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Monitoring the Socio-Economic Conditions in Uruguay

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Monitoring Socio-Economic Conditions in

Argentina, Chile, Paraguay and Uruguay

URUGUAY

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Abstract

This document is the first of a series of reports on the socio-economic situation in Uruguay. It is mainly based on a wide range of distributional, labor and social statistics computed from microdata collected by the Encuesta Continua de Hogares (ECH) from 1989 to 2003. Data has also been drawn from other sources and the existing literature. In contrast to the significant advances in poverty reduction recorded since the mid-eighties, in the last years Uruguay witnessed a deterioration of distributional, labor and social conditions. However, the country's social performance is still one of the best in the region.[*]

Keywords: poverty, inequality, education, labor, wages, employment, Uruguay

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1. Introduction

Uruguay is one of the countries with better social indicators in Latin America. This small country has the lowest percentage of people under the poverty line, and one of the most equal income distributions in the region.

At the beginning of the 1970s Uruguay started a slow process of trade liberalization. This process accelerated in the 1990s through the consolidation of the MERCOSUR. Besides, in 1991 the Government implemented a gradualist stabilization program that successfully reduced monthly inflation from an average of 7.2% in 1990 to 0.6% between 1997 and 2001. On the other hand, the process of market-based reforms that characterized most LAC countries in the 1990s was not as deep in Uruguay. In fact, there were not significant privatizations, and the financial liberalization that was typical of many LAC countries had already taken place in Uruguay in the 1970s.

The 1990s were characterized by strong economic growth - the average rate of GDP growth was 4.1% from 1990 to 1998. This macroeconomic performance was halted by a recession that began in 1998-1999 and peaked in 2002, when the GDP fell 10.8% and the exchange rate increased 93%. When considering the whole 1990-2002 period, the average rate of growth was only 1.4%. In the 1990s the macroeconomic situation of Uruguay, which always follows that of Argentina[1], became even more vulnerable to the shocks coming from its neighbor.

The social situation in the country improved in the last decades. The official poverty headcount ratio declined from 46.2% in 1986 to 23.7% in 2002.[2] School enrollment rates and average years of education have increased since 1989, as well as the access to social services by the poor. However, distributional and labor market outcomes were not so remarkable. Moreover, since 1999 the evolution of social indicators has not been as encouraging as in the past decade.

This document is the first of a series of reports that show evidence on the socio-economic performance of Uruguay. This report is mostly focused on the 1989-2003 period and especially draws data from statistics constructed with microdata from the Continuous Household Survey (ECH). All statistics presented in this report and computed by CEDLAS are available at and can be downloaded from

[1] Among all the regional shocks affecting Uruguay's economic performance, those coming from Argentina are the most important (Voelker, 2003).
[2] See INE (2002).

www.depeco.econo.unlp.edu.ar/cedlas/monitoreo.htm. All indicators are updated as new information is released.

The rest of the document is organized as follows. Section 2 presents the main sources of information used in this report. The following eight sections show and analyze information on incomes, poverty, inequality, aggregate welfare, the labor market, education, housing and social services, and demographics. Section 11 provides a poverty profile, and section 12 closes with an assessment of the results, and a discussion of the next steps of the project.

2. The Data

Distributional, labor and social conditions can be traced with the help of the Continuous Household Survey (ECH), the main household survey in Uruguay. As its name suggests, the ECH is conducted all year round by the National Statistics Institute (INE). It now covers all urban areas with at least 5,000 inhabitants, where 91% of Uruguay's urban population lives. Since the share of urban areas in Uruguay is 88%, the sample of the ECH represents around 80% of the total population of the country. The number of observations in each survey is around 60,000. The ECH gathers information on individual socio-demographic characteristics, employment status, work hours, wages, incomes, type of job and education. From 1968 to 1981, the ECH was conducted only in Montevideo (with some exceptions). Since then, the survey has been extended to cover other urban areas. In 1998, some changes were implemented, mainly a transformation in the sample design. In particular, all areas adjacent to big cities were included, and the cities with less than 5,000 inhabitants were excluded from the survey.[3]

Expenditures are reported by the National Household Income and Expenditures Survey (EG), which was conducted three times (1971/72, 1982/83 and 1994/95). Although the last EG includes some questions on socio-economic issues, we do not use this survey, since social topics are better covered by the ECH. Another information source is the Annual Economic Activity Survey (EAE), which is applied to firms that record some labor statistics. However, its usefulness to monitor socioeconomic conditions is limited.

In summary, the ECH is the best data source for monitoring distributional, labor and social conditions in Uruguay on a yearly basis. All statistics in this report are computed from microdata collected by that survey. All reported values refer to the whole year of the survey with the exception of 1989 and 1992, as for these years we use data from July to December. Due to the changes that were made to the sample design of the survey in 1998, we also

[3] An analysis of the impact of these changes on social indicators can be found in ECLAC (2001). Specifically, the indicators of the urban interior area (*Interior Urbano)* are the ones that experienced the most important changes. The official headcount ratio does not change.

computed statistics for the group of urban areas surveyed in 1995 and 1998. We do so only for the surveys of those years, to find out if this methodological change affects the trends of the computed statistics.

3. Incomes

Real incomes are the arguments of all poverty, inequality, polarization and welfare measures. Thus, before computing measures of these distributional dimensions, in this section we present some basic statistics on real incomes. All incomes are presented in real values by deflating nominal incomes by the consumer price index of the month when incomes reported in the survey were earned.

Table 3.1 shows real incomes by deciles. In general, the changes in real incomes reported by the ECH follow the same pattern as per capita GDP. The proportional changes of both measures have the same sign for every pair of years selected, except for the years 2002-2003 and for the whole 1989-2003 period when incomes reported in the survey fell and per capita GDP increased. Between 1989 and 1995, the economy enjoyed a phase of expansion. In fact, the per capita income reported by the ECH grew 7.6% in that period and per capita GDP increased 18.3%. According to the ECH, between 1995 and 1998 average income grew 5.4% and per capita GDP grew 13.5%. In contrast, the growth rate of reported incomes between 1998 and 2003 was negative for every pair of years chosen. For instance, mean income fell 23.4% between 2001 and 2003.

The second panel on Table 3.1 shows that income changes were never uniform across deciles. All income changes between 1989 and 2002 were clearly unequalizing. In contrast, in 2003 the incomes of the richest deciles decreased more than the incomes of the poorest deciles.

The growth incidence curves in Figure 3.1 present a more detailed picture of income change patterns. Each curve shows the proportional income change of each percentile in a given time period. The curve for 1989-2003 is increasing, implying significant unequalizing changes over the period. This seems to be especially the result of the changes experienced between 1992 and 1998, since the curve representing income growth between those years is the only one that displays a clear increasing pattern. In contrast, income growth between 1989 and 1992 was quite uniform, while between 1998 and 2003 the reduction of income might have had an equalizing effect.

The Pen's parade curves of figure 3.2 present another view on the same facts. Each curve shows real income by percentile. To make the figure clearer, on panels B to D we show the curves for different groups of percentiles. In general, incomes grew from 1989 to 1998 for

almost all percentiles and declined thereafter. It is interesting to notice that the curve for 2003 is below the rest of the curves.

The income changes shown in the figures of this section suggest clear patterns for poverty, inequality and welfare. For example, the almost uniform increase between 1989 and 1992 has surely not caused a significant change in inequality. On the other hand, since mean income fell for the poorest percentiles between those years, changes in poverty measures would depend on the value of the poverty line. If the poverty line were around the mean income of those percentiles, then a poverty increase could be expected. The contrary would happen if the poverty line were higher than the mean income of those percentiles. The same conclusion about poverty changes arises when the non-uniform income increase recorded from 1992 to 1998 is analyzed, as mean income fell only for those individuals in percentiles 1 to 25. In contrast, this non-uniform income growth has surely implied an increase in inequality. Between 1998 and 2003 there was a significant income reduction for all percentiles, suggesting a poverty increase for any value of the poverty line. When the whole 1989-2003 period is considered, it can be seen that incomes fell in a clearly unequalizing way, implying a fall in aggregate welfare. The next three sections provide more evidence on these issues.

4. Poverty

There are two basic steps in computing income poverty - identifying and aggregating the poor population (Sen, 1979). We have computed the most widely used poverty lines and poverty indicators to identify and aggregate the poor. Tables 4.1 to 4.5 show various poverty indicators with alternative poverty lines. The USD 1 a day and USD 2 a day at PPP prices are international poverty lines extensively used and computed by the World Bank (see World Bank Indicators, 2004).[4] Most LAC countries, including Uruguay, compute official moderate and extreme poverty lines based on the cost of a basic food bundle and the Engel/Orshansky ratio of food expenditures.[5] Table 4.1 presents the value of these poverty lines in local currency units for the 1989-2003 period. Finally, the line set at 50% of the median of the household per capita income distribution captures a relative rather than an absolute concept of poverty. For each poverty line, we have computed the three most frequently used poverty indicators - the headcount ratio, the poverty gap, and the FGT (2).[6] We have also calculated the number of poor people by expanding the survey to both (i) the population represented by the ECH and (ii) all the population. In the latter case, we assume that the income distribution of the areas not covered by the survey mimics the distribution computed from the ECH.

[4] See the methodological document for details on the construction of each table.
[5] See INE (2002).
[6] See Foster, Greer and Thornbecke (1984) for references.

The headcount ratio for the USD 1-a-day line remained very low in the whole period, always below 1% (Table 4.2 and Figure 4.1). According to the US$ 1-a-day line, the number of poor people is very low, never reaching 40,000. Because of these low values, it could be misleading to describe trends, since it is difficult to know when changes are statistically significant.[7] The headcount ratio for the USD 2-a-day line was always lower than 6%. The percentage of poor people with less than USD2-a-day showed a slight increase between 1989 and 1998, despite a significant growth in GDP reported by the National Accounts. This indicator remained quite stable until 2000. In 2002, it increased from 3.4% to 4.7%, and in 2003 it grew less than 1 point.[8] The patterns for the other poverty measures (poverty gap and FGT(2)) are similar, thus indicating that inequality changes between the poor have not been significant.

The headcount ratio for the official moderate poverty line substantially decreased from 27.5 to 17.7 between 1989 and 1995 (Table 4.4 and Figure 4.2). This fall implies that the number of poor people fell by almost 300,000. Between 1995 and 2001 the headcount ratio for the moderate poverty line was very stable. In contrast, after 2001 this ratio displayed a significant increase - in 2003 around one-third of the population was poor. Between 2000 and 2003 the number of poor people dramatically increased by almost 500,000.

Over the 1989-2001 period, the headcount ratio for the official extreme poverty line decreased. Most of this fall took place between 1989 and 2000, when poverty fell from 2.7% to 1.4%. In 2000 and 2001, the percentage of poor people remained low at 1.4%, but in 2002 and 2003 that number increased to 2.1% and 2.8%, respectively.

It is interesting to notice that while the poverty measures based on the USD 1-a-day line and USD 2-a-day line increased between 1989 and 2001, those based on the official poverty lines decreased. This can be explained by the fact that, while the USD 1 and USD 2-a-day lines are updated by the consumer price index (IPC), the official lines are updated through the price of the food basket (IPAB). If food prices had varied as the consumer price index did, both pairs of lines would have had the same evolution over time. However, that was not the case during the 1990s. As a result of the deep economic changes experienced by Uruguay, the ratio between food prices and consumer prices fell 20% between 1989 and 2001. This fall implied that the real value of official poverty lines significantly decreased over the period.[9] Table 4.1 shows that while in 1989 the official extreme poverty line was higher than the USD 2-a-day line, after 1992 the opposite happened. In fact, the ratio

[7] We will include estimates of the standard errors of poverty indicators in the next draft of this report.
[8] The difference in the statistics computed over the complete surveys and over the restricted versions of the ECH 1995 and 1998 is very small. Since the same can be said about the rest of the statistics, only those computed over the entire surveys will be mentioned in the rest of the document.
[9] See Vigorito (2003)

between both lines decreased from 1.1 in 1989 to 1 in 1995 and to 0.9 in 1998. The same happened with the ratio between the official moderate poverty line and the USD 2-a-day line - it was equal to 3.2 in 1989 and fell to 2.7 in 1998. The impact of this fall on the official moderate headcount ratio is shown in Figure 4.3. An important part of the official poverty drop between 1989 and 1998 can be attributed to the decrease in the real value of the poverty line. The contrary occurred between 1998 and 2003, since after the depreciation of the exchange rate, the IPAB grew more than the IPC. The higher real value of the poverty line contributed to increase the official poverty ratio between these years (Figure 4.4).

As Figure 4.5 shows, based on data from INE (2002, 2003), Uruguay witnessed a dramatic decline in poverty in the late 1980s and early 1990s. Between 1986 and 1994, the official moderate poverty rate fell from 45 to 15, and the extreme poverty headcount ratio dropped from 8 to less than 2. Progress in terms of poverty reduction ended in 1994. Poverty remained unchanged for several years and started to grow in 2000. Today, poverty is slightly higher than in 1989, implying a "lost decade" in terms of poverty reduction.[10]

All poverty measures experienced a sharp increase in 2002 and 2003. This is not surprising given that the mean nominal income of the poorest percentiles fell or showed only a slight rise in 2002 and 2003, while the IPC and the IPAB displayed a significant increase in those years.

It has been pointed out that the official methodology to compute the headcount ratio has some shortcomings.[11] One of them is that this measure is based on total per capita household income rather than adult equivalent household income. INE (2002) partially alleviated this problem by taking into account the existence of economies of scale within the household.[12] The other shortcoming is that while the food basket contains a caloric and monetary value comparable to other Latin American countries, the percentage of non-food items exceeds the value they have in all other countries, and thus accounts for a relatively higher value of the poverty line.[13] On account of this shortcoming, following the World Bank (2001) we carried out a sensitivity analysis over the poverty line to determine if

[10] See Vigorito (2003) for a decomposition of poverty changes in 1991-2001. One of the main results is that increasing inequality exerted a significant effect on poverty. If inequality had remained stable during the decade, poverty would have fallen by 6.5% in addition to the observed drop. Economic growth and the evolution of the poverty line also contributed to decreasing poverty.

[11] See World Bank (2001)

[12] INE (2002) published new poverty calculations based on a new threshold that modifies the previous methodology. These calculations mainly rely on updating the food basket with the retail index of food products leaving the Engel coefficient fixed at its 1994/95 value; removing from the food basket meals consumed outside the house and alcoholic beverages; and estimating different Engel coefficients according to equivalence scales.

