor work less hours and get lower wages. On average a non-poor employed person works 2.9 hours a week more than a poor person. That gap is larger for prime-age women (6.5 hours). On average, the hourly wage of a non-poor person is around 4 times the hourly wage received by a poor worker. The difference is smaller for the youth.

²⁰ Naturally, the gap is smaller for the [10,20] age group, when the educational process is still not complete for many individuals, especially the non-poor.

Table 12.7 characterizes the employment structure of the population. The poor are especially unemployed, zero-income workers, salaried workers in small firms, and unskilled self-employed. According to a definition of informality based on labor groups, 53.4% of the poor are informal, while 35.2% of the non-poor are in that category. Defining informality based on the access to social security, differences are even higher: while 35.7% of the working non-poor are informal, that share jumps to 67.6% for the poor.

The sectoral structure of employment is different between the poor and the rest. The poor are relatively concentrated in primary activities, which is the main source of jobs for the poor: 40.1%, followed by commerce and construction: 13.4% and 12.1, respectively. When using the official definition of poverty, the qualitative results are similar, but the concentration of the poor in primary activities becomes smaller.

The last rows in Table 12.7 show substantial differences in the access to stable jobs with social security rights. The share of permanent jobs, and labor positions with rights to pensions and health insurance is significantly lower for the poor. For instance, while 75% of the working non-poor report having access to health insurance linked to their employment, only 37% of the poor have health insurance.

Table 12.8 reports statistics of the poverty-alleviation programs, PASIS, SUF, SAP, Family Benefits and Unemployment Subsidy. Based on the USD2-a-day definition 89% of the poor receive at least one of these subsidies, while 65% of the non-poor households are beneficiaries of these programs. When considering the official definition of moderate poverty, the shares change to 91% and 62%, respectively. The household mean income from alleviation programs is \$3542 for the poor, and \$1856 for the non-poor.

Table 12.9 summarizes mean income, and the income structure of the poor and the rest of the population. It also shows that inequality, as measured by the Gini coefficient for the distribution of household per capita income, is much lower within the group of poor people than within the non-poor (0.545 and 0.216 respectively).

Table 12.10 performs a simple simulation to characterize the difference in per capita income between a typical poor person and the rest. Panel B shows a typical poor's per capita income if a particular variable (e.g. household size) took the mean value for the non-poor. The actual per capita income of a typical poor person is \$13936 a month. If household size for the poor were the same than for the non-poor, keeping the rest constant, per capita income would be \$17497. Of course, this exercise is helpful just as a preliminary characterization of the differences between the poor and the non-poor. The poor have less per capita income than the rest because they have fewer income earners in the household, lower non-labor income, and larger household size, but especially because they earn substantially less in the labor market.

14. An assessment

During the last decade Chile has had one of the best economic performances in the region. As a result, poverty significantly decreased and most indicators showed improvements in the social situation. As in most LAC countries the 1990s can be divided into two periods according to economic growth. While the period 1990-1996 was characterized by fast growth, in the second half of the decade the Chilean economy suffered a slowdown, delaying the improvements in poverty reduction and some other social indicators.

On average, income rose 53% between 1990 and 2000. All income groups enjoyed substantial income gains over the period. The gains, however, were larger (even in proportional terms) for the rich. These patterns have implied a dramatic fall in poverty and a small increase in inequality.

Over the last decade Chile was successful in reducing income poverty. Poverty reduction was greater than in the rest of LAC, moving Chile to a better position in the poverty ranking in the region. The poverty fall was particularly strong during the first half of the nineties. Poverty continued to fall in the second half but at a slower pace. Chile has been successful not only in reducing income poverty, but also in achieving better results in endowment indicators of poverty.

All 9 poorest deciles have lost participation over the decade, a fact that naturally translates into a more unequal household income distribution. The unequalizing changes, however, have been small. Aggregate welfare has substantially increased in Chile, despite the increase in inequality, and thanks to the strong growth in mean income.

During the last decade the labor market performance was in general strong. Real wages, labor income and employment substantially increased, in particular during the first half of the decade. However, two concerns remain. First, as labor force participation went substantially up, unemployment also increased. Second, there is preliminary evidence that the labor gaps between urban and rural areas, between men and women, and between skilled and unskilled workers have been widening. For instance, the gap between the skilled and the unskilled has widened in terms of wages, hours, income, and access to social security.

Chile has made great progress in terms of the access of their workers to health insurance. In contrast, the share of workers not entitled to receive pensions when retired has increased.

Improvements have also been remarkable in the access to education. However, the gap in terms of years of education between urban and rural areas, and between rich and poor families is large and has not been reduced over the decade. Enrollment rates in all educational levels substantially rose in the last ten years in both urban and rural areas. The

increase in attendance rates was larger in poor quintiles for children/youngsters aged 3 to 17. The opposite occurred for those in the 18-23 bracket.

Chile's performance in terms of housing ownership, better house quality, and access to water, sewerage and electricity was also good. In particular, people at quintiles 2 to 4 were favored by the expansion in the services infrastructure.

Finally household size slightly decreased. The fall in the number of children was about the same across quintiles of parental income, which implies an unequalizing factor on the household per capita income distribution.

References

- Andersen, L. (2001). Social mobility in Latin America: links with adolescent schooling. *IADB Research Network Working Paper #R-433*.
- Attanasio, O. and Székely, M. (eds.) (2001). Portrait of the poor. An assets-based approach. IADB.
- Bourguignon, F.(2003). From income to endowments: the difficult task of expanding the income poverty paradigm. Delta WP 2003-03.
- CEDLAS (2004). Poverty and inequality in Chile. Methodological issues and a poverty review. Working paper, CEDLAS.
- CEPAL (2003). BADEINSO. Santiago de Chile.
- CEPAL (1997). La medición de los ingresos en la encuesta CASEN 1996.
- Contreras, Dante. (1995). “Poverty Measures, Robustness of the Poverty Profiles, Welfare and Targeting: Evidence from Chile”. Los Angeles: UCLA. Mimeo.
- Deaton, A. and Zaidi, S. (2002). Guidelines for constructing consumption aggregates for welfare analysis. *LSMS Working Paper 135*.
- Esteban, J., Gradin, C. and Ray, D. (1999). Extension of a measure of polarization, with an application to the income distribution of five OECD countries. Instituto de Estudios Economicos de Galicia Pedro Barrie de la Maza Working Papers Series 24.
- Feres, J. (2001). La pobreza en Chile en el año 2000. Estudios estadísticos y prospectivos. Nro 14. Convenio MIDEPLAN/CEPAL. Santiago de Chile.
- Fernández, R., Guner, N. and Knowles, J. (2001). Love and money: a theoretical and empirical analysis of household sorting and inequality. Mimeo.
- Foster, J., Greer, J. and Thorbecke, E. (1984). A class of decomposable poverty measures. *Econometrica* 52, 761-776.
- Gasparini, L (2003). Empleo y protección social en América Latina. Un análisis sobre la base de encuestas de hogares. OIT.
- Gasparini, L. (2003). Different lives: inequality in Latin America and the Caribbean. Capítulo 2 de *Inequality in Latin America and the Caribbean: Breaking with History?*, The World Bank.
- Gasparini, L. and Sosa Escudero, W. (2001). Assessing aggregate welfare: growth and inequality in Argentina. *Cuadernos de Economía* 38 (113), Santiago de Chile.
- Juhn, C, Murphy, K. and Pierce, B. (1993). Wage inequality and the rise in returns to skill. *Journal of Political Economy* 101 (3), 410-442.

- Lambert, P. (1993). *The distribution and redistribution of income*. Manchester University Press.
- Larrañaga (1994). “Pobreza, crecimiento y desigualdad: Chile, 1987-1992”. *Revista de Análisis Económico*, 9 (2), pp. 69-92.
- Litchfield, J (2002). Background Paper 1: Updated income distribution and poverty measures for Chile: 1987-1998. In *Chile's High Growth Economy: Poverty and Income Distribution, 1987-1998*.
- Londoño, J. and Székely, M. (2000). Persistent poverty and excess inequality: Latin America, 1970-1995. *Journal of Applied Economics* 3 (1). 93-134.
- MIDEPLAN (1996). Evolución de la pobreza e indigencia en Chile, 1987-1996. Ministerio de Planificación y Cooperación. Santiago de Chile.
- MIDEPLAN (1999). Evolución de la pobreza e indigencia. Ministerio de Planificación y Cooperación. Santiago de Chile.
- MIDEPLAN (2000). Situación de la educación en Chile. Documento 4. Ministerio de Planificación y Cooperación. Santiago de Chile.
- MIDEPLAN (2001). Focalización e impacto distributivo de los subsidios monetarios 2000. Documento 3. Ministerio de Planificación y Cooperación. Santiago de Chile.
- Wolfson, M. (1994). When inequalities diverge. *The American Economic Review*. 84 (2), 353-358.
- World Bank (2002). *Chile's High Growth Economy: Poverty and Income Distribution, 1987-1998*. A World Bank Country Study (24331).

Table 3.1
Real income
Chile, 1990-2000

	1990	1994	1996	1998	2000
1	10,228	12,985	14,643	14,997	14,886
2	18,637	23,178	25,921	27,120	27,645
3	24,830	30,813	35,065	36,985	37,014
4	31,537	39,005	44,786	47,702	47,238
5	39,176	48,950	55,970	59,377	59,422
6	49,032	61,731	70,373	74,481	73,777
7	62,578	78,243	90,093	96,301	94,300
8	83,061	105,616	122,582	130,810	126,490
9	126,689	160,764	186,680	201,515	193,301
10	380,875	488,993	545,703	593,645	599,489
average	82,664	105,028	119,182	128,293	127,356

Proportional changes

	1990-1994	1994-1996	1996-1998	1998-2000	1996-2000	1990-1998	1990-2000
1	27.0	12.8	2.4	-0.7	1.7	46.6	45.5
2	24.4	11.8	4.6	1.9	6.7	45.5	48.3
3	24.1	13.8	5.5	0.1	5.6	49.0	49.1
4	23.7	14.8	6.5	-1.0	5.5	51.3	49.8
5	24.9	14.3	6.1	0.1	6.2	51.6	51.7
6	25.9	14.0	5.8	-0.9	4.8	51.9	50.5
7	25.0	15.1	6.9	-2.1	4.7	53.9	50.7
8	27.2	16.1	6.7	-3.3	3.2	57.5	52.3
9	26.9	16.1	7.9	-4.1	3.5	59.1	52.6
10	28.4	11.6	8.8	1.0	9.9	55.9	57.4
average	27.1	13.5	7.6	-0.7	6.9	55.2	54.1

Source: Own calculations based on microdata from the CASEN.

Table 4.1
Poverty lines in local currency units
Chile, 1990-2000

	International PL (\$ per capita)		Official PL (\$)				Ratios					
	USD 1 a day USD 2 a day		Extreme		Moderate							
	(i)	(ii)	Urban (iii)	Rural (iv)	Urban (v)	Rural (vi)	(v)/(ii)	(vi)/(ii)	(v)/(iii)	(vi)/(iv)	(iii)/(ii)	(vi)/(ii)
1990	4782.1	9564.2	9297.0	7164.0	18594.0	12538.0	1.9	1.3	2.0	1.8	1.0	0.7
1992	6423.6	12847.1	12875.0	9921.0	28750.0	17362.0	2.2	1.4	2.2	1.8	1.0	0.8
1994	7837.8	15675.6	15050.0	11597.0	30100.0	20295.0	1.9	1.3	2.0	1.8	1.0	0.7
1996	9035.5	18071.0	17136.0	13204.0	34272.0	23108.0	1.9	1.3	2.0	1.8	0.9	0.7
1998	10013.7	20027.3	18944.0	14598.0	37889.0	25546.0	1.9	1.3	2.0	1.7	0.9	0.7
2000	10751.4	21502.8	20281.0	15628.0	40562.0	27349.0	1.9	1.3	2.0	1.8	0.9	0.7

Table 4.2
Poverty
Official moderate poverty line
Chile, 1990-2000

	National				Urban				Rural			
	Number of poor people (i)	Headcount FGT(0) (ii)	Poverty gap FGT(1) (iii)	FGT(2) (iv)	Number of poor people (v)	Headcount FGT(0) (vi)	Poverty gap FGT(1) (vii)	FGT(2) (viii)	Number of poor people (ix)	Headcount FGT(0) (x)	Poverty gap FGT(1) (xi)	FGT(2) (iv)
1987	5,503,007	45.1	18.0	10.1	4,273,601	43.6	17.8	10.1	1,229,406	51.5	18.7	9.9
1990	4,961,623	38.6	14.6	7.9	4,017,473	38.4	14.6	7.9	944,150	39.5	14.3	7.9
1992	4,329,560	32.6	13.1	6.7	3,525,343	32.4	13.6	7.1	804,217	33.4	10.6	5.0
1994	3,782,719	27.5	9.7	5.0	3,078,929	26.9	9.6	5.0	703,790	30.9	10.3	5.1
1996	3,288,018	23.2	7.9	3.8	2,586,913	21.8	7.4	3.6	701,105	30.6	10.2	4.9
1998	3,160,000	21.7	7.5	3.8	2,572,600	20.7	7.2	3.7	587,400	27.6	9.1	4.3
2000	3,081,100	20.6	7.1	3.7	2,576,200	20.1	6.9	3.6	504,900	23.8	8.2	4.3
2003	2,907,700	18.8	n.a.	n.a.	2,489,100	18.6	n.a.	n.a.	418,600	20.1	n.a.	n.a.

Source: Mideplan (2001) and Feres (2001) based on microdata from the CASEN.

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.3
Poverty
World Bank moderate poverty line
Chile, 1990-2000

	National			Urban			Rural		
	Headcount FGT(0) (ii)	Poverty gap FGT(1) (iii)	FGT(2) (iv)	Headcount FGT(0) (vi)	Poverty gap FGT(1) (vii)	FGT(2) (viii)	Headcount FGT(0) (x)	Poverty gap FGT(1) (xi)	FGT(2) (iv)
1987	40.0	15.7	8.2	35.2	13.4	7.0	63.5	25.3	13.1
1990	33.1	12.0	6.1	29.1	10.2	5.1	50.6	19.7	10.5
1992	24.2	7.8	3.8	20.7	6.5	3.2	40.1	13.4	6.4
1994	23.1	7.6	3.8	19.3	6.3	3.2	42.1	14.2	6.9
1996	19.9	6.5	3.2	15.6	4.8	2.4	42.5	15.0	7.4
1998	17.0	5.7	2.9	13.5	4.5	2.3	37.3	12.6	6.1

Source: Litchfield (2000) based on microdata from the CASEN

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.4
Poverty
USD 1 a day poverty line
Chile, 1990-2000

	Nation			Urban			Rural		
	Headcount	Poverty gap		Headcount	Poverty gap		Headcount	Poverty gap	
	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)
	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(x)	(xi)	(iv)
1990	5.1	2.2	1.5	4.2	1.9	1.3	9.0	3.8	2.4
1994	3.6	1.8	1.3	3.1	1.7	1.3	6.0	2.3	1.4
1996	2.5	1.2	0.8	2.0	1.0	0.8	5.2	1.9	1.2
1998	2.7	1.3	1.0	2.4	1.3	1.0	4.5	1.4	0.8
2000	2.8	1.3	0.9	2.3	1.2	0.9	5.6	2.0	1.1

Source: Own calculations based on microdata from the CASEN.