[13] For example, while the Orshansky coefficient applied by the INE in Uruguay is around 2.8, the one applied by the INDEC in Argentina is around 2.1.

changes in its value affected poverty trends in the last years. Table 4.6 shows that poverty trends remained exactly the same though poverty levels are quite sensitive to variations in the line. Poverty line changes generate large proportional variations in poverty estimates - the estimated elasticities for each year are all greater than 1. This may be explained by the fact that the actual poverty line is located near a modal value in the income distribution.

ECLAC (2003) reports headcount ratios for Uruguay for five years. According to ECLAC's poverty lines, the headcount ratio was 17.8% in 1990, remained around 9.5% in 1994, 1997 and 1999, and jumped to 15.4% in 2002. So, even though the value of the index is always lower than the official one, it does exhibits the same U-shaped pattern over the period 1990-2002. Going back to the 1980s, ECLAC (1998) reports the percentage of households under the poverty line for four years since 1981. The proportion of households under the poverty line increased from 9% to 12% between 1981 and 1990, and decreased to 6% in 1994.

Uruguay is the country with the lowest poverty headcount ratio in Latin America and the Caribbean (Figure 4.7 and 4.8). Figure 4.7, based on data from ECLAC, shows that in the early 1990s the only LAC country with a poverty headcount ratio lower than Uruguay's was Argentina. In the early 2000s, and in contrast to the Argentine situation, Uruguay is still among low-poverty countries.

Some countries use a relative rather than an absolute measure of poverty. According to this view, since social perceptions of poverty change as a country develops and living standards go up, the poverty line should increase along with economic growth. Probably the most popular relative poverty line is 50% of median income. Table 4.7 and Figure 4.9 show indicators computed with the 50% median income line. The headcount ratio for this poverty line shows an upward trend. This fact is driven by the increase in inequality experienced in the 1990s.

There are convincing arguments to consider poverty as a multidimensional issue.[14] 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 have constructed an indicator of poverty according to the characteristics of the dwelling, access to water, sanitation, education (of the household head and children) and dependency rates.[15] As it is shown on Table 4.8 and in Figure 4.10, this endowment index has decreased since 1989. Although this is undoubtedly a positive sign of social progress, it should be noticed that indicators of

[14] 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.
[15] See the methodological document for details.

endowments or basic needs usually fall, since over time people improve their dwellings and governments invest in water, sanitation and education, even in stagnant economies. The same table shows that the percentage of people defined as poor by the endowments and the USD2-a-day poverty line was very stable between 1989 and 2003.

Calvo *et al.* (2000) compute a basic-needs indicator of poverty (Unsatisfied Basic Needs – NBI) with census data of 1996. An individual is poor if she lives in a household that meets at least one of the following conditions: (i) unavailability of a heater, (ii) no access to health insurance, (iii) dwelling of low quality materials, (iv) five or more households sharing the dwelling and the restroom, (v) unavailability of water inside the dwelling, (vi) no access to electricity, (vii) unavailability of hygienic restroom, (viii) more than three people per room used for sleeping. According to this methodology, in 1996 the percentage of poor people was 38.7%. Most of them (22.6%) meet only one of the conditions, while 9.6% and 6.6% of the population meet two or more of them, respectively. Unfortunately, we do not know the recent evolution of this indicator as we do not have the estimates computed with data from the 1985 Census.

5. Inequality and polarization

Although Uruguay still has the most egalitarian income distribution of LAC, this country was not an exception to the generalized increase in inequality recorded in the 1990s. Tables 5.1 to 5.10 show inequality changes over the last decade. Table 5.1 presents the most tangible measures of inequality - the shares of each decile and some income ratios. These measures are computed over the distribution of household per capita income. On Table 5.2 more sophisticated inequality indices are considered - the Gini coefficient, the Theil index, the coefficient of variation, the Atkinson index, and the generalized entropy index with different parameters. On Tables 5.3 and 5.4 the analysis is extended to the distribution of equivalized household income,[16] while on Tables 5.5 and 5.6 the distribution of a more restricted income variable is considered - the equivalized household labor monetary income. Tables 5.7 and 5.8 assess the robustness of 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 life-cycle factors.

As Tables 5.1 to 5.8 show, almost all inequality indicators reflect the same facts irrespective of the type of income they are based on. For example, as Table 5.1 shows,

[16] Equivalized income takes into account the fact that food needs are different across age groups and that there are household economies of scale. See Deaton and Zaidi (2003) and the methodological appendix for details on the implementation for Argentina.

while in 1989 the income share of the richest decile was 31.8%, in 2003 that percentage went up to 32.7%. As the share of the poorest decile fell in the same period, the income ratio between the average individual of the top decile and a typical person in the bottom decile rose from 14.4 in 1989 to 17.4 in 2003. The evolution of the other two income ratios was similar, indicating that inequality increased even for more homogeneous income groups. The same results hold for the deciles based on household equivalized income, and on household equivalized labor monetary income, although with this latter income definition the rise in inequality was much more pronounced In fact, the income ratio between the average individual in the top decile and a typical person in the bottom decile grew from 19.9 in 1989 to 33.5 in 2003.

Even though income ratios are valid measures of inequality, they only take into account what is going on in some specific parts of the income distribution. A more complete picture of inequality changes is described by the indexes on Tables 5.2, 5.4 and 5.6. For the three income definitions, most measures indicate a rise in inequality between 1989 and 2003. The Gini coefficient for the distribution of household per capita income went up from 0.408 in 1989 to 0.433 in 2003. The Gini for the distribution of equivalized income also grew 2 points over the period. Overall, the inequality pattern for these two income definitions reflects that inequality decreased between 1989 and 1992, remained stable between 1992 and 1995 and experienced a sharp increase in 1998. Until 2000 it remained stable and in 2001 it started to increase. Finally, in 2003 there was a slight decrease in inequality. In contrast, the Gini for the distribution of household equivalized labor income rose every year of the period considered.

Tables 5.7 and 5.8 show the Gini coefficient for alternative income definitions.[17] Almost all of these measures reflect the rise in inequality since 1989. An exception is the Gini coefficient for total household income, which remained very stable over the period, suggesting the relevance of other factors, for example demographic ones, to explain the increasing inequality pattern over the last decade. This pattern for the distribution of total household income is also found in ECLAC (1998), which reports Gini coefficients for four years. This index decreased from 0.379 in 1981 to 0.353 in 1990, and to 0.300 in 1994 and 1997. The other exception is the Gini coefficient for the equivalized income of people aged 60 to 70 years, which fell 1.6 points over the period considered.

It is interesting to notice that inequality decreased between 2002 and 2003. In contrast, inequality in the distribution of equivalized labor income increased between those years. In all cases the changes seem very small. In the next report we will check whether they are significantly different from zero in a statistical sense, by applying bootstrapping techniques.

[17] Some columns on Table 5.8 are just presented for comparison with other countries.

Figure 5.1, based on data from Vigorito (1999), shows that inequality in the distribution of per capita household income (without imputed rent for house owners) was very stable from 1986 to 1989. After a sharp decrease of all measures in 1993, inequality started to show an upward trend. In fact, as it can be seen in Figure 5.3, Uruguay experienced one of the largest increases in inequality among LAC in the 1990s. Despite this increase, Uruguay is still the country with the lowest Gini coefficient in Latin America (Figure 5.2).

An increase in inequality in household income adjusted for demographics, as the one reported above for Uruguay, is usually associated to increasing inequality in individual income and in each income source. That was not the case in Uruguay: as Table 5.10 shows the Gini for the distribution of individual income went down, which implies the need to consider other kind of factors to explain rising household income inequality, like asymmetric changes in family sizes or unemployment. These changes are discussed below.

Table 5.10 shows another "anomaly": while the Gini of individual income declined, the Gini of the main source of total individual income- labor income- increased. This fact could have been driven by the significant fall in the income share of labor: while in 1989 almost 76% of total individual income was labor income, in 2003 that share decreased to 64% (Table 5.9). To a large extent, this fall took place because of the 1989 change in the mechanism of indexation of pensions, which led to a significant increase in their real value.[18] Therefore, while pensions account for 15.9% of total individual income in 1992, in 2003 that percentage increased to 25.5%.

A complementary analysis of inequality is that of polarization. Polarization is a dimension of equity that has recently received attention in the literature. Table 5.11 shows the Wolfson (1994) and Esteban, Gradín and Ray (1999) indices of bipolarization. It can be seen that polarization increased since 1989 according to the two measures considered. In fact, Uruguay experienced one of the largest increases in polarization among LAC countries in the 1990s (Gasparini, 2003).

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 presented growth incidence curves and Pen's parade curves that suggest a fall in welfare between 1989 and 2003. The same conclusion

[18] See Vigorito (2003)

arises from the generalized Lorenz curves in Figure 6.2. The curve for 2003 is below the corresponding curve for 1989.

We also performed a welfare analysis in terms of abbreviated welfare functions. We considered four functions (Table 6.1 and Figure 6.1). The first one is represented by the average income of the population, and according to this value judgment, inequality is irrelevant. The rest of the functions that take inequality into account are the one proposed by Sen (equal to the mean times 1 minus the Gini coefficient) and two proposed by Atkinson (CES functions with two alternative parameters of inequality aversion).[19] We take real per capita GDP from the National Accounts as the average income measure, and combine it with the inequality indices shown above.[20] Given that most assessments of the performance of an economy are made by looking at per capita GDP, we use this variable and complement it with inequality indices from our study to obtain rough estimates of the value of aggregate welfare according to different value judgments.[21] As mentioned above, for various reasons per capita income from household surveys differs from National Accounts estimates.

Aggregate welfare significantly increased in the first half of the 1990s, fueled by economic growth and a quite stable income distribution. From 1995 to 1998, both mean income and inequality showed a sharp increase. These divergent changes imply different assessments of Uruguay's economic performance, according to different value judgments. While welfare increased for the Sen and Atkinson (1) functions, it slightly decreased for Atkinson (2), which represents more Rawlsian value judgments. From 1998 to 2002, mean income dropped and inequality rose, implying an unambiguous decline in aggregate welfare. In 2003, mean income increased and inequality decreased, implying a slight increase in welfare. It is interesting to compare 1989 to 2003 in terms of aggregate welfare. Despite the fact that in 2003 inequality was higher than in 1989, the aggregate welfare level of 2003 was equal to or higher than that of 1989 for all value judgments. Comparing 1992 with 2003 generates a different assessment. While mean income did not change in one decade, as inequality increased all assessments made by value judgments with distributional concerns suggest a significant fall in aggregate welfare.

7. The Labor Market

This section summarizes the structure and changes of the labor market in Uruguay in the last decade. The Uruguayan labor market has experienced deep changes since the return of democracy in 1985. In that year, a system of Wage Councils was established. Thus,

[19] See Lambert (1993) for technical details.
[20] The source for GDP figures is World Bank (2001), World Development Indicators, WDI -CD-ROM.
[21] See Gasparini and Sosa Escudero (2001) for a more complete justification of this kind of study.

minimum wages by industry and labor category were set, usually requiring Government approval. Wage levels were adjusted three times a year in 1990; [22] since then, accumulated inflation from the last adjustment had to go over a specific threshold for wages to be adjusted. In 1991, the government stopped participating in bargaining, and contract terms were compulsory only for those firms and unions that participated in the negotiations. These changes caused a sharp drop in Uruguay's union density. On the other hand, since the mid-1990s, unemployment, underemployment, instability of employment and informality increased in spite of a strong economic growth. As it can be seen in Figure 7.1, the unemployment rate increased sharply in the 1990s.

Table 7.1 shows hourly wages, work hours and labor income for the working population. Real hourly wages (deflated by the CPI) increased until 1998, and decreased since then. Work hours remained stable until 1992 and declined from 45.9 hours a week in that year to 41.2 in 2003. The evolution of labor income was governed by the behavior of wages - it increased until 1998 and declined since then. Labor income significantly decreased in 2003 - it was 23% and 28% lower than in 2001 and 1989, respectively.

Tables 7.2 to 7.4 report hourly wages, work hours and earnings by gender, age and education. Men earn more than women, and work substantially more hours, which implies higher earnings. However, their wages and hours worked tended to equalize over time: while in 1989 an average man earned 33% more than a typical woman and worked 28% more, in 2003 those values were 14% and 19% respectively. Despite this trend, patterns of changes in labor variables have been approximately the same for males and females: wages increased until 1998 and decreased since then, and hours worked by women have declined since 1989 and by men since 1992. This pattern is also observed across age groups. People aged over 41 years won in relative terms. The changes in work hours were similar across age groups, with the exception of those over 65 years of age - hours worked increased between 1989 and 1995, and decreased since then.

As it can be seen on Table 7.4, mean labor income decreased between 1989 and 2001 for workers with complete high school or less, and increased for workers with at least some higher education. The driving force behind these changes was the evolution of hourly wages,[23] as work hours decreased for every group in a roughly similar way. It is interesting to notice that the wage drop during the latest crisis was uniform for skilled and unskilled workers.

[22] See Cassoni et al (2000).
[23] This pattern of the returns to education is documented in Bucheli (2000) and Bucheli and Casacuberta (2001).

Table 7.5 divides the working population into entrepreneurs, wage earners, self-employed workers and workers with zero income. Between 1989 and 1998, earnings increased for the three groups considered. The self-employed group lost in relative terms. In fact, while in 1989 the mean labor income of the self-employed was 92% of that of wage earners, in 2003 that proportion dropped to 76%. The relative loss for the self-employed seems to be explained mostly by the evolution of hours worked, which fell significantly for that group. The heterogeneity of this group is shown on Table 7.6: while over the period earnings increased significantly for self-employed professionals, the earnings of self-employed workers with low education fell. It is interesting to notice that self-employed professionals are the only ones that experienced an increase in their labor incomes between 1989 and 2003.

On Table 7.7, we divide the working population by economic activity. Mean labor income increased between 1989 and 1998 for most workers except for those in primary activities, who suffered a significant drop in their average incomes; and for those in low-tech industries and construction, whose average incomes remained stable. The loss in earnings between 1998 and 2003 was generalized across economic sectors.

As it can be seen on Table 7.8, until 2000 the Greater Montevideo experienced a better labor performance than the rest of the country: mean earnings went up 8.5%, while earnings stayed unchanged or even decreased in the rest of the regions. Again, during the latest crisis the fall in earnings was generalized across regions.

Table 7.9 records the share of salaried workers, self-employed workers and entrepreneurs in total labor income. While the share of entrepreneurs decreased 5.6% until 2003, that of salaried and self-employed workers increased by 3.4% and 2.2% respectively.

Table 7.10 shows the Gini coefficient for the distribution of hourly wages for male workers aged 25 to 55. In every column it is clear that inequality increased very much over the period. The Gini went up about 4 to 6 points for every educational group, but the increase was greater, almost 9 points, if we consider the three groups together, what suggests that inequality is increasing across educational groups.

To see whether the differences in hourly wages are reinforced by differences in work hours we estimate the correlation between these two variables. Correlations between hours worked and hourly wages are negative and significant for all years (Table 7.11). It can be seen that this correlation increased between 1989 and 1998 for all workers, but decreased in the same period for salaried workers. After 2001, this correlation increased for the latter group and decreased for all workers.

On Table 7.12 we compute wage gaps among three educational groups. The relative wage of a male skilled worker in his prime age increased dramatically over the period in comparison to both a semi-skilled and an unskilled worker. Instead, the wage gap between semi-skilled and unskilled workers (column (iii)) showed only a slight increase.

In order to further analyze the relationship between education and hourly wages, we run regressions of the logarithm of the hourly wage in the primary job on educational dummies and other control variables (age, age squared, regional dummies, and an urban/rural dummy) for men and women separately.[24] Table 7.13 shows the results of these *Mincer* equations. For instance, in 1995 a male worker aged between 25 and 55 years with a primary education degree earned on average nearly 15% more than a similar worker without that degree. Having completed secondary school implied a wage increase of 29% over the earnings of a worker with only primary school - the marginal return of completing secondary school versus completing primary school and not having even started secondary school is 29%. The wage premium for a college education was an additional 68%. Between 1989 and 2001, the returns to primary school did not significantly change. The returns to secondary school remained stable until 2000 and increased since then. There was a large jump in the returns to college education between 1989 and 2000 (from 18% to 73%). That jump is also noticeable for working women, and for urban salaried workers (both men and women). The higher returns to education recorded in the 1990s have been mentioned as one of the causes of the increased inequality of that decade (Bucheli, 2000). Since 2000, the returns to college education have decreased.

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, such as 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 clearly increased in Uruguay and might have been one of the main causes of the increasing inequality in the distribution of hourly wages. This can be seen in Figure 7.2, which shows that the relationship between the Gini coefficient of hourly wages and the dispersion of unobservables is clearly positive and strong.

The coefficients in the Mincer regressions are different for men and women, indicating that they are paid differently even when they have the same observable characteristics (education, age, location). To further investigate this point we simulate the counterfactual

[24] See Wodon (2000) and Duryea and Pages (2002) for estimates on returns to years of education in several LAC countries.

wage that men would earn if they were paid like women. The last column on 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 somewhat shrank during the last decade. [25]

Uruguay has witnessed large changes in labor force participation. Table 7.15 shows basic statistics by gender, age and education. Labor force participation increased around 6 points between 1989 and 2001. This large increase is mainly the consequence of an enormous flow of low and semi-skilled prime age women into the labor market. While in 1989 56% of adult women were in the labor market (either employed or unemployed), in 2001 that fraction was over 66%. This increase was shared neither by men nor by youngsters (16-25), who all reduced their labor market participation. Labor force participation decreased 1 point between 2001 and 2003.

The employment rate increased between 1989 and 1998. However, this rise was not large - only 3 points. (Table 7.16). The employment rate decreased 5 points between 1998 and 2003. Again, changes were very different across gender and age groups. While female employment increased from 1989 until 2003, the situation for men was just the opposite. Employment increased for people aged 41 to 64 years, and went down especially for those younger than 25. All educational groups experience a fall in employment during the period, although this decrease was slightly lower for low-skilled workers.

Probably the most remarkable fact in Uruguay's labor markets of the last decade is the dramatic increase in unemployment. Figure 7.1 shows that the unemployment rate increased even in periods of strong economic growth, such as the first half of the 1990s. The unemployment rate increased sharply until 1996, decreased between 1996 and 1998, and has risen since then. As it can be seen in the same figure, in 2002 the unemployment rate reached its highest level since 1968. It is interesting to notice that the unemployment rate decreased in 2004. In fact, while in 2003 around 16.9% of the labor force was unemployed, that percentage dropped to 13.3% in July 2004. As it is shown on Table 7.17, the share of unemployed adults increased almost every year and for every gender, age and educational group between 1989 and 2003. Only highly skilled workers experienced a fall in their unemployment share between 1989 and 1998. From Tables 7.15 and 7.16 it is clear that during this period the increase in unemployment was the consequence of a sharp

[25] Amarante and Espino (2001, 2002) found that the segregation against women is larger within the group of unskilled workers than within the group of skilled ones.

increase in labor market participation, facing a constant employment rate first, and in the last years a decreasing employment rate (Figure 7.3).

Tables 7.17 and 7.18 show that the increase in unemployment was large for women and men. However, as we have seen before, the factors behind these behaviors are very different. Employment increased for women, but not enough to absorb all women who entered the labor market. In contrast, men left the labor market, but employment fell at a higher rate, thus increasing unemployment. Over the period considered, the rise in unemployment was particularly harsh for those younger than 25 and for unskilled and semi-skilled workers.

The social concern for unemployment increases when unemployment spells are long. As it is shown on Table 7.19, these spells decreased in the first half of the nineties and then started to grow. In 2003, the duration of unemployment was almost the same as in 1989. This pattern was not similar across educational groups. In fact, while there was an increase in duration for unskilled workers, skilled workers enjoyed a decrease in their unemployment spells.

Tables 7.20 to 7.24 present the employment structure of urban Uruguay. There are more men than women employed but the gap shrank in the last years. While in 1989 40.3% of the working population were women, in 2003 that share reached 43.6%. People in the 41-64 age group also gained participation. Finally, the last three columns on Table 7.20 show a sizeable change in the educational structure of the working population in favor of the skilled and, to a lesser extent, of the semi-skilled.

Table 7.21 shows that the groups that experienced the greatest increase in their employment share were self-employed workers (skilled and unskilled) and the small-firm workers. In contrast, there was a significant drop in the participation of wage earners and public sector workers.

Table 7.22 presents the formal-informal structure of the labor market. There is not a single definition of informality. Following Gasparini (2003), we implement two definitions with the information available in the ECH. According to the first one, entrepreneurs, salaried workers in large firms and in the public sector, and self-employed professionals are considered formal workers. According to the second definition, formal workers are those who have the right to receive pensions when they retire. Unfortunately, we were only able to implement the second definition for 2001, 2002 and 2003. According to the first definition, formal employment increased between 1989 and 1995, and has decreased since then. According to the second definition, formality is higher - about 76% of workers have

the right to receive pensions when they retire. This fraction slightly decreased between 2001 and 2003.

The structure of the economy by sector changed over the last decade (see Tables 7.23 and 7.24). At first sight, it seems that the share of commerce significantly fell between 1998 and 2000, but this is so because we could not identify the share of domestic service, which is included in commerce, in the surveys before 2000. If we include domestic servants in commerce from 2000 to 2003, the share of this sector does not fall substantially. There was a large decrease in the share of employment in low-tech and high-tech industries between 1989 and 2003 (6.5% and 1.3% respectively). On the other hand, employment rose significantly in skilled services and education and health (4.1% and 45% respectively).

There is an increasing concern for child labor in the world. Table 7.25 shows the proportion of working children aged between 10 and 14 years. Child labor is less relevant than in most LAC countries and has been decreasing since 1995 according to ECH data, even during the recent economic crisis.

The last table in this section assesses a particular dimension of the quality of employment - the entitlement to pensions. Unfortunately, we could not estimate the coverage of the pension system for the whole period. Nevertheless, it is clear that this coverage is relatively high and quite similar for men and women, but it is lower for the unskilled in comparison to skilled workers.

8. Education

In this section we provide an assessment of the changes in the educational structure of the population. The proportion of high-educated people significantly increased during the last decade in Uruguay (Table 8.1). While in 1989 9.3% of adults aged from 25 to 65 had more than 13 years of education, that share increased to 14% in 1995 and to 17.8% in 2003. That increase has been much more intense for women than for men.

A remarkable fact that can be derived from Table 8.2 is the reversion of the gap in years of education between men and women. While in 1989 men aged over 20 had more years of education than women of the same age, in 2003 only men over 60 years of age had slightly more years of education than women. For the working-age population (25 to 65), in 1995 years of education became equal for men and women and greater for women since then.

The information on Table 8.3 suggests that the gap in terms of years of education between the rich and the poor has widened over time. In fact, while in 1989 a typical person of the top quintile had 4.3 years of education more than a typical person of the poorest quintile, in

2003 that difference reached 5.3 years. Nevertheless, the difference in proportional terms did not change: while in 1989 a typical person of the top quintile had 71% more years of education than a typical person of the poorest quintile, in 2003 that coefficient slightly increased to 72%.

On Table 8.4 people are divided by age and household income quintiles. The widest gap in years of education between top to bottom quintiles corresponds to adults aged 31-50. The gap is somewhat narrower for younger and older people. For instance, in 2003, while the educational gap between the poor and the rich was almost 6 years for people aged 31 to 50, it was 5.2 for people in their twenties, and 5.4 and 4.3 for individuals older than 40 and 50 respectively.

Recently, there have been efforts to gather educational information from most countries in the world and to compute measures of inequality in access to education and educational outcomes.[26] According to Table 8.5, educational Ginis have fallen since 1989.[27] If we think of education as an asset capable of generating incomes, then these changes in the distribution of years of education could contribute to a more equal distribution of income.

Tables 8.6 and 8.7 show a rough measure of education, the self-reported literacy rate.[28] Uruguay has high literacy rates compared to the rest of the region. Between 1989 and 1995 there was a significant improvement in this ratio for the poorest quintiles.

Guaranteeing equality of access to formal education is one of the goals of most societies. Tables 8.8 and 8.9 show school enrollment rates by age, gender and equivalized income quintiles. Attendance rates have sharply increased for children aged 3 to 5. While in 1989 half of these children attended kindergarten, in 2003 70% of them did it. The attendance of children in primary-school age is almost universal in Uruguay and was very stable over the period. Girls are more likely to attend high school than boys. This gap has remained constant since 1989, as attendance has significantly increased in both gender groups. The increase in school attendance continued over the crisis period. The increase in attendance of youth aged 18 to 23 has also been noticeable. It is interesting to notice the large increase in college attendance recorded during the recent economic crisis, even in the bottom quintiles. The schooling gap in favor of women has increased for this age group.

The increase in attendance rates for children aged 3 to 17 has been more pronounced for the poorest quintiles. In contrast, among youth aged 18 to 23, those from the richest families

[26] For instance, Thomas, Wang and Fan (2002) calculate Ginis over the distribution of years of education for 140 countries in the period 1960-2000.
[27] The Gini coefficient, as most of the inequality indices, is scale-invariant (see Lambert, 1993).
[28] See the methodological document for details.

experienced the largest increase in attendance since 1989. While since 1989 the attendance rate has gone up from 22% to 24% in quintile 1, the increase was from 47% to 76% in quintile 5. In summary, it seems that educational disparities in terms of school attendance have decreased in pre-school, primary school and high school, but have substantially increased for college.

It is interesting to analyze the role played by the government in providing access to formal education. As Table 8.10 indicates, most youth who attended school were enrolled in a public one. While in 2003 public coverage for the children aged 3 to 5 was around 82%, that percentage was equal to 89% for those aged 6 to 12. Public coverage is even higher for teenagers and for youth aged over 18 years - 90% and 96% respectively. Although public coverage increased over the period considered for every age group, that rise was particularly higher for children younger than 5. Public coverage is higher in the bottom quintiles. However, this gap between quintiles is not so large for individuals aged over 18 years.

Educational Mobility

In this section 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) the 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.[29] Table 8.11 shows the EMI for teenagers (13 to 19) and young adults (20 to 25). It is clear that there has been a significant decrease in educational mobility, especially for those aged 20-25. Moreover, most of this decrease took place in 1998 and in 2001, for both groups.

9. Housing and Social Services

Housing is probably the main asset that most people own. The ECH reports whether the house is owned by the family who lives in it and includes information on the rental value of the dwelling. Table 9.1 shows the share of families owning a house (the building and the lot) for each income quintile. Housing ownership is widespread along the income distribution. However, it should be noted that the share of poor people who owns a

[29] For technical details see Andersen (2001).

dwelling is smaller than the corresponding share for the rich. That gap increased over the period. In fact, while that difference was 17% in 1989, it reached 25% in 2003. Thus, the evidence suggests that housing markets are increasingly excluding the poor.

Poor families live in houses with a smaller number of rooms than richer households. Since poor families are also larger in size, the number of people per room is significantly higher. During the last decade the number of people per room increased 0.05 for poor households, while it fell 0.14 for rich families.

We have constructed an indicator of poor dwelling. This variable takes a value of 1 if the family lives in a shantytown, *inquilinato*, *pension* (boarding house), or other space not meant to be used as a house. Today, around 1 percent of the population lives in poor dwellings. This proportion was lower in the 1990s and remained roughly unchanged between 2000 and 2001. Anyway, the share of these dwellings is so small that it is difficult to know when changes or differences across groups are significant. That problem is even more serious when analyzing houses of "low-quality" materials, *i.e*. houses whose walls are made of waste materials. Unfortunately, we could not estimate this indicator for the most recent years. Nevertheless, it can be seen that in 2000 these houses were around 2% of total dwellings. According to the last panel on Table 9.1, the share of these dwellings remained stable over the period considered.

Table 9.2 reports housing statistics by age groups. Housing ownership has increased for the oldest group and for the youngest one, and decreased for the rest of the population. The share of poor dwellings has significantly decreased for all, while the share of low-quality dwellings has increased or remained constant for all the groups between 1989 and 2000. Changes in housing ownership by educational level were not uniform - ownership increased for households with mid-educated and high-educated heads, while it decreased for those with low-educated heads.

Table 9.4 reports statistics on the access to some basic services, namely water, hygienic restrooms, sewerage, and electricity, by income strata.[30] These gaps are larger for hygienic restrooms, sewerage and telephone than for electricity and water, where coverage is more widespread. Most poor people have access to electricity, clean water and hygienic restrooms, but most of them do not have access to public sewerage and telephone. The access to all of these basic services has increased over time (with the exception of the telephone). As Table 9.4 shows, the increase in the access to water, hygienic restrooms and electricity has been more pronounced for the poorest quintiles.

[30] Water refers to the availability of a source of water 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.