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.5
Poverty
USD 2 a day poverty line
Chile, 1990-2000

	National			Urban			Rural		
	Headcount	Poverty gap		Headcount	Poverty gap		Headcount	Poverty gap	
	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)
	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(x)	(xi)	(iv)
1990	20.0	7.1	3.9	17.7	6.1	3.3	30.2	11.4	6.4
1994	13.6	4.9	2.8	11.3	4.2	2.5	24.7	8.4	4.3
1996	10.5	3.5	1.9	8.1	2.8	1.6	23.7	7.7	3.8
1998	9.7	3.5	2.0	8.0	3.0	1.8	20.0	6.3	3.1
2000	9.3	3.5	2.0	7.7	2.9	1.8	19.4	6.9	3.7

Source: Own calculations based on microdata from the CASEN.

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.6
Poverty
50 % median income poverty line
Chile, 1990-2000

	Nation			Urban			Rural		
	Headcount	Poverty gap		Headcount	Poverty gap		Headcount	Poverty gap	
	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)	FGT(0)	FGT(1)	FGT(2)
	(ii)	(iii)	(iv)	(ii)	(iii)	(iv)	(ii)	(iii)	(iv)
1990	20.3	7.2	3.9	18.0	6.2	3.3	30.4	11.6	6.5
1994	20.6	7.3	4.0	17.5	6.2	3.5	36.1	12.8	6.6
1996	20.9	7.3	3.7	17.2	5.8	3.0	40.8	15.3	7.9
1998	21.3	7.6	4.1	18.3	6.5	3.5	40.3	14.7	7.4
2000	21.0	7.4	4.0	17.9	6.2	3.3	39.4	14.7	7.8

Source: Own calculations based on microdata from the CASEN.

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.7
Poverty
Official extreme poverty line
Chile, 1990-2000

	National			Urban			Rural		
	Headcount FGT(0) (ii)	Poverty gap FGT(1) (iii)	FGT(2) (iv)	Headcount FGT(0) (vi)	Poverty gap FGT(1) (vii)	FGT(2) (viii)	Headcount FGT(0) (x)	Poverty gap FGT(1) (xi)	FGT(2) (iv)
1987	17.4	5.9	3.0	16.7	5.9	3.0	20.6	6.2	2.9
1990	12.9	4.5	2.3	12.4	4.3	2.2	15.2	5.7	3.0
1992	8.8	2.8	1.3	8.6	2.8	1.3	9.8	3.0	1.4
1994	7.6	2.9	1.5	7.1	2.7	1.5	9.8	3.4	1.7
1996	5.8	2.1	1.1	5.0	1.8	1.0	9.4	3.3	1.6
1998	5.6	2.0	1.1	5.1	1.9	1.1	8.7	2.6	1.2
2000	5.7	2.1	1.2	5.3	1.9	1.2	8.3	2.9	1.5
2003	4.7	n.a	n.a	4.5	n.a	n.a	6.2	n.a	n.a

Source: Feres (2001) and MIDEPLAN (2004).

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.8
Poverty
Official extreme poverty line
World Bank
Chile, 1990-2000

	National			Urban			Rural		
	Headcount FGT(0) (ii)	Poverty gap FGT(1) (iii)	FGT(2) (iv)	Headcount FGT(0) (vi)	Poverty gap FGT(1) (vii)	FGT(2) (viii)	Headcount FGT(0) (x)	Poverty gap FGT(1) (xi)	FGT(2) (iv)
1987	12.7	4.1	2.1	10.6	3.6	1.9	21.2	6.2	2.9
1990	9.0	3.1	1.8	7.3	2.5	1.4	16.1	5.6	3.1
1992	4.7	1.7	1.1	4.0	1.5	1.0	8.3	2.7	1.4
1994	5.1	2.0	1.2	4.1	1.7	1.1	10.2	3.1	1.6
1996	4.2	1.5	0.9	3.0	1.1	0.7	10.3	3.4	1.7
1998	3.9	1.5	0.9	3.1	1.3	0.8	9.1	2.7	1.3

Source: Litchfield (2000) based on microdata from the CASEN

Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.9
Poverty
Endowments
Chile, 1990-2000

	Endowments		
	National (i)	Urban (ii)	Rural (iii)
Chile			
1990	0.598	0.524	0.921
1994	n.a.	n.a.	n.a.
1996	0.433	0.339	0.926
1998	0.409	0.323	0.915
2000	0.390	0.308	0.892

Source: Own calculations based on microdata from the CASEN.

Table 5.1
Distribution of household per capita income
Share of deciles and income ratios
Chile, 1990-2000

	Share of deciles										Income ratios		
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	10/1 (xi)	90/10 (xii)	95/80 (xiii)
1990	1.2	2.3	3.0	3.8	4.7	5.9	7.6	10.0	15.3	46.1	37.2	10.8	2.7
1994	1.2	2.2	2.9	3.7	4.7	5.9	7.4	10.1	15.3	46.6	37.7	10.9	2.5
1996	1.2	2.2	2.9	3.8	4.7	5.9	7.6	10.3	15.7	45.8	37.3	11.4	2.6
1998	1.2	2.1	2.9	3.7	4.6	5.8	7.5	10.2	15.7	46.3	39.6	11.9	2.6
2000	1.2	2.2	2.9	3.7	4.7	5.8	7.4	9.9	15.2	47.1	40.3	11.2	2.6

Source: Own calculations based on microdata from the CASEN.

Table 5.2
Distribution of household per capita income
Inequality indices
Chile, 1990-2000

Country	Gini (i)	Theil (ii)	CV (iii)	A(.5) (iv)	A(1) (v)	A(2) (vi)	E(0) (vii)	E(2) (viii)
1990	0.562	0.676	1.960	0.265	0.435	0.686	0.570	1.920
1994	0.569	0.788	1.959	0.278	0.443	0.680	0.585	1.743
1996	0.564	0.662	1.867	0.264	0.436	0.692	0.573	1.742
1998	0.570	0.685	1.927	0.271	0.446	0.691	0.591	1.856
2000	0.572	0.707	2.032	0.275	0.447	0.685	0.593	2.064

Source: Own calculations based on microdata from the CASEN.

CV=coefficient of variation. A(e) refers to the Atkinson index with a CES function with parameter e. E(e) refers to the generalized entropy index with parameter e. E(1)=Theil.

Table 5.3
Distribution of equivalized household income
Share of deciles and income ratios
Chile, 1990-2000

	Share of deciles										Income ratios		
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	10/1 (xi)	90/10 (xii)	95/80 (xiii)
1990	1.4	2.4	3.2	4.0	4.9	6.0	7.6	10.0	15.2	45.2	33.3	9.8	2.7
1994	1.4	2.4	3.1	3.9	4.8	6.0	7.5	10.1	15.2	45.7	33.6	9.9	2.5
1996	1.3	2.3	3.1	3.9	4.8	6.0	7.6	10.3	15.5	45.0	33.5	10.2	2.5
1998	1.3	2.3	3.1	3.9	4.8	5.9	7.6	10.2	15.6	45.4	35.6	10.8	2.6
2000	1.3	2.3	3.1	3.9	4.8	5.9	7.4	9.9	15.0	46.4	36.7	10.2	2.5

Source: Own calculations based on microdata from the CASEN.

Note 1: Column (xi)=income ratio between deciles 10 and 1; column (xii)=income ratio between percentiles 90 and 10, and column (xiii)=income ratio between percentiles 95 and 80.

Table 5.4
Distribution of equivalized household income
Inequality indices
Chile, 1990-2000

	Gini (i)	Theil (ii)	CV (iii)	A(.5) (iv)	A(1) (v)	A(2) (vi)	E(0) (vii)	E(2) (viii)
1990	0.549	0.643	1.852	0.253	0.416	0.662	0.538	1.715
1994	0.556	0.754	1.850	0.267	0.425	0.656	0.552	1.713
1996	0.552	0.633	1.771	0.254	0.419	0.675	0.543	1.567
1998	0.557	0.655	1.865	0.260	0.428	0.693	0.559	1.740
2000	0.562	0.684	1.966	0.266	0.432	0.667	0.566	1.933

Source: Own calculations based on microdata from the CASEN.

CV=coefficient of variation. A(e) refers to the Atkinson index with a CES function with parameter e. E(e) refers to the generalized entropy index with parameter e. E(1)=Theil.

Table 5.5
Distribution of equivalized household labor monetary income
Share of deciles and income ratios
Chile, 1990-2000

	Share of deciles										Income ratios		
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	10/1 (xi)	90/10 (xii)	95/80 (xiii)
1990	1.4	2.4	3.2	4.1	5.0	6.2	7.8	10.3	15.3	44.2	32.5	9.9	2.6
1994	1.3	2.3	3.0	3.8	4.8	5.9	7.5	10.0	15.0	46.5	35.5	10.2	2.5
1996	1.3	2.2	3.1	3.9	4.8	6.0	7.6	10.3	15.6	45.1	35.8	10.9	2.5
1998	1.2	2.2	3.0	3.9	4.8	6.0	7.7	10.2	15.5	45.4	38.1	11.2	2.6
2000	1.1	2.2	2.9	3.8	4.7	5.9	7.4	9.9	14.9	47.3	41.2	11.0	2.7

Source: Own calculations based on microdata from the CASEN.

Note 1: Column (xi)=income ratio between deciles 10 and 1; column (xii)=income ratio between percentiles 90 and 10, and column (xiii)=income ratio between percentiles 95 and 80.

Table 5.6
Distribution of equivalized household labor monetary income
Inequality indices
Chile, 1990-2000

	Gini (i)	Theil (ii)	CV (iii)	A(.5) (iv)	A(1) (v)	A(2) (vi)	E(0) (vii)	E(2) (viii)
1990	0.540	0.612	1.771	0.245	0.406	0.636	0.520	1.568
1994	0.564	0.797	1.771	0.276	0.434	0.651	0.569	1.568
1996	0.555	0.637	1.772	0.256	0.425	0.666	0.553	1.569
1998	0.558	0.651	1.811	0.260	0.432	0.701	0.565	1.641
2000	0.571	0.699	1.949	0.274	0.447	0.701	0.593	1.900

Source: Own calculations based on microdata from the CASEN.

CV=coefficient of variation. A(e) refers to the Atkinson index with a CES function with parameter e. E(e) refers to the generalized entropy index with parameter e. E(1)=Theil.

Table 5.7
Distribution of household income
Gini coefficient
Chile, 1990-2000

	Per capita income	Equivalent income A	Equivalent income B	Equivalent income C	Equivalent income D	Equivalent income E	Total household income	Equivalent income A Age 0-10	Equivalent income A Age 20-30	Equivalent income A Age 40-50	Equivalent income A Age 60-70
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
1990	0.562	0.549	0.544	0.545	0.540	0.551	0.556	0.560	0.529	0.547	0.555
1994	0.569	0.556	0.552	0.552	0.548	0.557	0.563	0.546	0.552	0.560	0.554
1996	0.564	0.552	0.547	0.549	0.544	0.555	0.556	0.564	0.530	0.551	0.539
1998	0.570	0.557	0.552	0.554	0.549	0.560	0.557	0.564	0.528	0.565	0.553
2000	0.572	0.561	0.555	0.559	0.554	0.565	0.556	0.580	0.527	0.594	0.530

Source: Own calculations based on microdata from the CASEN.

Note: Equivalent income A: theta=0.9, alpha1=0.5 and alpha2=0.75; B: theta=0.75, alpha1=0.5 and alpha2=0.75; C: theta=0.9, alpha1=0.3 and alpha2=0.5, D: theta=0.75, alpha1=0.3 and alpha2=0.5; E: Amsterdam scale. Adult equivalent equal to 0.98 for men between 14 and 17, 0.9 for women over 14, 0.52 for children under 14, and 1 for the rest.

Table 5.8
Distribution of household income
Gini coefficient
Chile, 1990-2000

	Per capita income Only urban	Per capita income Only rural	Equivalent income Only urban	Equivalent income Only rural	Per capita income Only labor	Per capita income Only monetar	Per capita income Only labor monetary (vii)	Per capita income Urban labor monetary (viii)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
1990	0.552	0.584	0.540	0.563	0.562	0.562	0.565	0.553
1994	0.564	0.513	0.551	0.492	0.578	0.569	0.584	0.579
1996	0.556	0.501	0.544	0.481	0.573	0.564	0.579	0.569
1998	0.564	0.502	0.551	0.488	0.576	0.570	0.581	0.573
2000	0.566	0.524	0.555	0.504	0.587	0.572	0.591	0.582

Source: Own calculations based on microdata from the CASEN.

Note: Equivalent income A: theta=0.9, alpha1=0.5 and alpha2=0.75; B: theta=0.75, alpha1=0.5 and alpha2=0.75; C: theta=0.9, alpha1=0.3 and alpha2=0.5, D: theta=0.75, alpha1=0.3 and alpha2=0.5; E: Amsterdam scale. Adult equivalent equal to 0.98 for men between 14 and 17, 0.9 for women over 14, 0.52 for children under 14, and 1 for the rest.

Table 5.9
Polarization
EGR and Wolfson indices of bipolarization
Chile, 1990-2000

	Household per capita income		Equivalent income	
	EGR	Wolfson	EGR	Wolfson
	(i)	(ii)	(iii)	(iv)
1990	0.209	0.461	0.202	0.433
1994	0.209	0.449	0.201	0.420
1996	0.196	0.466	0.193	0.440
1998	0.202	0.454	0.194	0.429
2000	0.193	0.442	0.183	0.416

Source: Own calculations based on microdata from the CASEN.

Note: EGR=Esteban, Gradin and Ray.

Table 6.1
Aggregate welfare
Chile, 1990-2000

	Mean income (i)	Sen (ii)	Atk(1) (iii)	Atk(2) (iv)
1990	100.0	100.0	100.0	100.0
1994	125.0	123.1	53.1	114.9
1996	141.4	140.9	141.0	138.5
1998	151.7	149.1	148.7	135.8
2000	153.3	149.8	149.9	153.9

Source: Own calculations based on microdata from the CASEN.

Table 7.1
Wages, hours and labor income
Chile, 1990-2000

	Wages (i)	Hours (ii)	Labor income (iii)
1990	1,047.6	49.9	186,442.0
1994	1,283.4	48.3	229,476.9
1996	1,609.5	47.6	255,439.2
1998	1,623.9	47.4	274,851.4
2000	1,552.5	48.1	275,998.1

Source: Own calculations based on microdata from the CASEN.

Table 7.2
Wages, hours and labor income
By gender
Chile, 1990-2000

	Wages		Hours of work		Labor income	
	Female (i)	Male (ii)	Female (iii)	Male (iv)	Female (v)	Male (vi)
1990	848.6	1,140.0	47.4	51.0	135,042.5	211,158.4
1994	1,097.8	1,373.8	45.9	49.5	179,346.8	254,671.0
1996	1,423.0	1,704.0	44.9	49.0	193,477.6	288,923.1
1998	1,420.1	1,735.1	44.1	49.3	210,163.5	312,065.1
2000	1,274.9	1,710.1	44.8	50.0	198,236.2	320,657.1

Source: Own calculations based on microdata from the CASEN.

Table 7.3
Wages, hours and labor income
By age
Chile, 1990-2000

	Wages				Hours of work				Labor income			
	(15-24) (i)	(25-40) (ii)	(41-64) (iii)	(65 +) (iv)	(15-24) (v)	(25-40) (vi)	(41-64) (vii)	(65 +) (viii)	(15-24) (ix)	(25-40) (x)	(41-64) (xi)	(65 +) (xii)
1990	602.2	1,059.4	1,297.9	1,657.7	50.1	49.8	49.9	48.4	106,277	187,599	236,988	212,630
1994	706.6	1,184.4	1,686.3	1,908.9	47.7	48.6	48.6	46.6	124,963	218,082	299,383	255,812
1996	907.9	1,604.7	1,935.4	2,421.4	46.5	47.7	48.5	44.7	138,142	254,972	322,310	260,544
1998	840.2	1,550.7	1,990.9	2,799.2	46.4	47.9	47.9	43.7	139,596	273,783	341,250	280,637
2000	839.9	1,395.9	1,943.6	2,272.3	46.3	48.8	48.6	43.8	136,576	256,219	356,126	236,539

Source: Own calculations based on microdata from the CASEN.