It is worth noticing that even though tariffs increased over 20% in 2002 for both water and electricity, the access to water did not fall significantly in the poorest quintiles (it fell only 1% for the first quintile). Unfortunately, we do not have data to assess the impact of the tariff increase on the access to electricity by the poor. Nevertheless, even though in Uruguay the percentage of households that have problems to pay basic services was similar to Argentina's, the disconnected percentage of households was lower than in that country.[31]

INE computes an index of dwelling conditions (*Indice de Condiciones de Vivienda*) with census data. A dwelling is precarious if it meets at least one of the following conditions: (i) it is made of low quality materials, (ii) there are more than 3 people per room used for sleeping, (iii) there is no access to electricity, (iv) unavailability of water inside the dwelling, (v) unavailability of a hygienic restroom. According to the 1985 Census, 27.7% of individuals live in dwellings that meet at least one of these criteria. In the Census of 1996 that proportion was 19.5%. So while in 1985 there were 796,221 Uruguayans living in poor dwellings, in 1996 that number went down to 604,772.

10. Demographics

Resources available to each person depend on the number of people among whom total household resources are shared with. The size and composition of the household are key determinants of an individual's economic well-being. In fact, it has been previously mentioned that demographic factors such as household size could have been one of the main forces behind the evolution of household inequality in Uruguay in the 1990s. Table 10.1 shows household size by income quintiles and by education of the household head. Even though the average household size has decreased since 1989, the size of households in the poorest quintiles has significantly increased. Besides, although the average household size fell for every level of education of the household head, this fall was substantially higher for the households whose head has a college degree. A similar phenomenon is seen on Table 10.2, which reports the number of children by quintile of parental income. That number has decreased for every parental income quintile, but the fall between 1989 and 2002 was more prominent in the richest quintile than in the other ones. In contrast, in 2003 the number of children decreased more in the poorest quintiles.

Table 10.3 shows dependency rates, defined as the number of income earners over household size by quintiles and education of the household head. Dependency rates slightly increased between 1989 and 2003. This is the result of a substantial increase in dependency

[31] See World Bank (2004).

rates for quintiles 4 and 5, and an important decrease in dependency rates for the poorest quintiles.

Mean age increased 1.5 years since 1989. This is an important increase considering the short lapse of time. It is interesting to notice again the heterogeneous changes across quintiles. The average age in quintile 5 increased 6.3 years between 1989 and 2002, while the average age fell by 2.8 years in quintile 1. These are large changes that certainly have some impact on poverty and inequality.

Inequality is reinforced if marriages take place between people of similar income potential. Table 10.5 presents some simple linear correlations that suggest the existence of assortative mating in urban Uruguay. Men with more years of formal education tend to marry women with a similar educational background (column(i)). This is one of the factors that contribute to a positive correlation of hourly wages within couples shown in column (ii). According to these statistics, there was only a slight increase in the correlation in years of education, while there was a decrease in the correlation in hourly wages. Finally, columns (iii) and (iv) show positive - though small - correlations in work hours, both considering and excluding people who do not work.

11. A Poverty Profile

This section presents a poverty profile based on information from the ECH, 2003. A poverty profile is a characterization of the poor population, often compared to the non-poor. We take the US$2 a day and the official moderate poverty lines as the two criteria to define the poor. To make the text less cumbersome, in general we discuss the results for the official moderate poverty line (columns (i) and (ii) in each table), except when a significant difference justifies the discussion of the alternative poverty definition.

Table 11.1 shows a basic demographic characterization of the poor and non-poor population. According to the official moderate poverty line, 31.3% of the total population is poor. Poverty seems to be much greater for young people. In fact, the share of the poor population is monotonically decreasing in age. For example, while nearly half of the children below 15 years of age is poor, that share is only 10% for the people over 65 years. This low incidence of poverty among the elderly has been attributed to pensions, which are generous in Uruguay, and also account for a substantial share of total income.[32] The age structure of the poor population is quite different from the non-poor one. While the poor are mainly young people, the non-poor are mainly old. This can be summarized by mean age, which is 41.7 years for the non-poor and only 26.1 years for the poor.

[32] World Bank (2001)

The poor and the non-poor differ substantially in household size. While a typical non-poor household has 2.6 members, a typical poor household has 4.5. That difference is mostly explained by the difference in children under 12. There is on average 0.9 child in each non-poor family with the head aged 25 to 45, while on average there are 1.9 children in poor households with a prime age head. The dependency rates (number of income earners per person) are also different - 0.26 in poor households and more than double in non-poor households (0.76). The share of female-headed households is higher for the non-poor: while 35% of the non-poor live in female-headed households, that percentage is only 26% for the poor.

Unfortunately, given that the ECH has only urban coverage, there are no estimates for rural poverty. However, according to some UNDP estimates, the percentage of poor people in rural areas of Uruguay is 13 points higher than in urban areas. Nevertheless, Uruguay is one of the countries with the lowest incidence of rural poverty in Latin America.[33] Table 11.2 shows that poverty is particularly high in the Northern regions of the country (38.6% in the northern interior area or *Interior Norte* and 40.4% in the mid-northern interior area or *Interior Centro-Norte*) and low in the southern regions (about 27% in the southern interior area or *Interior Sur* and in the mid-southern interior area or *Interior Centro-Sur*). Greater Montevideo has an intermediate poverty ratio (29.9%), but given its size, 57% of the poor live there.

Housing ownership is less usual among the poor. In fact, while 73% of the non-poor are owners, only 47% of the poor report that they own both the lot and the house where they live (Table 11.3). The poor live in smaller houses of worse quality and with fewer services than the non-poor. In an average poor household, there are 1.64 people per room. That number is 0.82 in non-poor households. The differences in terms of poor housing are not large: while the percentage of the poor living in a shantytown, *inquilinato, pension* (boarding house), or other space not meant to be used as a house is 1.7%, that number is 1% for the non-poor. The access of the urban poor to water and hygienic restrooms is relatively high although it is lower than for the non-poor. In fact, 97% of the poor report that they have access to water in their lots and 87% of them have hygienic restrooms. The big difference with the non-poor appears in the access to the public sewerage system. While 70% of the urban non-poor are connected to that system, the share drops to 46% for the urban poor.

[33] See Quijandría *et. al* (2003)

The poor have fewer years of formal education than the rest of the population for any age group. The educational gap is wider for the [31,40] age bracket.[34] These differences can be appreciated in the second panel on Table 11.4. While just a third of non-poor adults are unskilled, that share rises to 65% for the poor. Likewise, 23% of non-poor adults are skilled, while just 3.4% of the poor are. The self-reported literacy rate is the same for both groups: 98% of those older than 10 report that they are able to read and write. The last panel on Table 11.4 indicates that school attendance is almost universal for 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 98% for the poor aged 6 to 12, it drops to 78% for those aged 13 to 17 and to 25% for those in the [18,23] age group.

According to Table 11.5, the rate of labor market participation of the poor is smaller than the rate of the non-poor, especially for women. While 80% of non-poor women are in the labor market, that share drops to 64% for poor women. The only exception for which the participation rate is higher for the poor is the elderly. Employment is significantly higher for the non-poor (except for those aged 56 years or more), while unemployment is substantially higher for the poor. The unemployment rate of the poor is more than double the rate of the non-poor. That gap is wider for adult women, and substantially smaller for the youngest group. The unemployment spell of the poor, however, is on average slightly smaller than for the non-poor. In 2003, a typical unemployed poor person had spent 7.8 months without finding a job. Finally, Table 11.5 reports that child labor is significantly higher for the poor. Around 7 out of 1000 poor children worked at least one hour in 2003.

The poor work fewer hours and get lower wages (see Table 11.6). On average, an employed non-poor person works 5.2 hours a week more than a poor person. That gap is smaller for the youth (2.6 hours) and larger for prime age women (7.5 hours) and the elderly (6.6 hours). On average, the hourly wage of a poor person is 46% of that of a non-poor worker. The difference is smaller for the youth and women, and larger for the elderly and prime age men.

Table 11.7 characterizes the employment structure of the population. It is interesting to notice that 52.4% of the poor are self-employed or unemployed. While only 7.8% of the poor work in the public sector, that number is 21.3% for the non-poor. According to a definition of informality based on labor groups, 64% of the poor are informal, while only 37% of the non-poor are in that category. When defining informality based on the access to social security, the differences are still dramatic - while 19% of the working non-poor are informal, that share jumps to 50% for the poor. If we take into account what we said earlier about the role of pensions in lowering poverty incidence among the elderly, these higher

[34] 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.

informality rates among the poor would make it harder for them to escape income poverty as they grow older.

The structure of employment by sector is different between the poor and the rest. Compared to the non-poor, the poor are relatively concentrated on labor-intensive manufacturing industries, and particularly construction and domestic service. However, commerce is the main source of jobs for the poor - 24.6% of the poor find job in that sector, followed by 15.4% who work as domestic servants, and 12.2% who are construction workers.

Table 12.8 summarizes mean income, and the income structure of the poor and the rest of the population. It also shows that inequality, measured by the Gini coefficient for the distribution of household per capita income, is much lower among the poor than the non-poor (0.223 and 0.358 respectively). The rest of the table shows that, compared to the non-poor, the poor rely relatively more on transfers and income from self-employment.

The last table in this poverty profile shows that according to the endowments indicator, while 21% of the non-poor have deficiencies in at least one variable (water, education, housing, etc.), that share rises to 41% in the case of the poor.

12. An Assessment

Uruguay had two different periods from 1989 to 2003. Between 1989 and 1998 the economy experienced high economic growth with macroeconomic stability. Since mid 1998, the economy experienced a mild recession first and then a deep crisis, which is now starting to be overcome.

The evolution of official poverty ratios in Uruguay is different from that of the poverty ratio based on the US$ 2-a-day line. According to the official estimates, poverty decreased during the 1990s, but the percentage of people living with less than U$D 2 dollar-a-day increased. The main cause of this divergence is the fall in the real value of the official poverty lines. After 2001, the evolution of poverty is the same according to both methodologies.

The poverty profile shows that the poor are mainly young, and that poverty incidence among the elderly is the lowest among all the age groups considered. The coverage of public services, mainly sewerage and telephone, is lower among the poor. They are less educated than the non-poor and have lower enrollment rates. The percentage of people in the labor force is higher for the non-poor in every age group, except for those over 56 years or age. The poor are mainly employed in low-skilled activities such as commerce,

construction and domestic service. The share of pensions in total income is lower for the poor, and the opposite happens with transfers.

Inequality has increased measured by almost all indicators and over the distribution of all income variables. One of the exceptions is the distribution of total household income, which remained very stable over the period and suggests the importance of demographic factors to explain the increasing inequality in the distribution of per capita household income.

The evolution of the Uruguayan labor market in the last years is quite similar to Argentina's. Since the mid-1990s, unemployment, underemployment, instability of employment and informality increased in spite of a strong economic growth. The increase in unemployment during this period was the consequence of a sharp increase in labor market participation facing a constant or even decreasing employment rate. Wages increased until the mid 1990s and decreased since then. These changes took place in a heterogeneous fashion. In particular, the wage premium to skilled labor has substantially increased.

Educational disparities in terms of school attendance have decreased in pre-school, primary school and high school, but have substantially increased in college. Disparities have also increased in the housing markets, where the gap in ownership rates between the poor and the rest has increased. Finally, changes in demographic variables have also been heterogeneous and with very important implications in terms of their impact on the distribution of household income. The fact that household size fell in the upper quintiles and went up in the poor income strata seems to be a relevant factor to account for the distributional changes in Uruguay.

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Table 3.1
Real Income
Uruguay, 1989-2003

Real income

Deciles	1989	1992	1995	1995*	1998*	1998	2000	2001	2002	2003
1	7.1	7.2	7.0	7.1	6.6	6.6	6.5	5.9	5.2	4.9
2	11.9	12.7	12.4	12.6	12.2	12.2	11.4	10.6	9.1	8.4
3	15.4	16.6	16.5	16.8	16.6	16.7	15.3	14.2	12.3	11.1
4	18.7	20.2	20.6	20.9	21.0	21.1	19.3	18.1	15.6	13.9
5	22.3	24.1	24.8	25.1	25.3	25.4	23.7	22.2	19.3	16.9
6	26.3	28.4	29.4	29.7	30.4	30.6	28.5	27.0	23.8	20.5
7	31.2	33.9	35.1	35.6	36.7	37.0	34.6	33.0	29.2	25.0
8	38.2	41.0	42.8	43.5	45.5	46.0	42.9	41.2	36.6	31.3
9	49.7	52.8	56.0	56.9	60.3	61.0	57.2	55.4	49.1	42.1
10	102.8	103.8	103.7	105.4	117.9	119.3	111.1	109.9	97.8	84.5
average	32.4	34.1	34.8	35.4	37.2	37.6	35.0	33.8	29.8	25.9

Proportional changes

Deciles	1989-1992	1992-1995	1995*-1998*	1995-1998	1998-2001	2001-2003	2002-2003	1998-2003	1995-2003	1989-2003
1	1.2	-3.0	-7.4	-5.5	-10.2	-18.3	-6.1	-26.6	-30.6	-31.9
2	6.2	-2.1	-3.2	-1.4	-13.6	-20.6	-8.2	-31.5	-32.4	-29.7
3	7.9	-0.3	-1.1	0.8	-14.7	-21.9	-9.8	-33.3	-32.8	-27.7
4	7.8	2.0	0.4	2.3	-14.2	-23.1	-11.1	-34.1	-32.5	-25.8
5	8.0	3.0	0.8	2.5	-12.5	-24.1	-12.6	-33.6	-32.0	-24.3
6	8.0	3.4	2.1	4.1	-11.7	-24.1	-13.9	-33.0	-30.2	-22.1
7	8.6	3.5	3.1	5.4	-10.9	-24.1	-14.4	-32.4	-28.7	-19.9
8	7.3	4.3	4.8	7.6	-10.4	-24.0	-14.4	-31.9	-26.7	-18.1
9	6.3	6.0	6.0	9.0	-9.2	-24.0	-14.2	-31.0	-24.8	-15.2
10	0.9	0.0	11.9	15.0	-7.9	-23.1	-13.6	-29.2	-18.5	-17.8
average	5.2	2.2	5.4	7.9	-10.2	-23.4	-13.3	-31.2	-25.8	-20.1

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH

Table 4.1
Monthly Poverty Lines
In local currency
Uruguay, 1989-2003

	International PL ($ per capita)		Oficial PL*		Ratios		
	USD 1 a day	USD 2 a day	Extreme	Moderate**			
	(i)	(ii)	(iii)	(iv)	(iv)/(ii)	(iv)/(iii)	(iii)/(ii)
1989	7.8	15.6	17.5	50.8	3.2	2.9	1.1
1992	56.4	112.8	115.3	335.3	3.0	2.9	1.0
1995	151.8	303.7	300.4	873.8	2.9	2.9	1.0
1998	289.2	578.5	528.1	1536.3	2.7	2.9	0.9
2000	324.0	648.0	586.4	1705.8	2.6	2.9	0.9
2001	340.2	680.4	622.0	1809.5	2.7	2.9	0.9
2002	354.3	708.7	627.2	1824.4	2.6	2.9	0.9
2003	450.7	901.3	812.1	2362.3	2.6	2.9	0.9

* These are the average values for Montevideo and the Interior Urbano, corresponding to the first month available in the survey (July for 1989 and 1992, and January for the remaining years).