Table 7.4
Wages, hours and labor income
By education
Chile, 1990-2000

	Wages			Hours of work			Labor income		
	Low (i)	Mid (ii)	High (iii)	Low (iv)	Mid (v)	High (vi)	Low (vii)	Mid (viii)	High (ix)
1990	657.9	924.6	2,293.5	50.7	50.7	45.7	116,289.8	175,519.0	394,713.2
1994	748.0	1,106.1	2,939.8	49.1	48.7	45.2	135,387.2	203,448.1	521,065.7
1996	847.5	1,387.8	3,564.6	48.1	48.4	44.6	131,030.7	224,914.7	584,554.8
1998	819.3	1,285.5	3,550.9	47.2	48.4	45.4	132,066.8	224,172.6	622,283.2
2000	774.9	1,189.2	3,349.9	48.2	48.8	46.7	132,468.4	210,665.3	641,926.0

Source: Own calculations based on microdata from the CASEN.

Table 7.5
Wages, hours and labor income
By type of work
Chile, 1990-2000

	Wages			Hours of work				Labor income		
	Entrepreneurs (i)	Wage earners (ii)	Self-employed (iii)	Entrepreneurs (iv)	Wage earners (v)	Self-employed (vi)	Zero income (vii)	Entrepreneurs (viii)	Wage earners (ix)	Self-employed (xi)
1990	5,507.6	809.7	1,318.1	56.0	49.9	48.9	53.2	1,088,657.1	153,300.6	220,790.5
1994	7,743.5	955.0	1,453.4	54.3	48.3	47.3	64.1	1,453,198.4	179,576.7	245,505.7
1996	7,260.1	1,223.7	2,021.7	53.7	47.2	47.8	49.6	1,368,253.7	201,914.6	315,885.3
1998	7,305.4	1,176.0	2,170.7	51.9	47.8	45.4	45.4	1,367,860.0	220,109.5	330,382.6
2000	6,974.5	1,191.9	1,794.7	52.5	48.6	45.7	44.7	1,329,707.0	234,494.1	275,998.0

Source: Own calculations based on microdata from the CASEN.

Table 7.6
Wages, hours and labor income
By labor group
Chile, 1990-2000

	Wages					
	Formal workers			Self-employed professionals (iv)	Informal workers	
	Entrepreneurs (i)	Salaried workers			Salaried Small firms (v)	Self-employed Unskilled (vi)
		Large firms (ii)	Public sector (iii)			
1990	5,507.6	935.7	1,006.2	3,396.9	466.1	1,184.8
1994	7,743.5	1,087.8	1,384.4	3,413.2	564.0	1,293.9
1996	7,260.1	1,327.4	1,725.4	6,630.2	678.7	1,698.9
1998	7,305.4	1,345.3	1,311.2	5,733.4	678.3	1,822.4
2000	6,974.5	1,290.3	1,603.1	4,498.4	674.8	1,530.5

	Hours of work						
	Formal workers			Self-employed professionals (x)	Informal workers		Workers with zero income (xiii)
	Entrepreneurs (vii)	Salaried workers			Salaried Small firms (xi)	Self-employed Unskilled (xii)	
		Large firms (viii)	Public sector (ix)				
1990	56.0	49.3	50.2	43.2	51.5	49.3	53.2
1994	54.3	48.0	51.2	47.1	49.0	47.3	46.7
1996	53.7	47.6	44.5	44.4	47.7	48.0	49.6
1998	51.9	48.0	53.8	44.1	46.6	45.6	45.4
2000	52.5	49.5	46.6	44.6	47.5	45.8	44.7

	Labor income					
	Formal workers			Self-employed professionals (xvii)	Informal workers	
	Entrepreneurs (xiv)	Salaried workers			Salaried Small firms (xviii)	Self-employed Unskilled (xix)
		Large firms (xv)	Public sector (xvi)			
1990	664,224.9	174,876.4	202,434.3	505,860.1	93,021.9	202,415.9
1994	1,453,198.4	204,080.5	257,495.8	550,640.6	105,651.7	220,733.2
1996	1,368,253.7	218,245.5	279,920.9	982,552.6	116,562.7	268,658.2
1998	1,367,860.0	254,500.6	283,129.9	869,829.7	118,284.8	277,905.1
2000	1,329,707.0	260,199.3	309,535.3	689,474.2	122,347.8	237,770.6

Source: Own calculations based on microdata from the CASEN.

Table 7.7

Wages, hours and labor income

By sector

Chile, 1990-2000

	Wages									
	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & ransportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1990	808.8	883.0	1,031.9	943.0	1,140.3	1,312.8	2,190.0	993.5	1,262.6	410.5
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1996	1,031.2	1,393.3	1,650.4	1,551.4	1,502.9	1,835.2	3,339.4	1,531.2	2,150.9	661.1
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
2000	1,189.9	1,490.8	1,521.3	1,304.1	1,412.9	1,536.8	3,052.2	1,516.7	1,965.4	675.4

	Hours of work									
	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & ransportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1990	52.8	48.7	48.7	49.0	52.2	50.3	46.2	51.3	43.9	50.8
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1996	49.2	46.9	47.6	47.4	50.1	50.9	44.3	48.5	42.4	45.9
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
2000	49.6	48.4	48.7	49.1	49.9	53.2	46.7	48.8	43.1	43.7

	Labor income									
	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & ransportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1990	174,985.5	159,864.2	198,709.8	172,531.6	204,207.7	246,854.4	379,070.7	205,693.5	199,648.2	74,513.5
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1996	189,887.4	222,645.4	284,992.6	264,708.9	256,243.6	312,680.7	552,571.5	280,441.7	317,637.7	96,539.0
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
2000	241,418.6	306,535.9	300,465.7	245,893.8	261,411.8	306,735.8	560,980.3	291,792.3	330,377.0	104,510.2

Source: Own calculations based on microdata from the CASEN.

Table 7.8
Wages, hours and labor income
By region
Chile, 1990-2000

	Wages		Hours of work		Labor income	
	Rural (i)	Urban (ii)	Rural (iii)	Urban (iv)	Rural (v)	Urban (vi)
1990	683.5	1,124.4	52.6	49.3	144,515.0	196,082.0
1994	664.4	1,389.4	50.0	48.0	129,207.9	249,108.6
1996	732.0	1,746.7	49.5	47.3	123,326.4	280,090.7
1998	787.9	1,737.8	47.9	47.4	136,025.8	297,214.2
2000	784.6	1,649.7	48.5	48.1	139,342.3	298,908.7

	Wages												
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	11 (xi)	12 (xii)	13 (xiii)
1990	1,174.8	1,071.3	994.2	811.5	983.8	837.3	760.8	849.4	753.5	797.9	942.8	858.2	1,272.1
1994	1,084.6	1,167.3	878.6	778.3	1,053.0	930.4	863.0	894.5	1,045.7	894.7	884.0	1,012.0	1,712.5
1996	1,219.8	1,733.9	1,392.7	979.5	1,270.6	1,066.9	997.7	1,346.6	1,042.4	1,189.6	1,073.0	2,127.7	2,071.0
1998	1,222.2	1,669.0	1,164.8	1,154.9	1,520.1	1,146.9	998.3	1,299.1	1,284.0	1,098.2	1,431.6	1,592.3	2,057.7
2000	1,156.2	1,750.1	1,082.7	1,095.5	1,336.6	1,021.6	1,257.9	1,530.1	1,363.6	1,084.0	1,338.8	1,804.8	1,856.5

	Hours of work												
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	11 (xi)	12 (xii)	13 (xiii)
1990	52.33	49.52	51.44	48.82	49.27	49.03	52.51	50.28	52.86	51.15	48.78	49.48	48.94
1994	49.77	49.77	49.21	49.74	48.41	49.18	49.28	48.47	47.45	50.20	49.45	48.43	47.42
1996	47.82	49.76	51.58	49.24	47.53	47.57	48.36	47.86	50.24	47.07	46.78	45.92	46.89
1998	50.49	49.80	50.59	46.73	46.92	48.10	47.68	47.92	46.48	48.52	50.19	46.38	46.89
2000	49.97	49.43	49.12	49.68	47.49	48.61	49.74	48.20	46.84	48.61	50.52	47.16	47.73

	Labor income												
	1 (i)	2 (ii)	3 (iii)	4 (iv)	5 (v)	6 (vi)	7 (vii)	8 (viii)	9 (ix)	10 (x)	11 (xi)	12 (xii)	13 (xiii)
1990	202,448.5	204,373.2	198,627.8	139,138.6	163,996.6	147,426.4	168,289.1	153,753.6	154,843.3	176,047.1	182,466.8	170,379.2	215,924.2
1994	199,895.6	208,231.0	167,858.0	147,367.3	190,241.6	168,722.9	151,504.2	164,583.7	183,727.5	177,594.8	170,593.9	193,406.2	304,083.0
1996	221,568.3	294,318.9	287,397.2	175,495.0	209,803.0	182,708.0	169,879.0	201,688.2	157,001.7	175,415.9	214,681.9	223,886.3	332,606.8
1998	223,340.9	299,450.9	216,350.5	206,610.1	246,302.9	195,556.1	176,299.2	216,339.0	222,699.1	193,975.0	283,359.0	266,903.6	349,738.3
2000	223,547.0	338,522.1	207,497.1	214,061.6	232,706.2	191,646.4	224,453.1	239,175.1	205,317.5	192,483.0	247,513.3	363,519.0	342,366.4

Source: Own calculations based on microdata from the CASEN.

Note: Region XIII is the Metropolitan Region.

Table 7.9
Distribution of labor income
Shares
Chile, 1990-2000

	Salaried workers	Self-employed	Entrepreneurs
	(i)	(ii)	(iii)
1990	58.0	26.0	14.2
1994	56.4	22.6	19.9
1996	56.9	23.5	18.8
1998	57.7	22.0	20.0
2000	60.1	19.1	19.1

Source: Own calculations based on microdata from the CASEN.

Table 7.10
Distribution of wages (primary activity)
Gini coefficient
Chile, 1990-2000

	All workers			Male workers aged 25-55				Male workers aged 25-55		
	All	Only monetary	Only monetary and urban	All	Low edu	Mid edu	High edu	Monetary	Monetary and urban	Monetary urban salaried workers
	(i)	(ii)	(iii)							
1990	0.570	0.570	0.561	0.573	0.505	0.480	0.539	0.573	0.558	0.505
1994	0.579	0.579	0.572	0.580	0.462	0.480	0.571	0.580	0.569	0.484
1996	0.594	0.594	0.589	0.599	0.463	0.523	0.554	0.599	0.589	0.540
1998	0.565	0.565	0.561	0.567	0.422	0.464	0.524	0.567	0.559	0.490
2000	0.559	0.559	0.555	0.576	0.384	0.459	0.558	0.576	0.572	0.496

Source: Own calculations based on microdata from the CASEN.

Table 7.11
Correlations hours of work-hourly wages
Chile, 1990-2000

	All workers	Urban salaried workers
	(i)	(ii)
1990	-0.1726*	-0.2325*
1994	-0.1621*	-0.2264*
1996	-0.1779*	-0.1923*
1998	-0.1560*	-0.1408*
2000	-0.1370*	-0.1385*

Source: Own calculations based on microdata from the CASEN.

Table 7.12
Ratio of hourly wages by educational group
Prime-age males
Chile, 1990-2000

	High/Medium	High/Low	Medium/Low
	(i)	(ii)	(iii)
1990	2.83	3.94	1.39
1994	3.13	4.96	1.58
1996	2.90	5.11	1.76
1998	2.95	4.78	1.62
2000	3.08	5.26	1.71

Source: Own calculations based on microdata from the CASEN.

Table 7.13
Mincer equation
Estimated coefficients of educational dummies
Chile, 1990-2000

	All workers						Urban salaried workers					
	Men			Women			Men			Women		
	Primary	Secondary	College	Primary	Secondary	College	Primary	Secondary	College	Primary	Secondary	College
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1990	0.061	0.428	0.921	0.115	0.572	0.637	0.036	0.424	0.880	0.165	0.451	0.695
1994	0.152	0.482	0.892	0.124	0.677	1.208	0.120	0.445	0.869	0.074	0.511	0.664
1996	0.100	0.467	0.986	0.175	0.488	0.586	0.084	0.439	0.930	0.056	0.530	0.735
1998	0.178	0.490	1.012	0.204	0.628	1.237	0.114	0.440	0.899	0.135	0.450	0.768
2000	0.131	0.448	0.968	0.103	0.500	0.874	0.156	0.420	0.910	0.088	0.414	0.810

Source: Own calculations based on microdata from the CASEN.

Table 7.14
Mincer equation
Dispersion in unobservables and gender wage gap
Chile, 1990-2000

	Dispersion in unobservables				Gender wage gap
	All workers		Urban salaried		Urban salaried workers
	Men	Women	Men	Women	
	(i)	(ii)	(iii)	(iv)	(v)
1990	0.784	0.792	0.654	0.625	0.744
1994	0.739	1.069	0.623	0.591	0.737
1996	0.754	0.821	0.651	0.657	0.774
1998	0.757	1.094	0.581	0.568	0.779
2000	0.725	0.733	0.567	0.570	0.794

Source: Own calculations based on microdata from the CASEN.

Table 7.15
Share of adults in the labor force
Chile, 1990-2000

	Gender			Age				Education			Area	
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High	Rural	Urban
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1990	0.598	0.377	0.842	0.531	0.684	0.562	0.312	0.547	0.597	0.776	0.564	0.605
1994	0.624	0.409	0.857	0.541	0.702	0.608	0.295	0.568	0.642	0.718	0.566	0.635
1996	0.634	0.428	0.852	0.525	0.713	0.625	0.378	0.575	0.636	0.764	0.570	0.645
1998	0.646	0.456	0.853	0.532	0.729	0.639	0.358	0.588	0.647	0.766	0.575	0.658
2000	0.645	0.463	0.838	0.491	0.732	0.655	0.342	0.586	0.643	0.763	0.570	0.657

Source: Own calculations based on microdata from the CASEN.

Table 7.16
Share of adults employed
Chile, 1990-2000

	Gender			Age				Education			Area	
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High	Rural	Urban
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1990	0.550	0.341	0.780	0.453	0.637	0.534	0.282	0.504	0.541	0.737	0.529	0.554
1994	0.583	0.375	0.810	0.465	0.665	0.586	0.288	0.533	0.592	0.687	0.534	0.592
1996	0.598	0.397	0.812	0.467	0.677	0.605	0.352	0.545	0.594	0.736	0.547	0.608
1998	0.583	0.405	0.777	0.427	0.668	0.598	0.342	0.525	0.579	0.716	0.527	0.592
2000	0.579	0.410	0.760	0.395	0.665	0.607	0.323	0.523	0.568	0.717	0.526	0.587

Source: Own calculations based on microdata from the CASEN.

Table 7.17
Share of adults unemployed
Chile, 1990-2000

	Gender			Age				Education			Area	
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High	Rural	Urban
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1990	0.048	0.036	0.062	0.078	0.047	0.028	0.030	0.043	0.056	0.038	0.035	0.051
1994	0.041	0.035	0.048	0.077	0.036	0.022	0.007	0.034	0.050	0.031	0.032	0.042
1996	0.035	0.031	0.040	0.059	0.036	0.020	0.026	0.030	0.042	0.028	0.023	0.038
1998	0.063	0.051	0.076	0.105	0.060	0.041	0.017	0.063	0.068	0.050	0.048	0.065
2000	0.066	0.054	0.078	0.097	0.067	0.048	0.019	0.062	0.075	0.046	0.043	0.069

Source: Own calculations based on microdata from the CASEN.