** These are the moderate poverty lines for an individual living in a household with 3 members and with the presence of children.

Table 4.2
Poverty
Uruguay, 1989-2003
US$1 a Day Poverty Line

	Number of poor people		Headcount	Poverty gap	
	All	Survey	FGT(0)	FGT(1)	FGT(2)
	(i)	(ii)	(iii)	(iv)	(v)
1989	8,380	7,281	0.3	0.1	0.1
1992	15,162	13,490	0.5	0.2	0.2
1995	20,050	16,340	0.6	0.3	0.2
1995*	18,654	15,202	0.6	0.3	0.2
1998*	27,241	21,856	0.8	0.4	0.3
1998	26,772	21,480	0.8	0.4	0.3
2000	13,148	9,907	0.4	0.2	0.1
2001	17,724	12,933	0.5	0.2	0.2
2002	27,996	19,973	0.8	0.3	0.2
2003	31,263	22,304	0.9	0.3	0.2

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.3
Poverty
Uruguay, 1989-2003
US$2 a Day Poverty Line

	Number of poor people		Headcount	Poverty gap	
	All	Survey	FGT(0)	FGT(1)	FGT(2)
	(i)	(ii)	(iii)	(iv)	(v)
1989	57,874	50,281	1.9	0.5	0.2
1992	68,157	60,640	2.2	0.7	0.4
1995	79,486	64,779	2.5	0.9	0.5
1995*	75,286	61,356	2.3	0.8	0.5
1998*	90,351	72,490	2.7	1.1	0.6
1998	89,808	72,055	2.7	1.1	0.6
2000	85,057	64,089	2.6	0.7	0.4
2001	112,698	82,232	3.4	1.0	0.5
2002	157,532	112,388	4.7	1.3	0.6
2003	178,079	127,046	5.3	1.6	0.7

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.4
Poverty
Uruguay, 1989-2003
Official Moderate Poverty Line

	Number of poor people		Headcount	Poverty gap	
	All	Survey	FGT(0)	FGT(1)	FGT(2)
	(i)	(ii)	(iii)	(iv)	(v)
1989	849,400	737,958	27.5	9.0	4.2
1992	577,254	513,587	18.3	6.0	2.9
1995	568,644	463,431	17.7	5.7	2.7
1995*	548,529	447,038	17.0	5.4	2.5
1998*	590,817	474,022	18.0	6.0	2.9
1998	583,860	468,440	17.7	6.0	2.9
2000	573,590	432,189	17.2	5.4	2.4
2001	627,646	457,971	18.8	6.0	2.7
2002	819,874	584,921	24.4	8.1	3.8
2003	1,053,372	751,505	31.4	10.6	5.0

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.5
Poverty
Uruguay, 1989-2003
Official Extreme Poverty Line

	Number of poor people		Headcount	Poverty gap	
	All	Survey	FGT(0)	FGT(1)	FGT(2)
	(i)	(ii)	(iii)	(iv)	(v)
1989	84,816	73,688	2.7	0.6	0.2
1992	61,811	54,994	2.0	0.6	0.2
1995	56,404	45,968	1.8	0.5	0.2
1995*	52,610	42,876	1.6	0.4	0.2
1998*	63,718	51,122	1.9	0.6	0.3
1998	63,773	51,166	1.9	0.6	0.3
2000	46,086	34,725	1.4	0.3	0.1
2001	45,160	32,952	1.4	0.3	0.1
2002	71,911	51,303	2.1	0.5	0.2
2003	95,424	68,078	2.8	0.7	0.3

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.6
Sensitivity Analysis
Uruguay, 1989-2002
Official Moderate Poverty Line

	Headcount ratio	Headcount Ratio				Elasticity
	Actual	Reducing Actual Value of the poverty line				Reducing Actual Value
	Value	5%	10%	15%	20%	5%
1989	27.4	25.4	22.7	20.2	17.9	-1.5
1995	17.7	16.0	14.6	12.8	11.4	-1.8
2000	17.2	15.5	14.1	12.8	10.8	-1.9
2001	18.8	17.0	15.4	13.9	12.4	-1.8
2002	24.4	22.7	20.7	18.8	16.7	-1.4

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: The elasticity can be interpreted as the proportionate change in the headcount ratio if the poverty line rise 1%.

Table 4.7
Poverty
Uruguay, 1989-2003
50 % Median Income Poverty Line

	Number of poor people		Headcount	Poverty gap	
	All	Survey	FGT(0)	FGT(1)	FGT(2)
	(i)	(ii)	(iii)	(iv)	(v)
1989	477,229	414,616	15.4	4.6	2.1
1992	497,670	442,780	15.8	5.1	2.5
1995	567,487	462,488	17.6	5.8	2.9
1995*	560,820	457,055	17.4	5.8	2.9
1998*	616,639	494,740	18.7	6.6	3.4
1998	620,998	498,237	18.9	6.7	3.4
2000	636,732	479,765	19.1	6.3	3.0
2001	658,614	480,567	19.7	6.6	3.2
2002	671,558	479,108	20.0	6.7	3.3
2003	622,205	443,898	18.5	5.8	2.7

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: FGT(0)=headcount ratio, FGT(1)=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Table 4.8
Poverty
Uruguay, 1989-2003
Basic Needs

	Endowments	Endowments plus income
1989	0.38	0.02
1992	0.37	0.02
1995	0.35	0.02
1995*	0.34	0.02
1998*	0.30	0.02
1998	0.31	0.02
2000	0.30	0.02
2001	0.29	0.02
2002	0.27	0.03
2003	0.26	0.03

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 5.1
Distribution of Household per Capita Income
Share of Deciles and Income Ratios
Uruguay, 1989-2003

Country	Share of deciles										Income ratios		
	1	2	3	4	5	6	7	8	9	10	10/1	90/10	95/80
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)
1989	2.2	3.7	4.7	5.8	6.9	8.1	9.6	11.8	15.3	31.8	14.4	5.9	1.8
1992	2.1	3.7	4.9	5.9	7.1	8.3	9.9	12.0	15.5	30.5	14.4	6.1	1.8
1995	2.0	3.6	4.8	5.9	7.1	8.4	10.1	12.3	16.1	29.8	14.8	6.5	1.8
1995*	2.0	3.6	4.7	5.9	7.1	8.4	10.1	12.3	16.1	29.8	14.8	6.6	1.8
1998*	1.8	3.3	4.5	5.6	6.8	8.1	9.8	12.2	16.2	31.7	17.9	7.4	1.9
1998	1.8	3.3	4.4	5.6	6.8	8.1	9.8	12.2	16.2	31.7	18.0	7.4	1.9
2000	1.9	3.2	4.4	5.5	6.8	8.1	9.9	12.2	16.3	31.7	17.1	7.4	1.9
2001	1.8	3.1	4.2	5.4	6.6	8.0	9.8	12.2	16.4	32.6	18.5	7.9	1.9
2002	1.7	3.1	4.1	5.2	6.5	8.0	9.8	12.3	16.5	32.8	18.9	8.0	1.9
2003	1.9	3.2	4.3	5.4	6.5	7.9	9.7	12.1	16.3	32.7	17.4	7.3	1.9

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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 5.2
Distribution of Household per Capita Income
Inequality Indices
Uruguay, 1989-2003

	Gini	Theil	CV	A(.5)	A(1)	A(2)	E(0)	E(1)	E(2)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(viii)
1989	0.408	0.365	1.599	0.146	0.253	0.430	0.292	0.365	1.279
1992	0.397	0.293	0.988	0.131	0.241	0.436	0.276	0.293	0.488
1995	0.398	0.281	0.890	0.130	0.244	0.450	0.280	0.280	0.396
1995*	0.399	0.281	0.890	0.130	0.244	0.450	0.281	0.281	0.396
1998*	0.422	0.318	0.960	0.147	0.274	0.525	0.319	0.318	0.460
1998	0.424	0.320	0.963	0.147	0.275	0.524	0.321	0.321	0.464
2000	0.424	0.320	0.967	0.147	0.271	0.497	0.316	0.320	0.468
2001	0.435	0.341	1.025	0.155	0.284	0.496	0.334	0.341	0.525
2002	0.440	0.349	1.036	0.158	0.290	0.500	0.342	0.349	0.536
2003	0.433	0.340	1.030	0.153	0.279	0.481	0.327	0.340	0.530

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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
Uruguay, 1989-2003

Country	Share of deciles										Income ratios		
	1	2	3	4	5	6	7	8	9	10	10/1	90/10	95/80
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)
1989	2.5	4.0	5.0	6.0	7.0	8.2	9.7	11.8	15.1	30.8	12.5	5.3	1.7
1992	2.4	4.0	5.1	6.1	7.2	8.4	9.9	11.9	15.2	29.7	12.3	5.3	1.8
1995	2.3	3.9	5.0	6.1	7.3	8.5	10.1	12.2	15.9	28.7	12.7	5.9	1.8
1995*	2.3	3.9	5.0	6.1	7.2	8.5	10.1	12.2	15.9	28.8	12.7	5.9	1.8
1998*	2.1	3.6	4.8	5.9	7.0	8.2	9.9	12.2	16.0	30.4	14.8	6.4	1.8
1998	2.0	3.6	4.7	5.8	7.0	8.2	9.8	12.2	16.0	30.6	15.0	6.5	1.8
2000	2.1	3.6	4.7	5.8	6.9	8.2	9.9	12.2	16.1	30.5	14.3	6.4	1.8
2001	2.0	3.5	4.6	5.6	6.8	8.1	9.7	12.0	16.1	31.6	15.4	6.7	1.9
2002	2.0	3.4	4.5	5.6	6.7	8.1	9.8	12.2	16.1	31.7	15.8	6.9	1.9
2003	2.1	3.6	4.7	5.7	6.8	8.1	9.7	11.9	15.9	31.5	14.8	6.4	1.9

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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
Uruguay, 1989-2003

	Gini	Theil	CV	A(.5)	A(1)	A(2)	E(0)	E(2)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
1989	0.391	0.341	1.559	0.135	0.233	0.395	0.265	1.215
1992	0.380	0.269	0.938	0.120	0.220	0.395	0.249	0.440
1995	0.380	0.254	0.835	0.118	0.222	0.411	0.251	0.349
1995*	0.380	0.254	0.835	0.118	0.222	0.412	0.252	0.349
1998*	0.402	0.288	0.902	0.133	0.248	0.476	0.285	0.407
1998	0.404	0.291	0.908	0.134	0.250	0.476	0.287	0.413
2000	0.403	0.288	0.909	0.132	0.245	0.453	0.281	0.413
2001	0.415	0.311	0.976	0.141	0.258	0.452	0.298	0.476
2002	0.419	0.316	0.981	0.143	0.262	0.455	0.304	0.481
2003	0.411	0.308	0.973	0.138	0.252	0.440	0.290	0.474

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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
Uruguay, 1989-2003

	Share of deciles										Income ratios		
	1	2	3	4	5	6	7	8	9	10	10/1	90/10	95/80
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)
1989	1.6	3.2	4.4	5.5	6.6	8.0	9.8	12.2	16.0	32.7	19.9	7.5	1.8
1992	1.6	3.1	4.3	5.4	6.6	8.1	9.8	12.2	16.2	32.7	20.0	7.7	1.9
1995	1.5	3.0	4.2	5.3	6.6	8.1	9.9	12.5	16.8	32.1	21.2	8.6	1.9
1995*	1.5	3.0	4.2	5.3	6.6	8.1	9.9	12.5	16.8	32.1	20.9	8.5	1.9
1998*	1.4	2.8	3.9	5.0	6.3	7.7	9.6	12.3	17.0	34.0	24.0	9.3	2.0
1998	1.4	2.8	3.9	5.0	6.2	7.7	9.5	12.3	17.0	34.2	24.2	9.3	2.0
2000	1.4	2.8	3.9	5.0	6.2	7.7	9.5	12.2	16.9	34.4	23.8	9.3	2.0
2001	1.3	2.7	3.9	5.0	6.2	7.6	9.6	12.3	16.9	34.7	27.3	10.0	2.0
2002	1.1	2.5	3.6	4.9	6.1	7.6	9.5	12.4	17.0	35.3	31.8	11.1	2.0
2003	1.1	2.4	3.6	4.8	6.1	7.6	9.5	12.2	16.9	35.9	33.5	11.6	2.0

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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
Uruguay, 1989-2003

	Gini	Theil	CV	A(.5)	A(1)	A(2)	E(0)	E(2)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
1989	0.435	0.407	1.780	0.165	0.295	0.556	0.350	1.584
1992	0.435	0.352	1.102	0.158	0.291	0.526	0.343	0.607
1995	0.439	0.339	0.981	0.158	0.297	0.550	0.352	0.481
1995*	0.438	0.337	0.977	0.157	0.296	0.548	0.351	0.477
1998*	0.461	0.379	1.054	0.174	0.323	0.616	0.390	0.556
1998	0.462	0.381	1.060	0.175	0.324	0.614	0.391	0.562
2000	0.463	0.384	1.078	0.175	0.322	0.573	0.389	0.581
2001	0.468	0.397	1.119	0.181	0.336	0.637	0.409	0.627
2002	0.480	0.417	1.142	0.191	0.356	0.646	0.440	0.652
2003	0.485	0.429	1.170	0.195	0.362	0.646	0.449	0.685

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
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
Uruguay, 1989-2003