Table 7.18
Duration of unemployment
Chile, 1990-2000

	Education			Total (iv)
	Low (i)	Medium (ii)	High (iii)	
1990	n.a	n.a	n.a	n.a
1994	n.a	n.a	n.a	n.a
1996	2.09	2.84	2.82	2.61
1998	n.a	n.a	n.a	n.a
2000	3.81	4.00	5.05	4.07

Source: Own calculations based on microdata from the CASEN.

Table 7.19
Age, gender and educational structure of employment
Chile, 1990-2000

	Gender		Age					Education		
	Female (i)	Male (ii)	(0-15) (iii)	(16-25) (iv)	(26-40) (v)	(41-64) (vi)	(65 +) (vii)	Low (viii)	Medium (ix)	High (x)
1990	32.21	67.79	0.55	21.96	43.52	31.35	2.62	40.53	42.64	16.83
1994	33.22	66.78	0.25	17.97	44.40	34.37	3.01	38.11	44.77	17.12
1996	33.90	66.10	0.49	18.49	44.15	33.55	3.33	35.18	46.81	18.01
1998	35.73	64.27	0.40	17.07	43.53	35.60	3.40	32.53	47.59	19.88
2000	36.14	63.86	0.32	14.95	43.27	37.90	3.56	31.33	47.99	20.68

Source: Own calculations based on microdata from the CASEN.

Table 7.20
Regional structure of employment
Chile, 1990-2000

	Area		Region												
	Rural (i)	Urban (ii)	1 (iv)	2 (v)	3 (vi)	4 (vii)	5 (viii)	6 (ix)	7 (x)	8 (xi)	9 (xii)	10 (xiii)	11 (xiv)	12 (xv)	13 (xvi)
1990	17.89	82.11	2.52	2.87	1.59	3.48	9.64	5.14	6.11	11.75	5.16	7.00	0.56	1.07	43.11
1994	14.86	85.14	2.49	2.91	1.64	3.60	9.99	4.95	6.06	11.76	4.98	6.67	0.60	1.12	43.23
1996	14.56	85.44	2.48	2.77	1.57	3.65	10.05	4.85	6.05	11.49	5.23	6.38	0.61	1.17	43.69
1998	13.00	87.00	2.51	2.79	1.56	3.58	10.56	5.04	5.95	11.11	5.13	6.57	0.62	1.06	43.51
2000	12.86	87.14	2.72	2.71	1.64	3.42	10.10	5.25	5.89	11.30	5.05	6.75	0.67	1.13	43.36

Source: Own calculations based on microdata from the CASEN.

Table 7.21
Structure of employment
By type of work
Chile, 1990-2000

	Labor relationship				Type of firm		
	Entrepreneurs	Self-employed	Wage earners	Zero income	Large	Small	Public
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1990	2.54	72.94	22.66	1.87	51.95	44.4	3.67
1996	3.68	74.64	20.33	1.34	49.76	40.1	10.18
2000	4.12	74.34	20.01	1.53	46.51	40.8	12.66

	Labor category						
	Entrepreneurs	Salaried workers		Self-employed professionals	Salaried Small firms	Self-employed Unskilled	Workers with zero income
		Large firms	Public sector				
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1990	2.64	49.52	3.50	1.43	18.82	22.15	1.94
1996	3.79	46.73	10.16	1.34	17.01	19.59	1.38
2000	4.31	44.46	12.63	1.76	16.09	19.16	1.60

Source: Own calculations based on microdata from the CASEN.

Table 7.22
Structure of employment
By formality
Chile, 1990-2000

	Definition 1		Definition 2	
	Formal	Informal	Formal	Informal
	(i)	(ii)	(iii)	(iv)
1990	57.1	42.9	65.9	34.1
1994	59.8	40.3	n.a	n.a
1996	62.0	38.0	64.5	35.5
1998	61.7	38.3	63.6	36.4
2000	63.2	36.9	62.7	37.3

Source: Own calculations based on microdata from the CASEN.

Table 7.23
Structure of employment
By sector
Chile, 1990-2000

	Sector									
	Primary activities	Industry low tech	Industry high tech	Construction	Commerce	Utilities & transportation	Skilled services	Public administration	Education & Health	Domestic servants
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1990	20.04	8.54	8.64	7.24	20.45	7.31	4.53	2.84	13.09	7.33
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1996	17.42	7.28	7.59	8.75	21.42	7.73	6.33	3.44	13.22	6.83
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
2000	16.12	6.55	7.14	8.09	21.23	8.24	7.32	4.02	13.89	7.42

Source: Own calculations based on microdata from the CASEN.

Table 7.24
Structure of employment
By sector (CIU -1 digit)
Chile, 1990-2000

	Sector (1 digit CIU)						
	Primary activities						
	Fishing (i)	(ii)	Minering (iii)	Manufacturing (iv)	Utilities (v)	Construction (vi)	Commerce (vii)
1990	16.55	1.24	2.25	17.18	0.75	7.24	18.19
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a
1996	1.33	1.96	15.22	0.69	8.96	19.56	0.02
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a
2000	1.64	1.62	13.69	0.87	8.09	18.50	2.74

	Sector (1 digit CIU)									
	Restaurants & hotels (viii)	Transportation & communications (ix)	Finance (x)	Business services (i)	Public administration (ii)	Teaching (iii)	Health & social services (iv)	Other services (v)	Domestic servants (vi)	
	1990	2.26	6.56	1.83	2.70	2.84	6.03	4.26	2.79	7.33
1994	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
1996	7.22	2.61	3.86	3.5	6.37	4.41	2.75	6.99	0.03	
1998	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	
2000	7.37	2.12	5.20	3.97	6.60	4.88	2.36	7.42	0.05	

Source: Own calculations based on microdata from the CASEN.

Table 7.25
Child labor
By equivalized household income quintiles
Chile, 1990-2000

	Equivalized household income quintile					
	1	2	3	4	5	Average
1990	0.012	0.007	0.020	0.014	0.007	0.012
1994	0.014	0.020	0.017	0.014	0.022	0.017
1996	0.013	0.017	0.023	0.009	0.016	0.016
1998	0.011	0.014	0.011	0.012	0.010	0.012
2000	0.012	0.019	0.006	0.011	0.003	0.011

Source: Own calculations based on microdata from the CASEN.

Table 7.26
Permanent jobs
By gender and education
Chile, 1990-2000

	Gender			Education			
	Female (i)	Male (ii)	All (iii)	Low (iv)	Mid (v)	High (vi)	All (vii)
	1990	n.a	n.a	n.a	n.a	n.a	n.a
1994	0.785	0.738	0.754	0.657	0.783	0.876	0.753
1996	0.801	0.758	0.773	0.669	0.800	0.893	0.773
1998	0.799	0.756	0.772	0.657	0.792	0.896	0.771
2000	0.791	0.760	0.772	0.665	0.786	0.889	0.771

Source: Own calculations based on microdata from the CASEN.

Table 7.27
Right to receive social security (pensions)
By gender and education
Chile, 1990-2000

	Salaried workers						
	Gender			Education			
	Female (viii)	Male (ix)	All (x)	Low (iv)	Mid (v)	High (vi)	All (vii)
1990	0.651	0.679	0.670	0.544	0.714	0.848	0.670
1994	0.610	0.649	0.636	0.531	0.769	0.871	0.636
1996	0.649	0.666	0.660	0.501	0.708	0.826	0.660
1998	0.647	0.603	0.682	0.544	0.703	0.809	0.681
2000	0.620	0.652	0.641	0.479	0.662	0.815	0.639

Source: Own calculations based on microdata from the CASEN.

Table 7.28
Access to labor health insurance
By gender and education
Chile, 1990-2000

	Gender			Education			
	Female (i)	Male (ii)	All (iii)	Low (iv)	Mid (v)	High (vi)	All (vii)
1990	0.70	0.62	0.65	0.51	0.70	0.86	0.65
1994	0.71	0.63	0.66	0.51	0.70	0.87	0.65
1996	0.76	0.67	0.70	0.51	0.75	0.90	0.70
1998	0.75	0.68	0.71	0.52	0.75	0.89	0.71
2000	0.78	0.71	0.73	0.57	0.76	0.91	0.73

Source: Own calculations based on microdata from the CASEN.

Table 8.1
Educational structure
Adults 25-65
Chile, 1990-2000

	All			Males			Females			Working males		
	Low (i)	Medium (ii)	High (iii)	Low (iv)	Medium (v)	High (vi)	Low (vii)	Medium (viii)	High (ix)	Low (x)	Medium (xi)	High (xii)
1990	47.9	38.3	13.8	46.4	38.6	15.1	49.2	38.1	12.7	45.2	39.1	15.7
1994	45.7	40.0	14.3	44.2	40.3	15.5	46.9	39.8	13.3	42.7	41.3	16.0
1996	41.6	43.2	15.2	40.4	43.0	16.7	42.7	43.4	13.9	39.1	43.8	17.1
1998	38.9	43.8	17.3	37.7	43.9	18.5	40.1	43.7	16.2	36.4	44.8	18.8
2000	37.3	44.7	18.0	36.3	44.4	19.3	38.3	45.0	16.8	34.7	45.3	20.0

Source: Own calculations based on microdata from the CASEN.

Table 8.2
Years of education
By age and gender
Chile, 1990-2000

	(25-65)			(10-20)			(21-30)			(31-40)			(41-50)			(51-60)			(61+)		
	Female	Male	All	Female	Male	All	Female	Male	All	Female	Male	All	Female	Male	All	Female	Male	All	Female	Male	All
1990	8.8	9.1	8.9	7.6	7.3	7.4	10.5	10.3	10.4	9.6	10.0	9.8	8.0	8.7	8.4	6.8	7.4	7.1	5.6	6.2	5.9
1994	9.0	9.4	9.2	8.7	8.5	8.6	11.0	10.8	10.9	10.0	10.2	10.1	8.5	9.1	8.8	6.9	7.7	7.3	5.6	6.2	5.8
1996	9.3	9.7	9.5	7.5	7.3	7.4	11.2	11.2	11.2	10.2	10.3	10.2	8.8	9.5	9.1	7.1	7.7	7.4	5.8	6.3	6.0
1998	9.6	10.0	9.8	7.6	7.3	7.4	11.5	11.3	11.4	10.4	10.6	10.5	9.3	9.8	9.5	7.5	8.1	7.8	5.9	6.5	6.2
2000	9.8	10.1	10.0	7.6	7.4	7.5	11.6	11.5	11.5	10.6	10.7	10.7	9.8	10.2	10.0	7.7	8.3	8.0	6.0	6.5	6.2

Source: Own calculations based on microdata from the CASEN.

Table 8.3
Years of education
By areas
Chile, 1990-2000

	All		Adults (25-65)		Male adults (25-65)	
	Rural (i)	Urban (ii)	Rural (iii)	Urban (iv)	Rural (v)	Urban (vi)
1990	4.8	7.3	6.0	9.6	6.0	9.9
1994	6.2	8.9	6.3	9.8	6.3	10.0
1996	5.0	7.6	6.1	10.1	6.1	10.4
1998	5.1	7.8	6.3	10.4	6.3	10.6
2000	5.4	8.0	6.5	10.5	6.4	10.7

Source: Own calculations based on microdata from the CASEN.

Table 8.4
Years of education
By household equivalized income quintiles
Adults 25-65
Chile, 1990-2000

	1	2	3	4	5	Average
1990	6.7	7.3	8.0	9.3	12.2	9.0
1994	6.8	7.6	8.5	9.8	12.5	9.2
1996	6.9	7.9	9.0	10.1	12.8	9.5
1998	7.1	8.2	9.1	10.6	13.3	9.8
2000	7.4	8.3	9.2	10.6	13.4	10.0

Source: Own calculations based on microdata from the CASEN.

Table 8.5
Years of education
By age and income
Chile, 1990-2000

	(10-20)						(21-30)						(31-40)					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	6.6	7.1	7.6	8.0	8.2	7.4	8.2	9.0	10.0	11.1	13.2	10.4	7.4	8.2	9.1	10.5	13.2	9.8
1994	7.9	8.2	8.7	9.0	9.3	8.6	8.7	9.6	10.5	11.8	13.5	10.9	7.5	8.6	9.6	11.2	13.6	10.1
1996	6.6	7.1	7.7	8.0	8.1	7.4	8.6	9.8	10.9	11.9	13.9	11.2	7.6	8.8	9.9	11.3	13.6	10.3
1998	6.6	7.2	7.6	8.0	8.2	7.4	8.8	10.1	11.0	12.2	14.2	11.5	7.8	9.1	10.1	11.6	14.1	10.6
2000	6.9	7.3	7.7	8.0	8.1	7.5	9.1	10.2	11.2	12.4	14.2	11.5	8.0	9.1	10.3	11.6	14.2	10.7

	(41-50)						(51-60)						(61+)					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	5.8	6.5	7.2	8.7	11.9	8.4	4.8	5.1	5.8	7.3	10.6	7.1	3.8	3.9	4.5	5.8	9.5	5.9
1994	5.9	6.7	7.9	9.3	12.3	8.8	4.5	5.0	6.1	7.5	11.0	7.3	3.4	3.8	4.8	6.1	9.6	5.8
1996	6.2	7.2	8.7	9.7	12.5	9.2	4.5	5.2	6.4	7.8	11.0	7.5	3.4	4.0	4.9	6.5	9.9	6.0
1998	6.7	7.8	8.7	10.3	13.3	9.6	4.7	5.5	6.6	8.3	11.5	7.8	3.8	4.1	5.1	6.6	10.1	6.2
2000	7.2	8.3	9.0	10.7	13.6	10.0	5.0	5.9	6.7	8.3	11.8	8.0	3.7	4.3	5.1	6.4	9.9	6.2

Source: Own calculations based on microdata from the CASEN.

Table 8.6
Gini coefficient
Years of education
By age
Chile, 1990-2000

	Age							
	(25-65)	(10-20)	(21-30)	(31-40)	(41-50)	(51-60)	(61+)	
1990	0.285	0.234	0.195	0.243	0.313	0.362	0.439	
1994	0.273	0.163	0.178	0.222	0.295	0.352	0.417	
1996	0.259	0.231	0.169	0.210	0.277	0.346	0.420	
1998	0.250	0.231	0.160	0.204	0.261	0.335	0.414	
2000	0.241	0.226	0.154	0.200	0.241	0.322	0.403	

Source: Own calculations based on microdata from the CASEN.

Table 8.7
Literacy
By age and gender
Adults aged 25 to 65
Chile, 1990-2000

	(10-24)			(25-65)			(65+)		
	Female	Male	Mean	Female	Male	Mean	Female	Male	Mean
1990	0.99	0.98	0.98	0.95	0.95	0.95	0.82	0.83	0.83
1994	0.99	0.99	0.99	0.96	0.97	0.97	0.84	0.86	0.85
1996	0.99	0.99	0.99	0.95	0.96	0.96	0.81	0.84	0.82
1998	0.99	0.99	0.99	0.96	0.96	0.96	0.83	0.85	0.83
2000	0.99	0.99	0.99	0.96	0.96	0.96	0.85	0.86	0.86

Source: Own calculations based on microdata from the CASEN.

Table 8.8
Literacy
By household equivalized income quintiles
Adults aged 25 to 65
Chile, 1990-2000

	1	2	3	4	5	Mean
1990	0.91	0.92	0.94	0.97	0.99	0.95
1994	0.93	0.94	0.97	0.98	0.99	0.97
1996	0.91	0.93	0.96	0.98	0.99	0.96
1998	0.91	0.94	0.96	0.98	1.00	0.96
2000	0.92	0.95	0.96	0.98	1.00	0.96

Source: Own calculations based on microdata from the CASEN.

Table 8.9
Literacy
By areas
Chile, 1990-2000

	(10-24)		(25-65)		(65 +)	
	Rural (i)	Urban (ii)	Rural (iii)	Urban (iv)	Rural (v)	Urban (vi)
1990	0.96	0.99	0.86	0.97	0.62	0.88
1994	0.99	1.00	0.90	0.98	0.67	0.89
1996	0.98	0.99	0.87	0.97	0.61	0.88
1998	0.97	0.99	0.87	0.97	0.57	0.89
2000	0.98	0.99	0.89	0.98	0.64	0.90

Source: Own calculations based on microdata from the CASEN.

Table 8.10
Enrollment rates
By areas
Chile, 1990-2000

	3 to 5 years-old		6 to 12 years-old		13 to 17 years-old		18 to 23 years old	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
1990	0.10	0.36	0.92	0.98	0.63	0.88	0.11	0.34
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.18	0.45	0.94	0.99	0.77	0.91	0.20	0.43
1998	0.22	0.46	0.96	0.99	0.79	0.91	0.21	0.44
2000	0.24	0.50	0.96	0.99	0.83	0.93	0.24	0.43

Source: Own calculations based on microdata from the CASEN.

Table 8.11
Enrollment rates
By age and gender
Chile, 1990-2000

	3 to 5 years-old			6 to 12 years-old			13 to 17 years-old			18 to 23 years old		
	Female	Male	Mean	Female	Male	Mean	Female	Male	Mean	Female	Male	Mean
1990	0.30	0.32	0.31	0.97	0.97	0.97	0.84	0.83	0.83	0.28	0.32	0.30
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.41	0.40	0.40	0.98	0.98	0.98	0.89	0.88	0.89	0.40	0.39	0.39
1998	0.43	0.42	0.43	0.99	0.98	0.98	0.90	0.89	0.89	0.41	0.40	0.41
2000	0.45	0.47	0.46	0.99	0.99	0.99	0.92	0.92	0.92	0.40	0.41	0.40

Source: Own calculations based on microdata from the CASEN.

Table 8.12
Enrollment rates
By household equivalized income quintiles
Chile, 1990-2000

	3 to 5 years-old						6 to 12 years-old					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.24	0.24	0.28	0.36	0.48	0.31	0.96	0.96	0.98	0.97	0.99	0.97
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.30	0.32	0.40	0.44	0.62	0.40	0.96	0.98	0.99	1.00	1.00	0.98
1998	0.34	0.37	0.44	0.46	0.60	0.43	0.97	0.99	0.99	0.99	1.00	0.99
2000	0.37	0.39	0.45	0.49	0.65	0.46	0.98	0.98	0.99	0.99	1.00	0.99

	13 to 17 years-old						18 to 23 years old					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.79	0.81	0.82	0.88	0.95	0.84	0.25	0.22	0.24	0.30	0.53	0.30
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.83	0.84	0.90	0.96	0.98	0.89	0.27	0.29	0.36	0.43	0.65	0.40
1998	0.84	0.87	0.89	0.94	0.98	0.89	0.27	0.28	0.32	0.46	0.73	0.41
2000	0.87	0.90	0.93	0.96	0.99	0.92	0.25	0.32	0.38	0.45	0.66	0.41

Source: Own calculations based on microdata from the CASEN.

Table 8.13
Reasons for non-attendance of the drop-out population aged 13-17
By areas
Chile, 2000

Reasons	Total	Urban	Rural
Absence of school nearby	2.07	0.80	4.90
No vacancies at the school	1.06	1.20	0.75
Difficulties in access or transportation	0.97	0.29	2.47
Economy difficulties	22.97	20.22	29.09
Are at work or looking for a job	13.46	14.01	12.23
Help in house activities	3.21	2.15	5.57
Needs special schools	1.34	1.12	1.83
Are pregnant or already have a child	13.28	15.90	7.45
Not interested	13.76	13.57	14.17
Are sick	3.45	3.18	4.04
Family problems	4.36	5.58	1.64
Behaviour problems	5.22	6.40	2.62
Performance problems	7.98	7.73	8.54
Others	6.45	6.72	3.87
Without answers	0.42	0.30	0.71

Source: Own calculations based on microdata from the CASEN.

Table 8.14
Educational mobility
By age group
Chile, 1990-2000

<i>Country</i>	13-19 (i)	20-25 (ii)
1990	0.878	0.810
1994	0.917	0.776
1996	0.879	0.760
1998	0.887	0.769
2000	0.895	0.785

Source: Own calculations based on microdata from the CASEN.

Table 9.1
Housing
By household equivalized income quintiles
Chile, 1990-2000

	Ownership of housing						Number of rooms					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.467	0.509	0.562	0.621	0.635	0.565	2.892	3.055	3.230	3.563	4.184	3.441
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.554	0.589	0.647	0.691	0.653	0.630	4.309	4.767	5.103	5.527	6.495	5.314
1998	0.598	0.617	0.667	0.674	0.685	0.651	4.204	4.610	4.990	5.417	6.463	5.225
2000	0.608	0.632	0.672	0.675	0.652	0.650	4.286	4.730	5.099	5.555	6.531	5.336

	Persons per room						Poor dwellings					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	1.900	1.627	1.417	1.195	0.912	1.368	0.249	0.191	0.143	0.088	0.027	0.132
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	1.211	1.024	0.859	0.745	0.558	0.857	0.084	0.064	0.037	0.025	0.012	0.042
1998	1.337	1.107	0.899	0.766	0.535	0.898	0.073	0.048	0.034	0.023	0.008	0.035
2000	1.300	1.058	0.844	0.696	0.519	0.850	0.089	0.051	0.032	0.019	0.008	0.037

	Low-quality materials					
	1	2	3	4	5	Mean
1990	0.387	0.306	0.233	0.178	0.084	0.228
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.303	0.220	0.149	0.098	0.044	0.155
1998	0.257	0.197	0.142	0.097	0.045	0.140
2000	0.233	0.154	0.117	0.079	0.041	0.117

Source: Own calculations based on microdata from the CASEN.

Table 9.2
Housing
By age
Chile, 1990-2000

	Ownership of housing					Number of rooms				
	[15,24]	[25,40]	[41,64]	[65+]	Mean	[15,24]	[25,40]	[41,64]	[65+]	Mean
1990	0.120	0.348	0.697	0.766	0.564	2.345	3.053	3.724	3.643	3.437
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.143	0.436	0.736	0.830	0.630	3.597	4.855	5.668	5.535	5.304
1998	0.199	0.463	0.749	0.844	0.652	3.726	4.790	5.541	5.393	5.206
2000	0.167	0.459	0.727	0.842	0.649	3.822	4.869	5.638	5.523	5.330

	Persons per room					Poor dwellings				
	[15,24]	[25,40]	[41,64]	[65+]	Mean	[15,24]	[25,40]	[41,64]	[65+]	Mean
1990	1.479	1.612	1.309	1.006	1.366	0.293	0.186	0.094	0.089	0.133
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	1.173	1.007	0.823	0.617	0.860	0.157	0.057	0.029	0.029	0.043
1998	1.215	1.066	0.859	0.664	0.904	0.129	0.051	0.021	0.025	0.035
2000	1.081	0.997	0.827	0.634	0.851	0.106	0.050	0.027	0.033	0.038

	Low-quality materials				
	[15,24]	[25,40]	[41,64]	[65+]	Mean
1990	0.351	0.256	0.195	0.231	0.228
1994	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.248	0.155	0.141	0.186	0.157
1998	0.230	0.146	0.125	0.166	0.143
2000	0.173	0.112	0.108	0.148	0.118

Source: Own calculations based on microdata from the CASEN.

Table 9.3
Housing
By education of the household head
Chile, 1990-2000

	Ownership of housing				Number of rooms			
	Low	Middle	High	Mean	Low	Middle	High	Mean
1990	0.588	0.524	0.564	0.563	3.181	3.497	4.292	3.435
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.680	0.583	0.587	0.630	4.836	5.363	6.625	5.295
1998	0.699	0.609	0.621	0.652	4.664	5.253	6.550	5.195
2000	0.698	0.615	0.598	0.649	4.795	5.365	6.606	5.320

	Persons per room				Poor dwellings			
	Low	Middle	High	Mean	Low	Middle	High	Mean
1990	1.500	1.326	0.936	1.366	0.181	0.102	0.013	0.133
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.942	0.861	0.593	0.861	0.065	0.030	0.003	0.043
1998	1.033	0.892	0.578	0.905	0.052	0.028	0.003	0.035
2000	0.972	0.838	0.577	0.853	0.060	0.026	0.005	0.038

	Low-quality materials			
	Low	Middle	High	Mean
1990	0.314	0.160	0.052	0.229
1994	n.a.	n.a.	n.a.	n.a.
1996	0.244	0.098	0.026	0.158
1998	0.222	0.098	0.031	0.144
2000	0.187	0.079	0.029	0.119

Source: Own calculations based on microdata from the CASEN.

Table 9.4
Social services
By household equivalized income quintiles
Chile, 1990-2000

	Water						Restrooms					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.781	0.830	0.879	0.921	0.965	0.881	0.544	0.635	0.726	0.823	0.929	0.745
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.802	0.880	0.927	0.958	0.979	0.914	0.555	0.709	0.815	0.904	0.967	0.802
1998	0.830	0.901	0.940	0.966	0.987	0.930	0.830	0.901	0.940	0.966	0.987	0.930
2000	0.829	0.907	0.943	0.967	0.986	0.932	0.648	0.777	0.856	0.927	0.978	0.850

	Sewerage						Electricity					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.501	0.586	0.674	0.767	0.871	0.693	0.849	0.900	0.922	0.947	0.974	0.923
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.500	0.642	0.762	0.859	0.927	0.751	0.903	0.949	0.964	0.977	0.992	0.959
1998	0.626	0.747	0.838	0.914	0.974	0.832	0.934	0.964	0.980	0.990	0.996	0.975
2000	0.566	0.677	0.768	0.847	0.917	0.769	0.945	0.973	0.983	0.990	0.996	0.979

	Telephone					
	1	2	3	4	5	Mean
1990	n.a	n.a	n.a	n.a	n.a	n.a
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	n.a	n.a	n.a	n.a	n.a	n.a
1998	0.285	0.427	0.570	0.733	0.901	0.626
2000	0.279	0.443	0.588	0.748	0.915	0.621

Source: Own calculations based on microdata from the CASEN.

Table 9.5
Social services - Urban areas
By household equivalized income quintiles
Chile, 1990-2000

	Water						Restrooms					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.971	0.986	0.986	0.995	0.998	0.989	0.726	0.798	0.857	0.915	0.974	0.869
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.961	0.978	0.989	0.994	0.994	0.986	0.754	0.848	0.908	0.953	0.986	0.906
1998	0.975	0.981	0.991	0.994	0.998	0.990	0.805	0.872	0.921	0.952	0.989	0.920
2000	0.968	0.985	0.989	0.995	0.998	0.989	0.840	0.901	0.932	0.966	0.991	0.937

	Sewerage						Electricity					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1990	0.687	0.764	0.823	0.881	0.956	0.839	0.971	0.986	0.986	0.995	0.998	0.989
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.712	0.806	0.873	0.929	0.967	0.875	0.982	0.994	0.995	0.997	0.999	0.994
1998	0.768	0.834	0.890	0.926	0.970	0.891	0.990	0.994	0.997	0.999	1.000	0.997
2000	0.783	0.836	0.879	0.918	0.956	0.887	0.992	0.997	0.998	0.999	1.000	0.998

	Telephone					
	1	2	3	4	5	Mean
1990	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1998	0.285	0.427	0.570	0.733	0.901	0.626
2000	0.357	0.513	0.644	0.783	0.931	0.689

Source: Own calculations based on microdata from the CASEN.

Table 9.6
Social services
By areas
Chile, 1990-2000

	Water			Restrooms			Sewerage			Electricity			Telephone		
	Rural	Urban	Mean	Rural	Urban	Mean	Rural	Urban	Mean	Rural	Urban	Mean	Rural	Urban	Mean
1990	0.460	0.976	0.881	0.191	0.869	0.745	0.041	0.839	0.693	0.629	0.988	0.923	n.a.	n.a.	n.a.
1994	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1996	0.500	0.985	0.910	0.210	0.905	0.797	0.044	0.874	0.745	0.748	0.994	0.956	n.a.	n.a.	n.a.
1998	0.522	0.990	0.924	0.247	0.919	0.825	0.051	0.891	0.773	0.823	0.997	0.972	0.079	0.625	0.549
2000	0.583	0.989	0.932	0.318	0.936	0.850	0.044	0.887	0.769	0.866	0.998	0.979	0.203	0.687	0.619

Source: Own calculations based on microdata from the CASEN.

Table 10.1
Household size
Chile, 1990-2000

	Area			Equivalent income quintile					Education of household head				
	Rural	Urban	Mean	1	2	3	4	5	Mean	Low	Medium	High	Mean
1990	4.1	4.0	4.0	4.7	4.3	4.0	3.8	3.5	4.0	4.1	3.9	3.7	4.0
1994	3.9	3.8	3.8	4.5	4.2	3.8	3.7	3.4	3.9	3.9	3.8	3.6	3.8
1996	4.1	3.9	3.9	4.4	4.3	3.9	3.8	3.4	3.9	4.0	3.9	3.7	3.9
1998	4.0	3.8	3.9	4.4	4.2	3.9	3.7	3.3	3.9	4.0	3.9	3.5	3.9
2000	3.9	3.8	3.8	4.5	4.3	3.9	3.6	3.2	3.8	3.9	3.8	3.6	3.8

Source: Own calculations based on microdata from the CASEN.

Table 10.2
Number of children
Chile, 1990-2000

	Area			Parental income quintile					Parental education				
	Rural	Urban	Mean	1	2	3	4	5	Mean	Low	Medium	High	Mean
1990	1.62	1.47	1.49	1.57	1.61	1.51	1.39	1.42	1.50	1.55	1.50	1.36	1.50
1994	1.55	1.39	1.42	1.49	1.48	1.43	1.35	1.34	1.42	1.46	1.44	1.27	1.42
1996	1.59	1.41	1.44	1.54	1.51	1.45	1.35	1.33	1.43	1.48	1.47	1.28	1.44
1998	1.53	1.38	1.39	1.48	1.48	1.38	1.31	1.30	1.39	1.47	1.42	1.21	1.39
2000	1.46	1.34	1.35	1.42	1.41	1.38	1.24	1.29	1.33	1.45	1.35	1.24	1.35

Source: Own calculations based on microdata from the CASEN.

Table 10.3
Dependency rates
Income earners over household size
Chile, 1990-2000

	Area			Equivalent income quintile					Education of household head				
	Rural	Urban	Mean	1	2	3	4	5	Mean	Low	Medium	High	Mean
1990	0.51	0.52	0.52	0.36	0.43	0.54	0.60	0.62	0.52	0.54	0.48	0.54	0.52
1994	0.57	0.54	0.55	0.42	0.48	0.57	0.61	0.64	0.55	0.59	0.49	0.54	0.55
1996	0.61	0.56	0.57	0.48	0.51	0.58	0.62	0.66	0.57	0.62	0.52	0.55	0.57
1998	0.62	0.57	0.58	0.49	0.52	0.59	0.61	0.66	0.58	0.62	0.53	0.56	0.58
2000	0.63	0.57	0.58	0.4951	0.5024	0.5826	0.6202	0.66804	0.5816	0.63	0.53	0.56	0.58

Source: Own calculations based on microdata from the CASEN.

Table 10.4
Mean age
Chile, 1990-2000

	Area			Equivalent income quintile					
	Rural	Urban	Mean	1	2	3	4	5	Mean
1990	29	29	29	24	27	30	32	32	29
1994	30	30	30	25	28	31	32	33	30
1996	30	30	30	25	28	31	32	33	30
1998	31	30	30	26	29	31	32	33	30
2000	32	31	31	26	29	32	33	34	31

Source: Own calculations based on microdata from the CASEN.