	Per capita income	Equivalized income A	Equivalized income B	Equivalized income C	Equivalized income D	Equivalized income E	Total household income	Equivalized income A Age 0-10	Equivalized income A Age 20-30	Equivalized income A Age 40-50	Equivalized income A Age 60-70
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
1989	0.408	0.391	0.385	0.386	0.382	0.393	0.420	0.393	0.353	0.387	0.414
1992	0.397	0.380	0.373	0.375	0.370	0.383	0.405	0.399	0.363	0.374	0.374
1995	0.398	0.380	0.373	0.374	0.369	0.384	0.402	0.394	0.360	0.378	0.370
1995*	0.399	0.380	0.374	0.375	0.370	0.384	0.402	0.394	0.360	0.377	0.373
1998*	0.422	0.402	0.394	0.396	0.389	0.407	0.410	0.419	0.380	0.389	0.395
1998	0.424	0.404	0.396	0.398	0.391	0.409	0.412	0.424	0.383	0.391	0.396
2000	0.424	0.403	0.393	0.396	0.388	0.409	0.404	0.413	0.385	0.392	0.387
2001	0.435	0.415	0.405	0.409	0.401	0.421	0.413	0.440	0.388	0.409	0.387
2002	0.440	0.419	0.409	0.411	0.403	0.424	0.415	0.433	0.396	0.413	0.397
2003	0.432	0.411	0.401	0.404	0.396	0.416	0.413	0.409	0.387	0.414	0.397

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Equivalized 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
Uruguay, 1989-2003

	Per capita income Only urban	Equivalized income Only urban	Per capita income Only labor	Per capita income Only monetar	Per capita income Only labor monetary	Per capita income Urban labor monetary
	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1989	0.408	0.391	0.448	0.417	0.474	0.474
1992	0.397	0.380	0.454	0.410	0.458	0.458
1995	0.398	0.380	0.462	0.411	0.460	0.460
1995*	0.399	0.380	0.461	0.411	0.458	0.458
1998*	0.422	0.402	0.482	0.436	0.481	0.481
1998	0.424	0.404	0.479	0.437	0.485	0.485
2000	0.424	0.403	0.480	0.437	0.485	0.485
2001	0.435	0.415	0.496	0.439	0.487	0.487
2002	0.440	0.419	0.504	0.445	0.505	0.505
2003	0.432	0.411	0.508	0.438	0.506	0.506

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Equivalized 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
Share of Sources in Total Individual Income - Uruguay, 1989-2001

	Labor	Non-labor	Capital & profits	Pensions	Transfers	Government transfers
	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1989	75.8	24.2	4.1	20.1**		
1992	72.5	27.5	4.1	15.9	7.5	
1995	72.1	27.9	2.8	21.7	3.5	
1995*	72.4	27.6	2.8	21.3	3.5	
1998*	72.0	28.0	2.6	21.6	3.8	
1998	72.4	27.6	2.6	21.2	3.8	
2000	69.1	30.9	3.0	23.4	4.6	
2001	68.3	31.7	3.1	23.2	5.4	0.8
2002	65.9	34.1	3.1	25.1	6.0	0.9
2003	64.5	35.5	3.0	25.5	7.0	0.7

* Restricted samples
** Includes transfers
Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Non labor income=capital and profits + pensions + transfers. Transfers=private + government transfers

Table 5.10
Distribution of Individual Income
Gini Coefficient
Uruguay, 1989-2003

	Individual income	Labor income	Non-labor income	Capital & profits
	(i)	(ii)	(iii)	(iv)
1989	0.472	0.441	0.501	0.604
1992	0.456	0.447	0.456	0.574
1995	0.451	0.445	0.450	0.567
1995*	0.452	0.446	0.456	0.568
1998*	0.455	0.452	0.458	0.544
1998	0.456	0.453	0.460	0.544
2000	0.450	0.451	0.462	0.538
2001	0.458	0.462	0.475	0.555
2002	0.460	0.472	0.467	0.543
2003	0.460	0.477	0.467	0.561

* Restricted samples
Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Non labor income=capital and profits + pensions + transfers. Transfers=private + government transfers.

Table 5.11
Polarization
EGR and Wolfson Indices of Bipolarization
Uruguay, 1989-2003

	Household per capita income		Equivalized income	
	EGR	Wolfson	EGR	Wolfson
	(i)	(ii)	(iii)	(iv)
1989	0.123	0.307	0.117	0.294
1992	0.118	0.317	0.112	0.298
1995	0.121	0.329	0.115	0.306
1995*	0.122	0.329	0.116	0.310
1998*	0.131	0.345	0.124	0.326
1998	0.132	0.358	0.124	0.328
2000	0.137	0.371	0.131	0.345
2001	0.142	0.387	0.135	0.360
2002	0.142	0.393	0.136	0.368
2003	0.143	0.384	0.135	0.350

* Restricted samples

Source: Calculations by CEDLAS based on microdata from the ECH.
Note: EGR=Esteban, Gradin and Ray.

Table 6.1
Aggregate Welfare
Uruguay, 1989-2003

	Mean income	Sen	Atk(1)	Atk(2)
	(i)	(ii)	(iii)	(iv)
1989	100.0	100.0	100.0	100.0
1992	111.4	113.5	113.1	110.2
1995	118.3	120.2	119.6	114.0
1998	134.2	130.6	130.1	112.0
2000	126.9	123.5	123.8	111.9
2001	122.3	116.7	117.1	108.0
2002	108.1	102.3	102.8	94.9
2003	110.8	106.3	107.0	100.9

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.1
Wages, Hours and Labor Income
Uruguay, 1989-2003

	Wages (i)	Hours (ii)	Labor income (iii)
1989	59.0	45.7	10634.4
1992	64.4	45.9	10879.8
1995	64.8	45.0	10894.8
1998	70.8	44.4	11674.6
2000	67.5	43.5	10630.0
2001	64.0	42.7	10035.1
2002	58.6	41.8	8907.3
2003	49.9	41.2	7679.5

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.2
Wages, Hours and Labor Income
By Gender
Uruguay, 1989-2003

	Wages		Hours of work		Labor income	
	Female (i)	Male (ii)	Female (iii)	Male (iv)	Female (v)	Male (vi)
1989	49.2	65.6	39.1	50.3	6929.2	13041.2
1992	55.9	70.1	38.8	50.8	7453.2	13194.9
1995	57.3	69.9	38.7	49.5	7966.0	12905.4
1998	63.6	75.8	38.7	48.6	8751.9	13752.4
2000	63.0	70.8	38.0	47.6	8343.0	12304.2
2001	60.1	66.8	37.8	46.4	7998.1	11561.4
2002	56.0	60.5	37.3	45.1	7247.0	10141.1
2003	46.3	52.7	37.2	44.3	6258.1	8764.0

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.3
Wages, Hours and Labor Income
By Age
Uruguay, 1989-2003

	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)
1989	37.5	60.3	66.0	69.0	41.8	47.0	46.8	38.0	5858.5	10818.2	12352.6	12073.3
1992	36.8	63.9	75.6	73.7	41.9	47.3	47.0	39.6	5748.8	11199.8	12721.4	10874.3
1995	38.3	66.8	73.5	76.4	41.0	46.1	46.5	39.3	5739.5	11244.0	12807.7	11005.5
1998	38.6	71.2	82.5	87.7	40.8	45.5	45.5	37.7	5789.3	12001.0	13774.3	11947.6
2000	38.3	65.9	78.8	84.5	39.5	44.6	44.7	37.3	5305.9	10810.0	12523.8	10998.4
2001	35.1	62.6	74.0	76.2	39.0	43.6	43.9	36.8	4936.8	10056.4	11910.7	9209.9
2002	31.6	55.5	67.5	76.2	37.6	42.5	42.9	35.9	4285.7	8488.7	10616.5	8871.2
2003	27.2	47.0	57.7	58.5	36.4	41.6	42.5	36.6	3483.9	7170.8	9225.8	7631.5

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.4
Wages, Hours and Labor Income
By Education
Uruguay, 1989-2003

	Wages			Hours of work			Labor income		
	Low	Mid	High	Low	Mid	High	Low	Mid	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
1989	46.9	60.9	94.6	45.8	46.4	45.8	8965.8	11064.8	16319.1
1992	50.2	63.9	104.6	46.8	45.8	43.7	8893.3	10933.6	16256.3
1995	48.2	63.4	114.4	45.4	45.5	42.7	8239.5	10976.4	17789.5
1998	50.8	68.1	125.0	44.4	45.0	42.7	8412.1	11571.4	19443.6
2000	48.7	65.1	119.7	43.1	44.8	41.7	7579.1	10563.8	18306.2
2001	43.7	60.5	114.8	42.2	43.4	42.1	6823.1	9781.1	17553.9
2002	39.6	54.0	105.6	41.3	42.7	40.8	6018.3	8578.0	15360.7
2003	33.3	46.8	89.0	40.4	42.1	40.8	5069.5	7361.2	13509.0

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.5
Wages, Hours and Labor Income
By Type of Work
Uruguay, 1989-2003

	Wages			Hours of work				Labor income		
	Entrepreneurs	Wage earners	Self-employed	Entrepreneurs	Wage earners	Self-employed	Zero income	Entrepreneurs	Wage earners	Self-employed
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(xi)
1989	119.9	56.8	52.8	58.8	45.4	44.1	39.9	24672.4	9744.3	9011.3
1992	186.9	56.5	64.6	57.9	45.1	46.4	39.4	32308.4	9665.6	10445.9
1995	130.0	60.0	66.3	56.7	44.6	44.5	41.2	25904.0	10133.0	10200.2
1998	166.0	65.3	68.5	55.1	44.3	43.0	39.6	29724.7	10937.3	10305.0
2000	153.0	62.8	68.1	55.7	43.7	41.3	40.3	27918.5	10274.4	9223.2
2001	147.3	60.7	59.7	54.7	43.2	39.5	37.5	26425.9	9855.1	8203.5
2002	140.9	56.3	52.7	53.4	42.6	38.1	37.3	22998.9	8915.4	7080.0
2003	122.2	48.1	45.1	52.6	42.2	37.0	36.2	21274.0	7703.9	5884.7

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.6
Wages, Hours and Labor Income
By Labor Group
Uruguay, 1989-2003

Wages

	Formal workers				Informal workers	
		Salaried workers		Self-employed	Salaried	Self-employed
	Entrepreneurs	Large firms	Public sector	professionals	Small firms	Unskilled
	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1989	119.9	59.3	66.5	67.4	37.0	52.7
1992	186.9	61.0	65.5	168.2	37.9	57.3
1995	130.0	63.0	73.9	162.3	40.4	57.6
1998	166.0	67.7	83.4	158.1	42.1	59.9
2000	153.0	63.5	83.8	167.2	40.7	58.5
2001	147.3	61.5	81.4	157.2	40.8	50.3
2002	140.9	58.3	73.3	140.5	36.4	44.0
2003	122.2	48.9	64.7	109.1	31.1	39.0

Hours of work

	Formal workers				Informal workers		
		Salaried workers		Self-employed	Salaried	Self-employed	Workers with
Entrepreneurs	Large firms	Public sector	professionals		Small firms	Unskilled	zero income
(vii)	(viii)	(ix)	(x)		(xi)	(xii)	(xiii)
58.8	47.2	45.5	46.6		41.1	44.1	39.9
57.9	47.7	43.8	44.3		44.6	46.6	39.4
56.7	47.0	43.9	44.0		43.9	44.6	41.2
55.1	46.5	43.8	41.4		39.5	43.1	39.6
55.7	46.0	43.4	41.3		38.6	41.3	40.3
54.7	45.7	43.5	40.9		38.1	39.4	37.5
53.4	45.2	42.3	39.9		38.0	37.9	37.3
52.6	44.7	42.2	39.1		38.0	36.8	36.2

Labor income

	Formal workers				Informal workers	
		Salaried workers		Self-employed	Salaried	Self-employed
	Entrepreneurs	Large firms	Public sector	professionals	Small firms	Unskilled
	(xiv)	(xv)	(xvi)	(xvii)	(xvii)	(xix)
1989	24672.4	10691.7	11011.6	12636.7	5497.6	8962.6
1992	32308.4	10970.6	10593.3	25431.6	6424.7	9378.8
1995	25904.0	11147.7	12127.8	21933.7	6416.2	9135.9
1998	29724.7	11897.8	13683.7	22300.2	5890.7	9145.7
2000	27918.5	10980.1	13541.0	22179.7	5458.3	7986.7
2001	26425.9	10542.8	13264.6	20820.1	5472.8	6983.0
2002	22998.9	9697.4	11658.1	18866.5	4866.7	5915.7
2003	21274.0	8247.6	10471.7	15277.0	4158.2	5001.2

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.7
Wages, Hours and Labor Income
By Sector
Uruguay, 1989-2003

Wages

	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & transportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1989	46.6	52.6	63.6	51.5	47.2	63.8	104.0	63.5	72.8	
1992	77.3	53.6	62.4	56.4	52.7	66.2	116.6	61.9	81.2	
1995	66.3	50.6	68.6	54.0	49.9	70.3	116.7	68.8	85.6	
1998	70.5	55.7	72.0	57.1	54.4	77.0	125.2	79.4	93.2	
2000	65.1	52.4	64.1	56.6	52.2	78.4	107.2	79.2	87.4	40.4
2001	68.9	47.1	57.3	47.5	50.1	72.4	95.4	76.3	85.0	40.5
2002	65.7	41.5	53.9	40.5	43.6	68.3	89.6	69.2	76.5	36.9
2003	60.3	34.8	46.7	36.9	37.5	56.9	79.5	62.3	60.7	32.1

Hours of work

	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & transportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1989	53.4	46.5	48.2	47.4	45.8	51.3	42.4	48.5	38.7	
1992	55.0	46.5	47.5	47.6	45.6	51.5	41.8	48.4	38.5	
1995	52.6	45.3	46.7	46.0	44.6	50.4	43.1	48.0	38.7	
1998	51.0	45.4	46.1	45.0	43.9	49.6	42.6	47.7	39.3	
2000	50.3	44.3	45.5	43.7	47.2	49.3	41.6	47.0	38.3	33.9
2001	49.1	43.6	44.7	41.0	46.5	48.0	40.4	47.4	38.2	32.7
2002	47.9	42.6	42.6	38.8	46.1	46.8	39.0	45.9	38.1	32.3
2003	47.4	42.0	41.4	37.4	45.0	46.1	39.1	44.8	38.0	32.8

Labor income

	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & transportation (vi)	Skilled services (vii)	Public administration (viii)	Education & Health (ix)	Domestic servants (x)
1989	22033.5	9982.0	11941.6	9713.1	8505.0	12278.1	16589.4	11365.2	10181.1	
1992	13902.8	9657.3	12109.3	10734.6	9110.5	12121.8	18814.5	10779.2	10767.2	
1995	12290.2	9218.6	12578.5	9563.5	8577.2	13395.5	18211.9	12178.8	11807.5	
1998	11803.6	9822.5	12920.6	9653.7	9065.0	14299.2	20156.0	13851.5	13184.3	
2000	11518.8	9128.2	11198.8	8746.1	9380.1	13669.5	15794.2	13610.8	11744.1	4541.6
2001	10774.8	8010.3	10110.5	7687.8	9043.7	13156.5	14733.7	13308.8	11412.8	4420.5
2002	9588.1	7192.8	9218.7	6108.1	7724.7	11737.3	13087.2	11796.2	10235.1	3978.8
2003	9307.7	6000.7	7494.4	5430.3	6554.5	9816.3	11988.5	10621.7	8342.8	3550.4