Table 10.5
Correlation between couples
Chile, 1990-2000

	Years of education (i)	Hourly wages (ii)	Hours	
			All (iii)	Workers (iv)
1990	0.739	0.539	0.346	0.343
1994	0.754	0.112	0.304	0.304
1996	0.739	0.269	0.363	0.363
1998	0.739	0.388	0.316	0.316
2000	0.739	0.463	0.335	0.335

Source: Own calculations based on microdata from the CASEN.

Table 11.1
Coverage of Poverty-Alleviation Programs
*By household equivalized income quintiles**
Chile 2000

	1	2	3	4	5	Mean
Monetary subsidies						
PASIS (pensions)	0.149	0.088	0.038	0.023	0.006	0.061
SUF (Unique family subsidy)	0.261	0.113	0.040	0.015	0.004	0.087
SAP Subsidy (water subsidy)	0.095	0.085	0.059	0.028	0.008	0.055
Family benefits	0.266	0.400	0.362	0.295	0.121	0.289
Total monetary subsidy	0.641	0.604	0.465	0.347	0.137	0.439

Source: Own calculations based on microdata from the CASEN. (*) Income does not include subsidies

Table 11.2
Coverage of Poverty-Alleviation Programs
By education of the household head
Chile 2000

	Low (i)	Medium (ii)	High (iii)	Mean (iv)
Monetary subsidies				
PASIS (pensions)	0.13	0.02	0.00	0.07
SUF (Unique family subsidy)	0.15	0.05	0.00	0.09
SAP Subsidy (water subsidy)	0.09	0.04	0.01	0.06
Family benefits	0.27	0.35	0.19	0.29
Total monetary subsidy	0.54	0.44	0.20	0.44

Source: Own calculations based on microdata from the CASEN. (*) Income does not include subsidies

Table 11.3
Coverage of Poverty-Alleviation Programs
By area
Chile 2000

	Rural	Urban	Mean
Monetary subsidies			
PASIS (pensions)	0.17	0.05	0.06
SUF (Unique family subsidy)	0.22	0.07	0.09
SAP Subsidy (water subsidy)	0.03	0.06	0.06
Family benefits	0.26	0.29	0.28
Total monetary subsidy	0.60	0.42	0.44

Source: Own calculations based on microdata from the CASEN. (*) Income does not include subsidies

Table 11.4
Share of Poverty-Alleviation Programs beneficiaries
By household equivalized income quintiles
Chile 2000

	1	2	3	4	5
Monetary subsidies					
PASIS (pensions)	49.1	28.7	12.6	7.6	1.9
SUF (Unique family subsidy)	60.4	25.9	9.3	3.6	0.9
SAP Subsidy (water subsidy)	34.6	30.9	21.5	10.0	3.1
Family benefits	18.4	27.6	25.2	20.4	8.4
Total monetary subsidy	29.2	27.4	21.3	15.8	6.2

Source: Own calculations based on microdata from the CASEN. (*) Income does not include subsidies

Table 11.5
Benefits by household of Poverty-Alleviation Programs
By household equivalized income quintiles
Chile 2000

	1	2	3	4	5	Mean
Monetary subsidies						
PASIS (pensions)	6,132.0	3,233.7	1,396.7	816.7	210.1	2,355.5
SUF (Unique family subsidy)	2,042.9	753.8	247.4	96.1	22.8	631.9
SAP Subsidy (water subsidy)	305.5	290.3	205.7	106.7	37.6	189.1
Family benefits	2,225.5	2,713.3	1,862.0	1,195.8	403.5	1,679.0
Total monetary subsidy	10,945.8	7,103.0	3,839.2	2,273.2	714.9	4,971.0

Source: Own calculations based on microdata from the CASEN. (*) Income does not include subsidies

Table 12.1
 Poverty Profile
 Demographics
 Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Population share	90.7	9.3	79.4	20.6
Population share by age				
[0,15]	85.9	14.1	70.6	29.4
[16,25]	90.2	9.8	79.3	20.7
[26,40]	90.8	9.2	79.6	20.4
[41,64]	92.8	7.2	85.8	14.2
[65+]	96.0	4.0	93.3	6.7
Age distribution				
[0,15]	27.9	41.8	26.0	41.7
[16,25]	16.5	16.6	16.6	16.7
[26,40]	23.8	21.9	23.7	23.4
[41,64]	23.4	16.5	24.5	15.7
[65+]	8.4	3.2	9.2	2.6
Total	100.0	100.0	100.0	100.0
Mean age	31	24	33	24
Gender				
Share males	0.493	0.484	0.493	0.487
Household size and structure				
Family size	3.8	4.7	3.6	4.8
Children (<12)	1.3	1.9	1.2	1.8
Dependency rate	0.45	0.58	0.60	0.43
Female-headed hh.	0.23	0.26	0.23	0.23

Source: Own calculations based on microdata from the CASEN.

Table 12.2
Poverty Profile
By areas and regions
Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Urban-rural				
Population share				
Rural	79.5	20.5	76.2	23.8
Urban	91.9	8.1	79.9	20.1
Distribution				
Rural	12.5	29.5	13.62	16.4
Urban	87.5	70.5	86.38	83.6
Total			100	100
Regions				
Population share				
(i)	88.2	11.78	79.1	20.9
(ii)	94.4	5.61	86.1	13.9
(iii)	87.3	12.67	76.4	23.6
(iv)	86.9	13.10	74.8	25.2
(v)	91.6	8.39	80.8	19.2
(vi)	90.4	9.64	79.4	20.6
(vii)	88.2	11.84	74.7	25.3
(viii)	85.8	14.19	73.0	27.0
(ix)	78.9	21.13	67.3	32.7
(x)	86.0	13.98	75.3	24.7
(xi)	93.5	6.55	85.7	14.3
(xii)	92.5	7.48	89.1	10.9
Santiago	93.8	6.22	83.9	16.1
Distribution				
(i)	2.5	3.0	2.6	2.6
(ii)	3.2	1.7	3.3	2.0
(iii)	1.7	2.3	1.7	2.0
(iv)	3.7	5.0	3.6	4.6
(v)	10.5	8.7	10.5	9.6
(vi)	5.2	5.1	5.2	5.2
(vii)	5.9	7.2	5.7	7.4
(viii)	12.2	18.4	11.8	16.8
(ix)	5.0	12.1	4.8	9.0
(x)	6.6	9.8	6.6	8.3
(xi)	0.6	0.4	0.6	0.4
(xii)	1.0	0.7	1.1	0.5
Santiago	42.1	25.5	42.6	31.5
Total	100.0	100.0	100.0	100.0

Source: Own calculations based on microdata from the CASEN.

Table 12.3
Poverty Profile
Housing
Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Home ownership	0.66	0.57	0.67	0.53
Number of rooms	5.43	4.19	5.53	4.30
Persons per room	0.80	1.42	0.75	1.38
Poor housing	0.03	0.10	0.03	0.09
Low-quality materials	0.11	0.25	0.10	0.21
Water	0.94	0.81	0.94	0.89
Hygienic restrooms	0.87	0.62	0.88	0.72
Sewerage	0.79	0.55	0.79	0.65
Electricity	0.98	0.94	0.98	0.97

Source: Own calculations based on microdata from the CASEN.

Table 12.4
Poverty Profile
Education
Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Years of education				
Total	7.8	5.4	8.1	5.7
[10,20]	7.6	6.8	7.8	6.8
[21,30]	11.8	8.8	12.0	9.4
[31,40]	11.0	7.8	11.3	8.4
[41,50]	10.3	7.0	10.5	7.5
[51,60]	8.2	4.7	8.3	5.3
[61+]	6.3	4.0	6.4	4.3
Educational groups				
Adults				
Low	34.7	65.2	33.1	57.5
Medium	45.8	32.9	45.6	40.2
High	19.5	1.9	21.3	2.4
Total	100.0	100.0	100.0	100.0
Male adults				
Low	33.7	65.2	32.1	57.0
Medium	45.5	32.9	45.2	40.3
High	20.8	1.9	22.7	2.7
Total			100.0	100.0
Female adults				
Low	35.6	65.2	33.9	57.9
Medium	46.1	33.1	46.0	40.0
High	18.3	1.8	20.1	2.2
Total			100.0	100.0
Household heads				
Low	42.1	67.4	40.9	60.4
Medium	40.1	30.7	39.7	37.5
High	17.8	1.9	19.3	2.1
Total			100.0	100.0
Literacy rate	0.99	0.92	0.96	0.94
School attendance				
[3,5]	0.47	0.35	0.49	0.39
[6,12]	0.99	0.97	0.99	0.98
[13,17]	0.93	0.85	0.93	0.88
[18,23]	0.40	0.24	0.42	0.25

Source: Own calculations based on microdata from the CASEN.

Table 12.5
 Poverty Profile
 Employment
 Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Labor force				
Total	0.52	0.40	0.53	0.43
[16,24]	0.38	0.32	0.38	0.34
[25,55]	0.73	0.57	0.74	0.61
[56+]	0.32	0.25	0.32	0.31
Men [25,55]	0.94	0.88	0.94	0.92
Women [25,55]	0.54	0.29	0.56	0.34
Employed				
Total	0.48	0.24	0.49	0.32
[16,24]	0.30	0.16	0.32	0.20
[25,55]	0.68	0.36	0.70	0.47
[56+]	0.30	0.17	0.30	0.23
Men [25,55]	0.89	0.59	0.89	0.73
Women [25,55]	0.49	0.17	0.52	0.23
Unemployment rate				
Total	0.08	0.38	0.07	0.27
[16,24]	0.19	0.50	0.17	0.41
[25,55]	0.07	0.36	0.06	0.24
[56+]	0.05	0.34	0.05	0.24
Men [25,55]	0.06	0.34	0.05	0.21
Women [25,55]	0.08	0.43	0.07	0.30
Unemployment spell (months)				
	4.11	3.94	4.14	3.94
Child labor				
	0.01	0.01	0.01	0.01

Source: Own calculations based on microdata from the CASEN.

Table 12.6
 Poverty Profile
 Hours, wages and earnings
 Chile 2000

	USD 2		Official mc
	Non-poor (i)	Poor (ii)	Non-poor (iii)
Worked hours			
Total	48.1	45.2	48.1
[16,24]	45.7	44.7	45.7
[25,55]	48.8	45.6	48.8
[56+]	46.4	43.8	46.4
Men [25,55]	51.1	48.0	50.9
Women [25,55]	44.9	38.4	45.2
Hourly wages			
Total	1,614	416	1,856
[16,24]	824	373	935
[25,55]	1,670	425	1,923
[56+]	2,051	365	2,306
Men [25,55]	1,837	420	2,193
Women [25,55]	1,380	440	1,506
Earnings			
Total	290,986	51,875	340,647
[16,24]	132,720	41,927	149,470
[25,55]	315,007	56,068	366,252
[56+]	294,636	34,381	358,691
Men [25,55]	367,043	62,083	439,478
Women [25,55]	226,040	39,410	253,535

Source: Own calculations based on microdata from the CASEN.

Table 12.7
 Poverty Profile
 Employment Structure
 Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
<i>Labor relationship</i>				
Entrepreneur	4.0	0.2	4.4	0.3
Salaried worker	67.8	45.7	68.0	57.8
Self-employed	18.5	13.9	18.9	13.9
Zero income	1.4	1.8	1.4	1.3
Unemployed	8.3	38.5	7.4	26.6
Total	100.0	100.0	100.0	100.0
<i>Labor group</i>				
Entrepreneurs	4.6	0.3	4.9	0.5
Salaried-large firms	45.2	40.1	44.9	45.8
Salaried-public sector	13.2	6.1	13.6	6.7
Skilled Self-employed	1.9	0.1	2.0	0.2
Salaried-small firms	14.4	26.3	13.7	24.9
Unskilled Self-employed	19.2	24.1	19.3	20.1
Zero income	1.6	3.0	1.6	1.9
Total	100.0	100.0	100.0	100.0
<i>Formality (based on labor group)</i>				
Formal	64.8	46.6	65.5	53.1
Informal	35.2	53.4	34.6	46.9
Total	100.0	100.0	100.0	100.0
<i>Formality (based on social security rights)</i>				
Formal	64.3	32.5	65.1	44.2
Informal	35.7	67.6	34.9	55.8
Total	100.0	100.0	100.0	100.0
<i>Sectors</i>				
Primary activities	15.1	40.1	14.7	27.5
Industry-labor intensive	6.8	4.2	6.7	6.1
Industry Capital intensive	7.4	5.1	7.3	6.8
Construction	7.8	12.1	7.5	13.2
Commerce	22.0	13.4	22.0	17.6
Utilities & transportation	8.4	6.8	8.4	7.6
Skilled services	7.8	1.5	8.1	2.6
Public administration	4.2	2.4	4.3	2.5
Education & Health	14.5	4.8	15.2	5.9
Domestic servants	6.1	9.6	5.7	10.4
Total	100.0	100.0	100.0	100.0
Contract	0.79	0.44	0.80	0.55
Permanent job	0.79	0.47	0.80	0.56
Right to pensions	0.66	0.34	0.67	0.45
Labor health insurance	0.75	0.37	0.77	0.50

Source: Own calculations based on microdata from the CASEN.

Table 12.8
 Poverty Profile
 Poverty Alleviation Programs
 Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Households with Alleviation programs*	0.65	0.89	0.62	0.91
Mean income from Allivation programs			1855.9	3541.5
Monetary subsidies				
PASIS (pensions)	88.3	11.7	83.9	16.1
SUF (Unique family subsidy)	64.8	35.2	42.7	57.3
SAP Subsidy (water subsidy)	87.9	12.1	64.5	35.5
Family benefits	94.1	5.9	77.1	22.9
Unemployment subsidy	78.9	21.1	66.4	33.6
Total monetary subsidy	87.3	12.7	76.0	24.0
Beneficiaries			74.5	25.5
Transfers			73.3	26.7

*Includes all household that at least receive one of the subsidy listed above
 Source: Own calculations based on microdata from the CASEN.

Table 12.9
 Poverty Profile
 Incomes
 Chile 2000

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Household per capita income	139,233.3	13,936.2	167,976.3	25,155.6
Household total income	522,437.0	65,653.3	615,404.0	120,504.9
Gini per capita income	0.545	0.216	0.509	0.2187
Individual income				
Labor	81.5	73.2	81.5	80.8
Non-labor	18.5	26.8	18.5	19.2
Total	100.0	100.0	100.0	100.0
Labor income				
Salaried work	59.6	69.9	59.2	77.0
Self-employment	19.2	17.8	19.3	16.8
Own firm	19.4	0.6	19.8	0.5
Others (non id)	1.7	11.7	1.7	5.7
Total	100.0	100.0	100.0	100.0
Non-labor income				
Capital	n.a	n.a	n.a	n.a
Pensions	40.8	13.2	41.0	18.9
Transfers	n.a	n.a	n.a	n.a

Source: Own calculations based on microdata from the CASEN.

Table 12.10
 Poverty Profile
 Income Decomposition
 Chile 2000

A. Household incomes and size

	Non-poor (i)	Poor (ii)
Household per capita income	139,233.3	13,936.2
Household total income	522,437.0	65,653.3
Individual labor income	290,986.0	51,874.5
Household non-labor income	96,559.1	17,602.0
Number of labor income earners	1.5	0.9
Household size	3.8	4.7

B. Simulations

	\$
Poor's per capita income	13,936.2
Poor's per capita income with the non-poor's	
1. Household size	17,497.1
2. Individual labor income	60,951.6
3. Number of labor income earners	19,852.3
4. Household non-labor income	30,696.4
5. Household total income	110,897.7
6. Household total income and size	139,233.4

Source: Own calculations based on microdata from the CASEN.