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.8
Wages, Hours and Labor Income
By Region
Uruguay, 1989-2003

Wages

	Gran Montevideo (i)	Interior Norte (ii)	Interior Centro-Norte (iii)	Interior Centro-Sur (iv)	Interior Sur (v)
1989	57.0	56.7	56.8	58.7	65.6
1992	64.7	57.6	62.8	68.3	66.4
1995	65.9	55.4	63.6	58.2	69.1
1998	70.2	56.8	64.3	75.0	79.0
2000	67.1	59.6	63.3	70.9	76.5
2001	64.4	52.9	57.0	69.6	72.1
2002	58.5	47.4	61.7	65.0	60.3
2003	49.2	42.6	50.3	55.8	55.2

Hours of work

	Gran Montevideo (i)	Interior Norte (ii)	Interior Centro-Norte (iii)	Interior Centro-Sur (iv)	Interior Sur (v)
1989	45.2	44.6	45.7	45.5	47.3
1992	45.2	46.9	45.3	47.0	46.9
1995	44.8	46.8	45.1	44.5	45.0
1998	43.3	47.0	45.6	44.0	46.1
2000	43.4	46.0	44.0	42.9	42.6
2001	42.3	46.8	43.1	42.0	42.4
2002	41.3	46.1	42.5	41.8	40.3
2003	40.7	45.4	41.2	41.1	40.9

Labor income

	Gran Montevideo (i)	Interior Norte (ii)	Interior Centro-Norte (iii)	Interior Centro-Sur (iv)	Interior Sur (v)
1989	9732.1	10021.6	10798.1	11245.2	12621.4
1992	10671.3	9821.7	10480.6	12058.0	11785.5
1995	10892.2	9554.7	10453.9	10025.7	11989.8
1998	11383.5	9853.8	10762.9	12323.7	13288.0
2000	10496.6	9975.6	10068.7	11442.7	11750.9
2001	10036.3	9410.2	9065.0	10877.0	10828.7
2002	8840.0	8196.5	8883.5	9994.4	9109.0
2003	7503.1	7293.1	7503.1	8623.4	8473.1

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.9
Distribution of Labor Income
Shares
Uruguay, 1989-2003

	Salaried workers (i)	Self- employed (ii)	Entrepreneurs (iii)
1989	68.2	16.8	15.0
1992	65.7	20.8	13.6
1995	67.7	21.3	11.0
1998	68.5	19.9	11.6
2000	70.3	19.9	9.8
2001	71.0	18.9	10.2
2002	71.5	19.2	9.4
2003	71.6	19.0	9.4

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.10
Distribution of Wages (Primary Activity)
Gini Coefficient
Uruguay, 1989-2003

	All	Low edu	Mid edu	High edu	Monetary	Monetary salaried workers
1989	0.368	0.312	0.356	0.409	0.380	0.340
1992	0.406	0.334	0.378	0.462	0.424	0.363
1995	0.405	0.335	0.373	0.428	0.422	0.390
1998	0.424	0.340	0.394	0.451	0.441	0.401
2000	0.415	0.351	0.378	0.427	0.432	0.398
2001	0.437	0.336	0.395	0.456	0.448	0.408
2002	0.441	0.351	0.386	0.450	0.454	0.426
2003	0.454	0.369	0.398	0.472	0.468	0.416

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.11
Correlations Work Hours-Hourly Wages
Uruguay, 1989-2003

	All workers (i)	Urban salaried workers (ii)
1989	-0.0731*	-0.1286*
1992	-0.0926*	-0.1146*
1995	-0.0887*	-0.1068*
1998	-0.0980*	-0.0901*
2000	-0.0938*	-0.1221*
2001	-0.0886*	-0.1184*
2002	-0.0866*	-0.1172*
2003	-0.0732*	-0.0993*

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.12
Ratio of Hourly Wages by Educational Group
Prime Age Males
Uruguay, 1989-2003

	High/Medium (i)	High/Low (ii)	Medium/Low (iii)
1989	1.43	1.95	1.36
1992	1.55	2.13	1.38
1995	1.72	2.42	1.41
1998	1.74	2.53	1.45
2000	1.83	2.48	1.35
2001	1.91	2.86	1.49
2002	2.00	3.02	1.51
2003	2.00	2.93	1.46

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.13
Mincer Equation
Estimated Coefficients of Educational Dummies
Uruguay, 1989-2003

	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)
1989	0.10	0.33	0.18	0.19	0.50	0.13	0.10	0.31	0.21	0.22	0.47	0.17
1992	0.13	0.36	0.57	0.18	0.49	0.45	0.12	0.34	0.46	0.21	0.45	0.41
1995	0.15	0.29	0.68	0.06	0.52	0.66	0.13	0.30	0.63	0.04	0.50	0.56
1998	0.10	0.31	0.69	0.07	0.33	0.58	0.14	0.29	0.68	0.08	0.44	0.57
2000	0.14	0.30	0.72	0.06	0.43	0.77	0.20	0.31	0.71	0.06	0.43	0.61
2001	0.15	0.57	0.61	0.10	0.50	0.65	0.12	0.50	0.55	0.05	0.41	0.62
2002	0.35	0.59	0.53	0.10	0.53	0.60	0.26	0.51	0.61	0.02	0.43	0.55
2003	0.27	0.58	0.56	0.17	0.55	0.61	0.14	0.55	0.49	0.17	0.41	0.61

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.14
Mincer Equation
Dispersion in Unobservables and Gender Wage Gap
Uruguay, 1989-2003

	Dispersion in unobservables				Gender wage gap
	All workers		Urban salaried		Urban salaried
	Men	Women	Men	Women	workers
	(i)	(ii)	(iii)	(iv)	(v)
1989	0.59	0.65	0.51	0.58	0.74
1992	0.63	0.66	0.54	0.55	0.78
1995	0.65	0.68	0.56	0.58	0.78
1998	0.71	0.70	0.58	0.59	0.80
2000	0.67	0.67	0.56	0.58	0.80
2001	0.69	0.68	0.64	0.61	0.81
2002	0.76	0.73	0.66	0.63	0.81
2003	0.73	0.70	0.64	0.62	0.81

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.15
Share of Adults in the Labor Force
Uruguay, 1989-2003

		Gender		Age				Education		
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1989	0.713	0.556	0.898	0.748	0.811	0.644	0.286	0.640	0.777	0.854
1992	0.726	0.584	0.892	0.729	0.834	0.662	0.278	0.661	0.775	0.845
1995	0.740	0.604	0.893	0.753	0.845	0.677	0.289	0.660	0.796	0.848
1998	0.758	0.638	0.890	0.746	0.855	0.704	0.268	0.680	0.805	0.850
2000	0.760	0.647	0.887	0.739	0.857	0.713	0.277	0.694	0.804	0.851
2001	0.771	0.665	0.893	0.748	0.865	0.728	0.324	0.702	0.808	0.861
2002	0.762	0.655	0.884	0.705	0.859	0.731	0.299	0.696	0.791	0.855
2003	0.761	0.661	0.874	0.688	0.855	0.735	0.282	0.703	0.781	0.850

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.16
Share of Employed Adults
Uruguay, 1989-2003

		Gender		Age				Education		
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1989	0.661	0.500	0.851	0.598	0.761	0.624	0.277	0.601	0.706	0.794
1992	0.671	0.523	0.844	0.588	0.779	0.638	0.269	0.616	0.704	0.803
1995	0.672	0.530	0.833	0.594	0.778	0.644	0.277	0.602	0.708	0.809
1998	0.687	0.559	0.829	0.582	0.790	0.667	0.259	0.612	0.723	0.808
2000	0.663	0.540	0.800	0.529	0.764	0.657	0.263	0.598	0.701	0.780
2001	0.660	0.538	0.799	0.508	0.754	0.666	0.297	0.594	0.684	0.773
2002	0.637	0.520	0.770	0.450	0.728	0.656	0.280	0.576	0.649	0.758
2003	0.636	0.526	0.763	0.436	0.724	0.662	0.250	0.579	0.645	0.755

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.17
Share of Unemployed Adults
Uruguay, 1989-2003

		Gender		Age				Education		
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1989	0.052	0.056	0.047	0.150	0.050	0.019	0.009	0.039	0.071	0.060
1992	0.055	0.061	0.047	0.141	0.054	0.024	0.009	0.046	0.072	0.043
1995	0.068	0.074	0.060	0.159	0.067	0.033	0.012	0.058	0.088	0.039
1998	0.070	0.079	0.061	0.164	0.065	0.037	0.009	0.068	0.083	0.042
2000	0.098	0.106	0.088	0.210	0.093	0.056	0.014	0.097	0.103	0.071
2001	0.111	0.127	0.094	0.239	0.111	0.062	0.027	0.108	0.124	0.088
2002	0.125	0.135	0.114	0.255	0.130	0.074	0.020	0.120	0.142	0.096
2003	0.124	0.135	0.112	0.252	0.131	0.073	0.032	0.124	0.136	0.095

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.18
Unemployment Rates
Uruguay, 1989-2003

		Gender		Age				Education		
	Total	Female	Male	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1989	7.2	10.0	5.2	20.0	6.2	3.0	3.1	6.0	9.2	7.1
1992	7.5	10.5	5.3	19.3	6.5	3.6	3.2	6.9	9.3	5.1
1995	9.1	12.2	6.7	21.1	7.9	4.9	4.2	8.8	11.0	4.6
1998	9.3	12.3	6.9	22.0	7.7	5.3	3.3	10.0	10.3	4.9
2000	12.8	16.5	9.9	28.4	10.8	7.9	5.0	13.9	12.8	8.3
2001	14.4	19.1	10.5	32.0	12.9	8.5	8.3	15.4	15.4	10.2
2002	16.4	20.6	12.9	36.2	15.2	10.2	6.6	17.3	17.9	11.3
2003	16.3	20.4	12.8	36.6	15.4	9.9	11.4	17.7	17.4	11.1

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.19
Duration of Unemployment
Uruguay, 1989-2003

	Education			
	Low	Medium	High	Total
	(i)	(ii)	(iii)	(iv)
1989	7.5	8.0	10.8	8.1
1992	5.4	7.6	7.9	6.8
1995	6.3	7.0	8.7	6.8
1998	7.1	7.4	9.2	7.4
2000	7.4	8.3	8.0	7.9
2001	7.8	8.2	9.4	8.2
2002	7.4	8.2	9.0	8.0
2003	7.8	7.9	8.7	7.9

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.20
Age, Gender and Educational Structure of Employment
Uruguay, 1989-2003

	Gender		Age					Education		
	Female	Male	(0-14)	(15-24)	(25-40)	(41-64)	(65 +)	Low	Medium	High
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1989	40.3	59.7	0.3	17.2	37.7	41.0	3.8	50.3	38.6	11.1
1992	41.3	58.7	0.9	18.9	35.4	40.9	4.0	44.4	39.3	16.4
1995	41.4	58.6	0.9	19.8	34.4	40.8	4.1	41.9	42.8	15.3
1998	42.3	57.7	0.7	18.9	36.6	40.3	3.6	38.1	45.6	16.3
2000	42.7	57.3	0.5	18.5	35.4	42.2	3.5	39.1	44.3	16.6
2001	43.2	56.8	0.4	17.4	34.7	43.5	4.0	39.9	41.8	18.3
2002	43.0	57.1	0.4	15.9	34.5	45.7	3.6	38.9	41.6	19.5
2003	43.6	56.4	0.1	12.9	37.3	46.2	3.6	38.8	41.7	19.5

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.21
Structure of Employment
By Type of Work
Uruguay, 1989-2003

	Labor relationship				Type of firm		
	Entrepreneurs (i)	Wage earners (ii)	Self-employed (iii)	Zero income (iv)	Large (v)	Small (vi)	Public (vii)
1989	4.5	73.7	19.7	2.2	35.1	41.5	23.5
1992	4.5	72.5	20.7	2.3	44.6	35.1	20.3
1995	4.6	72.2	21.4	1.9	42.6	37.1	20.2
1998	4.5	72.7	21.3	1.5	42.8	41.0	16.2
2000	3.7	72.8	22.0	1.5	40.8	42.2	17.1
2001	3.9	71.0	23.6	1.4	37.8	45.7	16.6
2002	3.7	70.0	24.8	1.5	35.2	46.9	17.9
2003	3.4	70.2	25.1	1.4	34.5	47.5	18.0

	Labor category						
		Salaried workers		Self-employed	Salaried	Self-employed	Workers with
	Entrepreneurs (i)	Large firms (ii)	Public sector (iii)	professionals (iv)	Small firms (v)	Unskilled (vi)	zero income (vii)
1989	4.8	31.9	23.6	0.3	16.7	20.5	2.3
1992	4.9	41.4	20.3	1.5	8.4	21.0	2.5
1995	4.9	39.9	20.3	1.9	10.0	21.0	2.0
1998	4.5	39.8	16.2	1.9	16.6	19.5	1.5
2000	3.7	38.6	17.1	1.9	17.1	20.1	1.5
2001	3.9	35.7	16.6	2.1	18.7	21.6	1.4
2002	3.7	33.4	17.9	2.2	18.7	22.6	1.5
2003	3.4	32.8	18.0	2.2	19.4	22.9	1.4

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 7.22
Structure of Employment
By Formality
Uruguay, 1989-2003

	Definition 1 (all workers)		Definition 2 (salaried workers)	
	Formal (i)	Informal (ii)	Formal (iii)	Informal (iv)
1989	60.55	39.45		
1992	68.05	31.95		
1995	66.95	33.05		
1998	62.43	37.57		
2000	61.34	38.66		
2001	58.29	41.71	76.79	23.21
2002	57.17	42.83	76.32	23.68
2003	56.36	43.64	74.15	25.85

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.23
Structure of Employment
By Sector
Uruguay, 1989-2003