Figure 3.1
 Real income by deciles
 Chile, 1990-2000

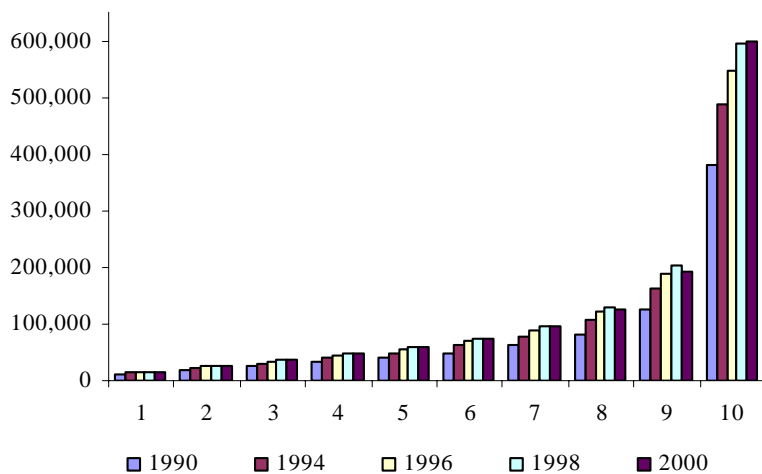


Figure 3.2
 Growth-incidence curves
 Household per capita income proportional changes by percentile
 Chile, 1990-2000

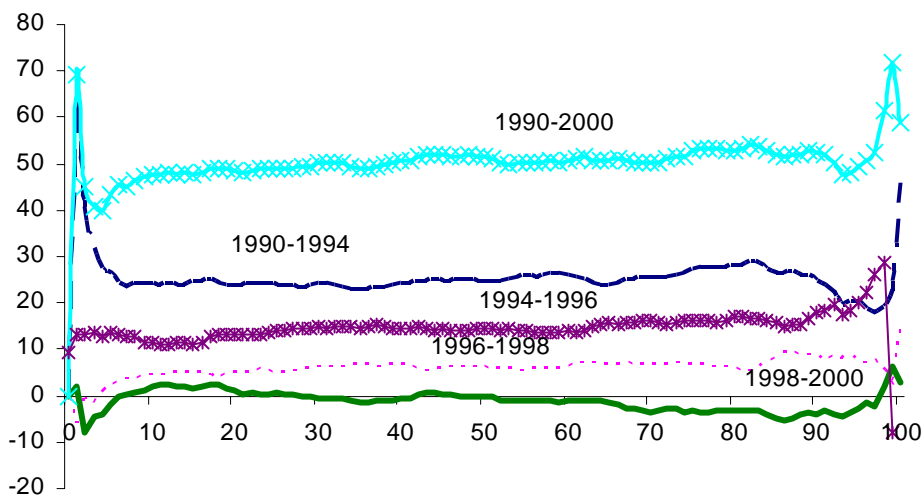
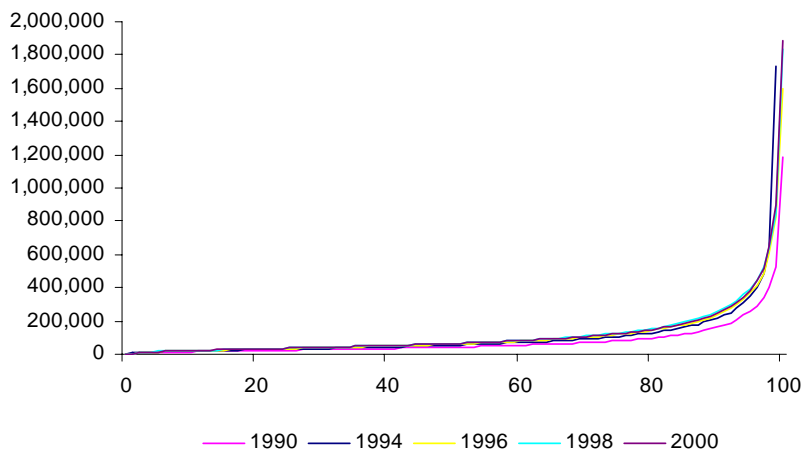
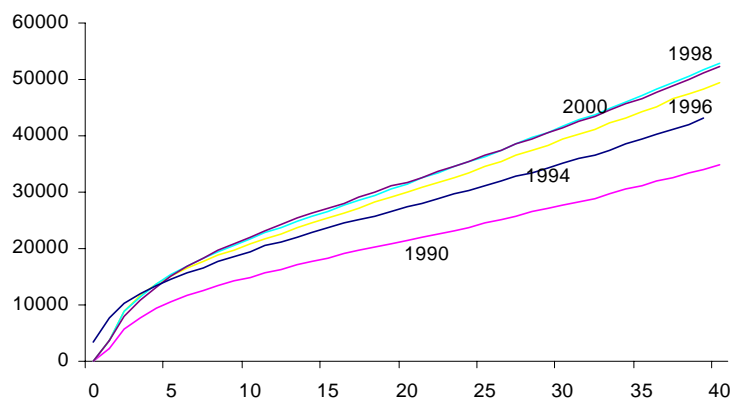


Figure 3.3
 Pen Parade's curves
 Chile, 1990-2000

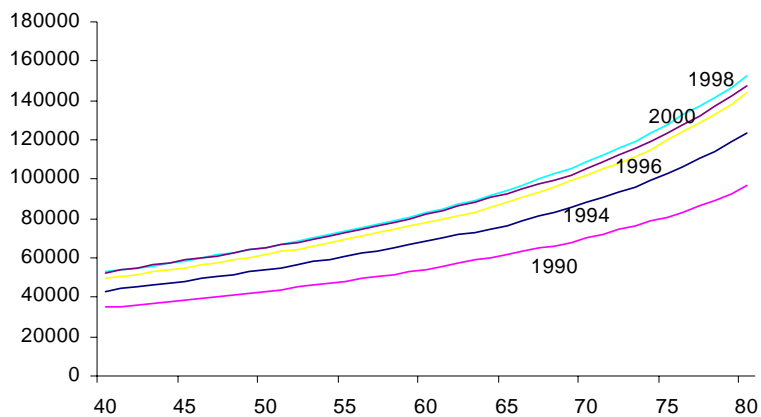
All the distribution



B. Percentiles 1 to 40



C. Percentiles 40 to 80



D. Percentile 80 to 100

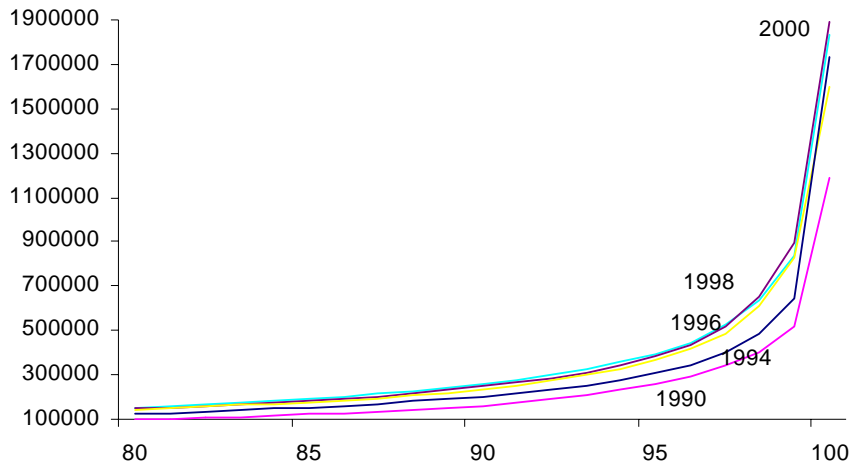
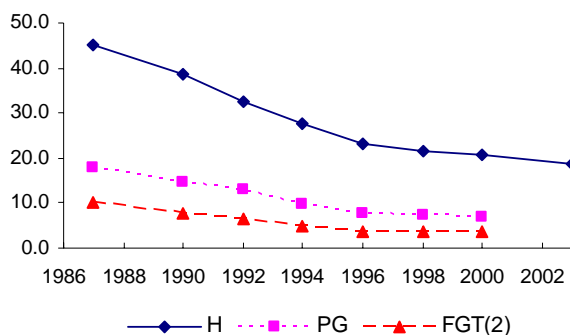
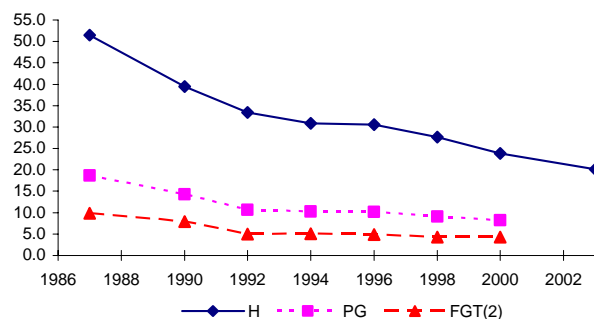
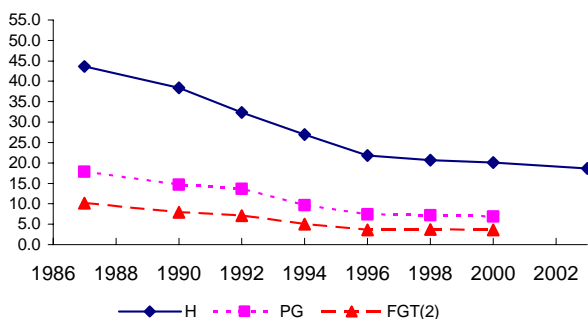


Figure 4.1
 Poverty
 Chile, 1987-2003
 Official poverty lines - National



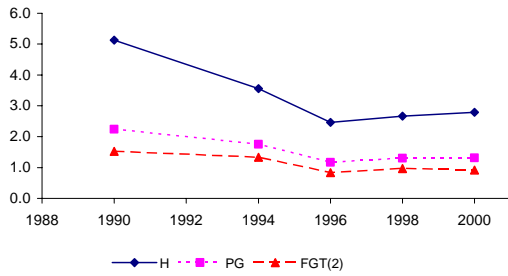
Poverty
 Chile, 1987-2003
 Official poverty lines - By areas



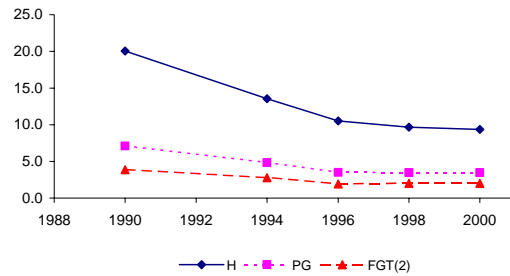
Source: CEPAL (2001) and MIDEPLAN (2001)

Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with *parameter 2*.

Figure 4.2
 Poverty
 Chile, 1990-2000
 US\$ 1 and US\$ 2 lines
 US\$1 a day
 National

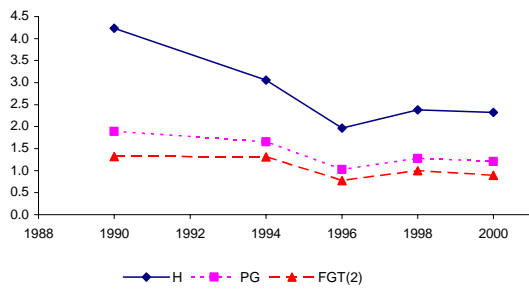


US\$2 a day
 National

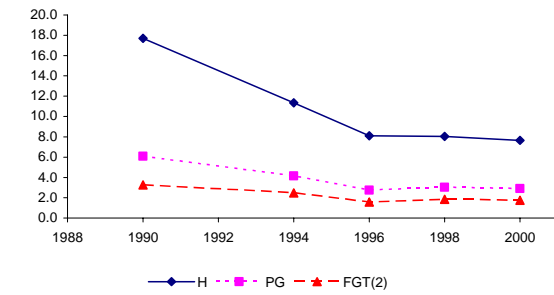


Poverty by region
 Chile, 1990-2000
 US\$ 1 and US\$ 2 lines

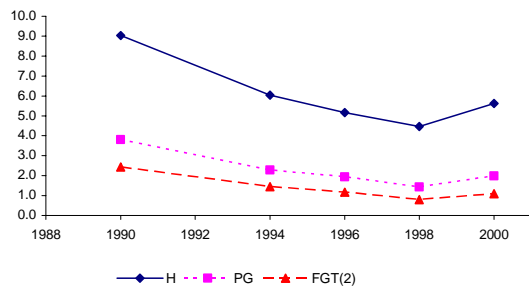
US\$1 a day
 Urban



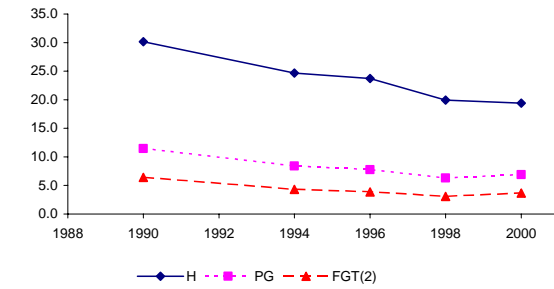
US\$2 a day
 Urban



Rural



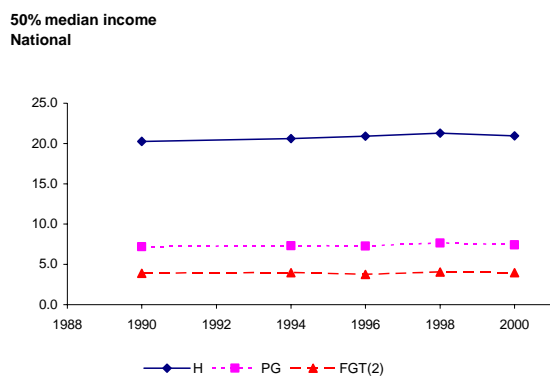
Rural



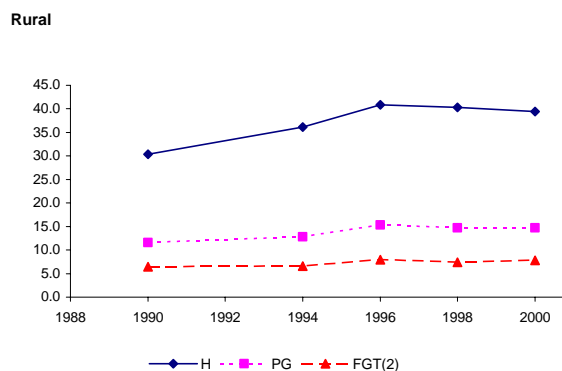
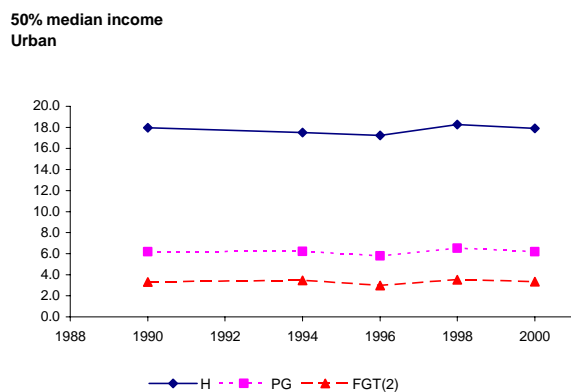
Source: CEPAL (2001) and MIDEPLAN (2001)

Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with *parameter 2*.

Figure 4.3
 Poverty
 Chile, 1990-2000
 50% median poverty line



Poverty by region
 Chile, 1990-2000
 50% median poverty line

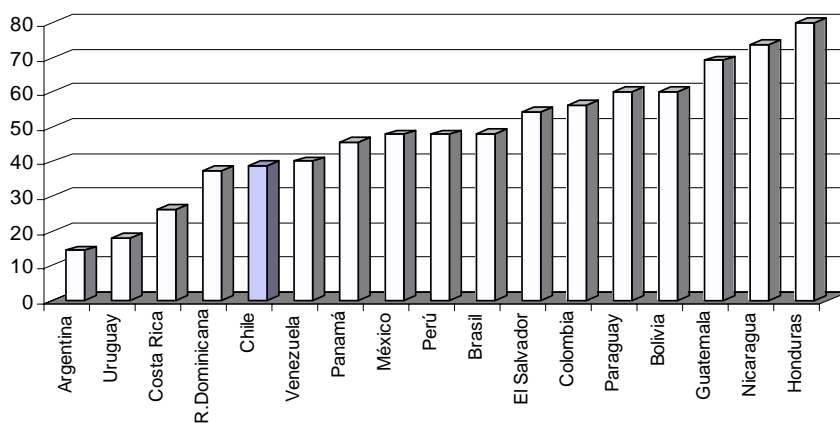


Source: Own calculations based on microdata from the CASEN.

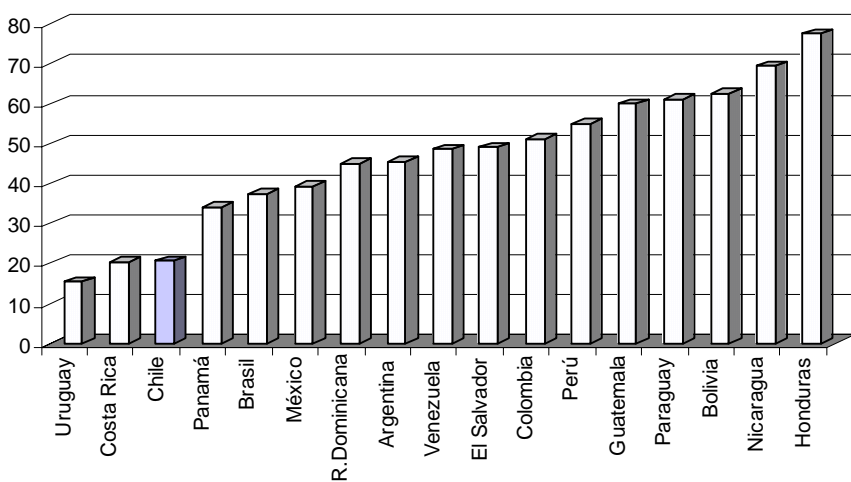
Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Figure 4.4
 Poverty headcount ratio
 LAC countries
 Around 2000 and 1990
 ECLAC Estimates

Around 1990s

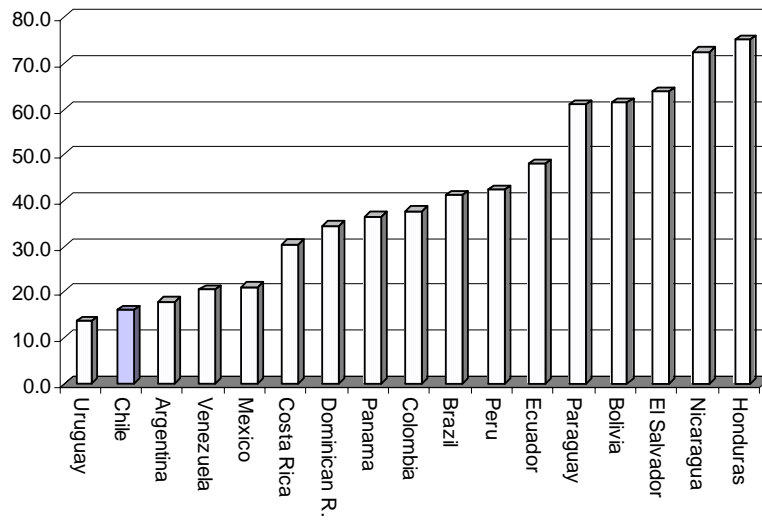


Around 2000s



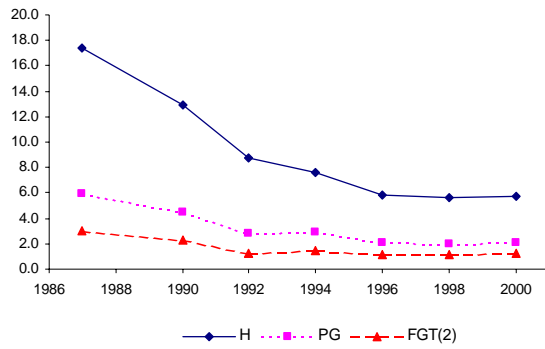
Source: CEPAL (2003).

Figure 4.5
Poverty headcount ratio
LAC countries
Late 1190s, early 2000s



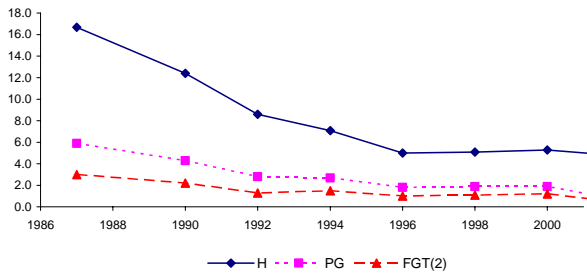
Source: Székely (2001).

Figure 4.6
 Poverty
 Chile, 1987-2000
 Official extreme poverty lines

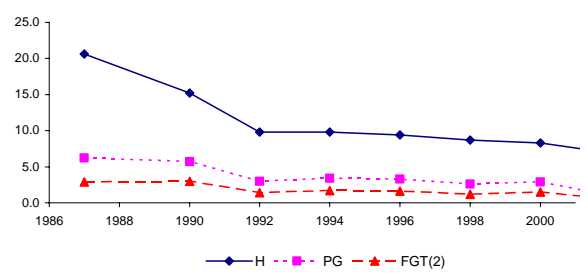


Poverty by region
 Chile, 1987-2000
 Official extreme poverty lines

Extreme Poverty - Official
 Urban



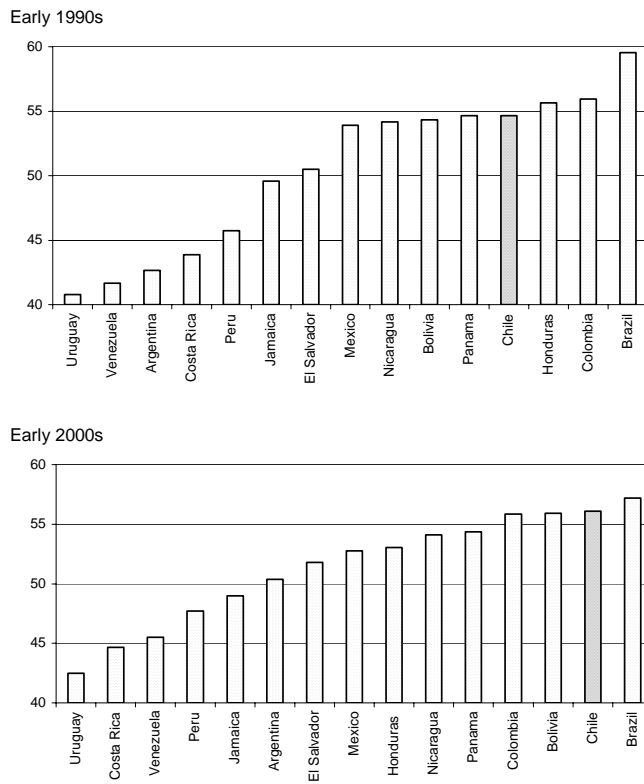
Extreme Poverty - Official
 Rural



Source: CEPAL (2001), MIDEPLAN(2001)

Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Figure 5.1
Gini coefficient
Distribution of household per capita income
Around 1990 and around 2000



Source: Own estimates from Gasparini (2003).

Figure 6.1
Lorenz Curve
Chile 1990-2000

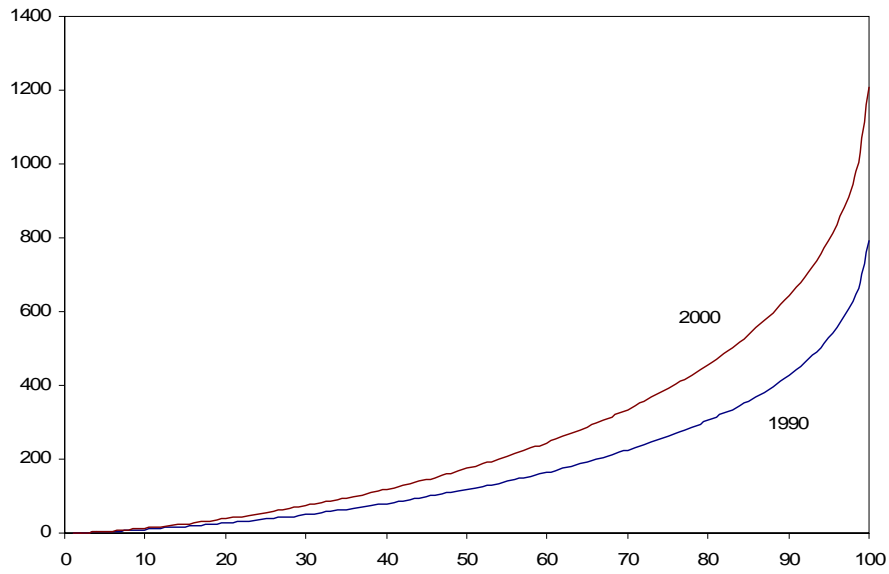


Figure 6.2
Aggregate welfare, 1990-2000
Inequality from CASEN and mean income from national accounts

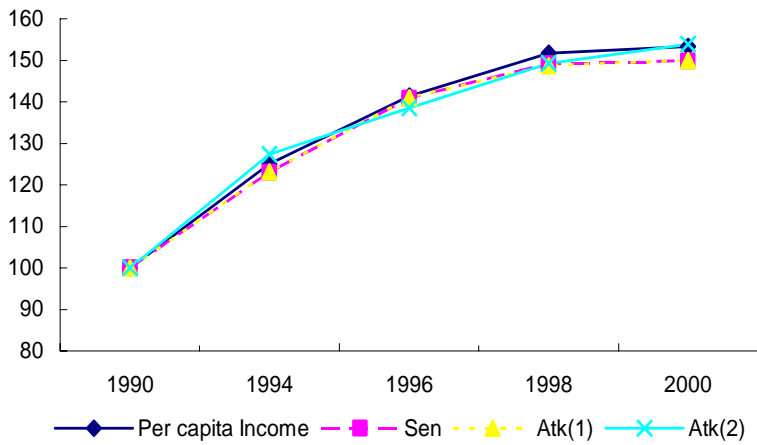
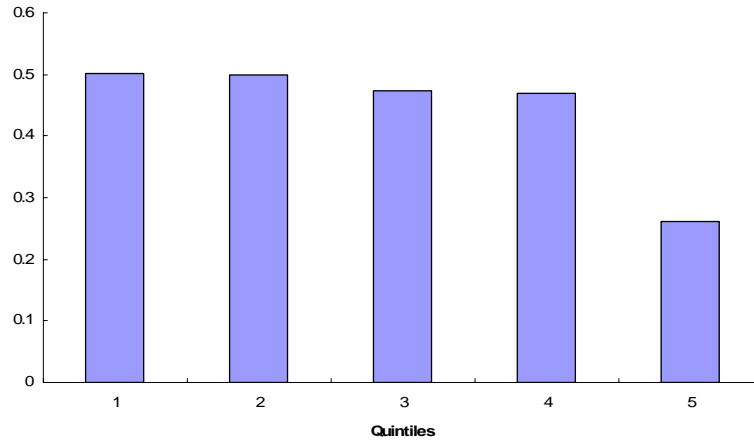


Figure 9.1
Owners who purchased their dwelling
accessing public subsidies by quintiles
Year 2000



Source: Own calculations based on microdata from the CASEN.

SERIE DOCUMENTOS DE TRABAJO DEL CEDLAS

Todos los Documentos de Trabajo del CEDLAS están disponibles en formato electrónico en www.depeco.econo.unlp.edu.ar/cedlas.

- Nro. 20 (Marzo, 2005). Georgina Pizzolitto. "Poverty and Inequality in Chile: Methodological Issues and a Literature Review".
- Nro. 19 (Marzo, 2005). Paula Giovagnoli, Georgina Pizzolitto y Julieta Trías. "Monitoring the Socio-Economic Conditions in Chile".
- Nro. 18 (Febrero, 2005). Leonardo Gasparini. "Assessing Benefit-Incidence Results Using Decompositions: The Case of Health Policy in Argentina".
- Nro. 17 (Enero, 2005). Leonardo Gasparini. "Protección Social y Empleo en América Latina: Estudio sobre la Base de Encuestas de Hogares".
- Nro. 16 (Diciembre, 2004). Evelyn Vezza. "Poder de Mercado en las Profesiones Autorreguladas: El Desempeño Médico en Argentina".
- Nro. 15 (Noviembre, 2004). Matías Horenstein y Sergio Olivieri. "Polarización del Ingreso en la Argentina: Teoría y Aplicación de la Polarización Pura del Ingreso".
- Nro. 14 (Octubre, 2004). Leonardo Gasparini y Walter Sosa Escudero. "Implicit Rents from Own-Housing and Income Distribution: Econometric Estimates for Greater Buenos Aires".
- Nro. 13 (Septiembre, 2004). Monserrat Bustelo. "Caracterización de los Cambios en la Desigualdad y la Pobreza en Argentina Haciendo Uso de Técnicas de Descomposiciones Microeconómicas (1992-2001)".
- Nro. 12 (Agosto, 2004). Leonardo Gasparini, Martín Cicowiez, Federico Gutiérrez y Mariana Marchionni. "Simulating Income Distribution Changes in Bolivia: a Microeconomic Approach".
- Nro. 11 (Julio, 2004). Federico H. Gutierrez. "Dinámica Salarial y Ocupacional: Análisis de Panel para Argentina 1998-2002".
- Nro. 10 (Junio, 2004). María Victoria Fazio. "Incidencia de las Horas Trabajadas en el Rendimiento Académico de Estudiantes Universitarios Argentinos".
- Nro. 9 (Mayo, 2004). Julieta Trías. "Determinantes de la Utilización de los Servicios de Salud: El Caso de los Niños en la Argentina".
- Nro. 8 (Abril, 2004). Federico Cerimedo. "Duración del Desempleo y Ciclo Económico en la Argentina".

- Nro. 7 (Marzo, 2004). Monserrat Bustelo y Leonardo Lucchetti. "La Pobreza en Argentina: Perfil, Evolución y Determinantes Profundos (1996, 1998 Y 2001)".
 - Nro. 6 (Febrero, 2004). Hernán Winkler. "Estructura de Edades de la Fuerza Laboral y Distribución del Ingreso: Un Análisis Empírico para la Argentina".
 - Nro. 5 (Enero, 2004). Pablo Acosta y Leonardo Gasparini. "Capital Accumulation, Trade Liberalization and Rising Wage Inequality: The Case of Argentina".
 - Nro. 4 (Diciembre, 2003). Mariana Marchionni y Leonardo Gasparini. "Tracing Out the Effects of Demographic Changes on the Income Distribution. The Case of Greater Buenos Aires".
 - Nro. 3 (Noviembre, 2003). Martín Cicowiez. "Comercio y Desigualdad Salarial en Argentina: Un Enfoque de Equilibrio General Computado".
 - Nro. 2 (Octubre, 2003). Leonardo Gasparini. "Income Inequality in Latin America and the Caribbean: Evidence from Household Surveys".
 - Nro. 1 (Septiembre, 2003). Leonardo Gasparini. "Argentina's Distributional Failure: The Role of Integration and Public Policies".
-