	Primary activities (i)	Industry low tech (ii)	Industry high tech (iii)	Construction (iv)	Commerce (v)	Utilities & transportatior (vi)	Skilled services (vii)	Public administratior (viii)	Education & Health (ix)	Domestic servants (x)
1989	4.0	14.8	6.7	6.5	32.5	7.6	4.7	9.0	14.2	
1992	4.8	14.4	6.7	6.8	32.7	7.1	5.7	7.4	14.4	
1995	4.9	11.9	6.2	7.2	33.5	7.1	6.2	8.0	15.1	
1998	3.9	9.9	6.3	7.4	35.4	7.1	6.5	7.2	16.3	
2000	4.2	8.5	6.3	8.4	22.3	7.1	8.3	7.8	17.6	9.5
2001	4.3	8.7	5.7	8.1	22.4	7.2	9.0	8.0	17.3	9.3
2002	4.3	7.9	5.6	7.4	22.0	7.3	9.3	8.4	18.4	9.4
2003	4.6	8.3	5.4	6.7	21.8	6.8	8.8	8.9	18.8	9.9

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.24
Structure of Employment
By Sector (CIIU -1 digit)
Uruguay, 1989-2003

	Agriculture (i)	Manufacturing (iv)	Utilities (v)	Construction (vi)	Commerce (vii)	Restaurants & hotels (viii)	Transportation & communications (ix)	Finance (x)	Business services (i)	Public administration (ii)	Teaching (iii)	Healt & social services (iv)	Other services (v)	Domestic servants (vi)
1989	4.0	21.5	1.4	6.5	30.3	2.2	6.1	2.1	2.6	8.9	11.4	2.9	0.1	
1992	4.8	21.1	1.3	6.8	30.5	2.2	5.8	2.5	3.2	7.4	11.6	2.9		
1995	4.9	18.0	1.3	7.2	31.0	2.5	5.7	2.2	4.0	7.9	12.3	2.8	0.1	
1998	3.9	16.2	1.0	7.4	32.5	2.8	6.2	2.2	4.3	7.1	13.0	3.3	0.1	
2000	4.2	14.8	1.2	8.4	19.7	2.6	5.9	1.9	6.4	7.7	6.0	6.7	4.9	9.5
2001	4.3	14.5	1.0	8.1	20.1	2.2	6.2	2.0	7.0	7.9	5.4	6.8	5.2	9.3
2002	4.3	13.5	1.3	7.4	19.9	2.1	6.0	2.1	7.2	8.4	6.0	7.4	5.0	9.4
2003	4.6	13.7	0.9	6.7	19.5	2.3	5.9	1.9	6.9	8.8	6.0	7.4	5.3	9.9

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.25
Child Labor
By Equivalized Household Income Quintiles
Uruguay, 1989-2003

	Equivalized household income quintile					
	1	2	3	4	5	Average
1989	0.009	0.025	0.016	0.008	0.007	0.014
1992	0.022	0.021	0.014	0.012	0.006	0.016
1995	0.019	0.021	0.019	0.005	0.010	0.016
1998	0.019	0.016	0.010	0.008	0.003	0.013
2000	0.008	0.014	0.005	0.009	0.001	0.008
2001	0.008	0.010	0.005	0.013	0.015	0.010
2002	0.007	0.007	0.004	0.003	0.003	0.005
2003	0.006	0.007	0.001	0.001	0.000	0.004

Source: Calculations by CEDLAS based on microdata from the ECH

Table 7.26
Right to Receive Social Security (Pensions)
By Gender and Education
Uruguay, 1989-2003

	Gender			Education			
	Female	Male	All	Low	Mid	High	All
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
1989							
1992							
1995							
1998							
2000							
2001	0.75	0.82	0.78	0.67	0.81	0.93	0.78
2002	0.74	0.81	0.78	0.65	0.81	0.94	0.78
2003	0.72	0.78	0.75	0.61	0.79	0.93	0.75

Source: Calculations by CEDLAS based on microdata from the ECH

Table 8.1
Educational Structure
Adults 25-65
Uruguay, 1989-2003

Country	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)
1989	58.6	32.1	9.3	55.7	32.3	12.0	61.1	32.0	7.0	53.1	34.4	12.5
1992	52.3	33.0	14.7	52.2	33.1	14.7	52.3	33.0	14.7	49.4	35.1	15.6
1995	49.9	36.1	14.0	49.6	37.1	13.3	50.2	35.2	14.7	46.3	39.4	14.3
1998	44.6	40.0	15.4	44.3	42.1	13.6	44.9	38.2	16.9	41.2	44.1	14.7
2000	44.9	39.9	15.2	44.9	41.6	13.4	44.9	38.4	16.8	42.4	43.5	14.1
2001	45.4	37.7	16.8	46.2	39.0	14.8	44.7	36.7	18.6	43.5	40.7	15.8
2002	44.2	38.2	17.5	45.6	39.3	15.1	43.1	37.3	19.6	42.8	41.0	16.2
2003	43.4	38.8	17.8	44.7	39.8	15.5	42.3	38.0	19.7	42.3	38.0	19.7

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.2
Years of Education
By Age and Gender
Uruguay, 1989-2003

	(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
1989	7.7	8.4	8.0	7.4	7.2	7.3	9.9	10.2	10.0	9.0	9.6	9.2	7.7	8.3	8.0	6.2	6.9	6.5	4.8	5.5	5.1
1992	8.7	8.8	8.7	7.9	7.6	7.7	10.7	10.4	10.5	9.9	9.9	9.9	8.8	8.8	8.8	7.3	7.4	7.4	6.0	6.1	6.1
1995	8.7	8.7	8.7	7.8	7.4	7.6	10.5	10.2	10.4	9.9	9.7	9.8	8.9	8.9	8.9	7.5	7.6	7.5	5.5	5.8	5.6
1998	9.3	9.2	9.2	7.5	7.3	7.4	10.6	10.1	10.4	10.1	9.9	10.0	9.5	9.3	9.4	8.0	8.2	8.1	6.1	6.4	6.2
2000	9.3	9.2	9.2	7.5	7.3	7.4	10.6	10.0	10.3	10.1	9.9	10.0	9.5	9.3	9.4	8.3	8.2	8.2	6.2	6.4	6.3
2001	9.5	9.1	9.3	7.5	7.2	7.4	10.8	9.9	10.4	10.2	9.8	10.0	9.7	9.3	9.5	8.4	8.4	8.4	6.3	6.5	6.4
2002	9.6	9.2	9.4	7.6	7.2	7.4	10.8	9.9	10.4	10.2	9.8	10.0	9.8	9.4	9.6	8.7	8.5	8.6	6.5	6.6	6.6
2003	9.7	9.3	9.5	7.6	7.2	7.4	10.8	9.9	10.4	10.4	9.9	10.2	10.0	9.5	9.8	8.7	8.5	8.6	6.6	6.6	6.6

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.3
Years of Education
By Household Equivalized Income Quintiles
Adults 25-65
Uruguay, 1989-2003

	1	2	3	4	5	Average
1989	6.0	7.0	7.6	8.6	10.3	8.1
1992	6.7	7.5	8.3	9.3	11.0	8.8
1995	6.8	7.4	8.0	9.2	11.5	8.7
1998	7.0	7.8	8.6	9.7	12.0	9.2
2000	7.1	7.8	8.6	9.6	12.1	9.2
2001	7.0	7.8	8.5	9.8	12.4	9.3
2002	7.1	7.8	8.8	10.0	12.5	9.4
2003	7.3	8.0	8.9	10.0	12.6	9.5

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.4
Years of Education
By Age and Income
Uruguay, 1989-2003

	(10-20)						(21-30)						(31-40)					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	6.4	7.1	7.7	7.7	8.2	7.3	7.5	9.0	10.0	10.5	12.1	10.1	6.9	8.0	8.8	10.0	12.1	9.2
1992	6.8	7.8	8.0	8.4	8.4	7.7	8.5	9.3	10.4	11.0	12.8	10.5	7.6	8.6	9.6	10.9	12.4	9.9
1995	6.8	7.5	7.8	8.2	8.3	7.6	8.2	9.3	10.1	11.0	12.6	10.4	7.6	8.4	9.2	10.6	12.7	9.8
1998	6.5	7.3	7.7	7.9	8.1	7.4	8.2	9.5	10.1	11.2	12.6	10.4	7.6	8.4	9.6	10.8	12.9	10.0
2000	6.4	7.4	7.8	8.0	8.3	7.4	8.1	9.3	10.2	11.2	13.0	10.3	7.5	8.5	9.4	10.6	13.3	10.0
2001	6.4	7.2	7.6	8.1	8.3	7.4	8.0	9.0	10.0	11.5	13.1	10.3	7.4	8.4	9.4	10.8	13.4	10.0
2002	6.5	7.2	7.7	8.1	8.5	7.4	8.0	9.0	10.5	11.6	13.1	10.4	7.5	8.5	9.3	11.1	13.6	10.0
2003	6.5	7.2	7.5	8.2	8.4	7.4	8.2	9.1	10.3	11.5	13.3	10.4	7.8	8.6	9.6	11.2	13.5	10.2

	(41-50)						(51-60)						(61+)					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	5.9	7.0	7.6	8.5	10.2	8.0	4.7	5.5	6.1	6.7	8.5	6.6	4.0	4.0	4.7	5.4	7.8	5.1
1992	6.6	7.5	8.4	9.6	11.0	8.8	5.5	6.0	6.8	7.6	9.6	7.4	4.4	4.7	5.2	6.2	8.9	6.1
1995	6.6	7.5	8.2	9.5	12.0	8.9	5.3	5.9	6.7	7.6	10.4	7.5	4.2	4.3	4.6	5.8	8.5	5.6
1998	7.0	7.9	8.7	9.9	12.4	9.4	5.8	6.7	7.2	8.3	10.8	8.1	4.4	4.8	5.1	6.2	9.3	6.2
2000	7.2	7.9	8.9	9.8	12.4	9.4	5.9	6.7	7.5	8.2	11.0	8.3	4.5	4.8	5.1	6.1	9.2	6.3
2001	7.1	8.0	8.7	10.1	13.0	9.5	6.0	6.7	7.2	8.4	11.5	8.4	4.6	4.9	5.3	6.1	9.3	6.4
2002	7.1	8.0	9.0	10.3	13.0	9.6	6.3	6.8	7.6	8.7	11.7	8.6	4.8	5.1	5.3	6.2	9.2	6.6
2003	7.3	8.1	9.0	10.4	13.2	9.8	6.4	6.9	7.5	8.6	11.9	8.6	4.9	5.2	5.4	6.2	9.2	6.6

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.5
Gini Coefficient
Years of Education
By Age
Uruguay, 1989-2003

	Age						
	(25-65)	(10-20)	(21-30)	(31-40)	(41-50)	(51-60)	(61+)
1989	0.284	0.230	0.204	0.244	0.273	0.301	0.371
1992	0.266	0.224	0.190	0.219	0.262	0.292	0.318
1995	0.265	0.204	0.182	0.217	0.258	0.298	0.361
1998	0.247	0.216	0.177	0.212	0.238	0.280	0.347
2000	0.242	0.217	0.185	0.213	0.231	0.268	0.337
2001	0.244	0.209	0.192	0.218	0.235	0.269	0.329
2002	0.241	0.210	0.191	0.217	0.234	0.266	0.324
2003	0.237	0.212	0.191	0.214	0.229	0.262	0.314

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.6
Literacy
By Age and Gender
Adults Aged 25 to 65
Uruguay, 1989-2003

	(10-24)			(25-65)			(65 +)		
	Female	Male	Mean	Female	Male	Mean	Female	Male	Mean
1989	0.99	1.00	1.00	0.97	0.98	0.97	0.83	0.84	0.84
1992	1.00	1.00	1.00	0.99	0.99	0.99	0.97	0.95	0.96
1995	1.00	0.99	1.00	0.99	0.99	0.99	0.97	0.96	0.97
1998	1.00	0.99	1.00	0.99	0.99	0.99	0.98	0.97	0.97
2000	1.00	1.00	1.00	0.99	0.99	0.99	0.97	0.97	0.97
2001	1.00	1.00	1.00	0.99	0.99	0.99	0.91	0.92	0.91
2002	1.00	1.00	1.00	0.99	0.99	0.99	0.93	0.92	0.93
2003	1.00	1.00	1.00	0.99	0.99	0.99	0.93	0.94	0.93

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.7
Literacy
By Household Equivalized Income Quintiles
Adults Aged 25 to 65
Uruguay, 1989-2003

	1	2	3	4	5	Mean
1989	0.93	0.96	0.97	0.98	0.99	0.97
1992	0.99	0.99	0.99	0.99	1.00	0.99
1995	0.98	0.99	0.99	1.00	1.00	0.99
1998	0.99	0.99	1.00	1.00	1.00	0.99
2000	0.98	0.99	0.99	1.00	1.00	0.99
2001	0.97	0.98	0.99	0.99	1.00	0.99
2002	0.98	0.98	0.99	0.99	1.00	0.99
2003	0.98	0.98	0.99	0.99	1.00	0.99

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.8
Enrollment Rates
By Age and Gender
Uruguay, 1989-2003

	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
1989	0.52	0.49	0.51	0.98	0.97	0.98	0.80	0.76	0.78	0.35	0.27	0.31
1992	0.56	0.49	0.52	0.98	0.98	0.98	0.82	0.75	0.78	0.40	0.30	0.35
1995	0.58	0.55	0.57	0.99	0.99	0.99	0.80	0.73	0.77	0.39	0.28	0.34
1998	0.62	0.61	0.62	0.99	0.99	0.99	0.81	0.76	0.79	0.39	0.29	0.34
2000	0.66	0.64	0.65	0.99	0.99	0.99	0.83	0.79	0.81	0.40	0.31	0.36
2001	0.70	0.68	0.69	0.99	0.99	0.99	0.86	0.82	0.84	0.46	0.35	0.40
2002	0.69	0.66	0.67	0.98	0.98	0.98	0.87	0.83	0.85	0.50	0.38	0.44
2003	0.71	0.69	0.70	0.98	0.98	0.98	0.88	0.83	0.86	0.50	0.41	0.45

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.9
Enrollment Rates
By Household Equivalized Income Quintiles
Uruguay, 1989-2003

	3 to 5 years-old						6 to 12 years-old						13 to 17 years-old						18 to 23 years old					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	0.26	0.40	0.50	0.70	0.84	0.51	0.96	0.98	0.99	0.98	0.99	0.98	0.68	0.76	0.82	0.86	0.93	0.79	0.22	0.25	0.30	0.33	0.47	0.31
1992	0.31	0.44	0.58	0.71	0.81	0.53	0.97	0.98	0.99	0.99	1.00	0.98	0.67	0.74	0.84	0.86	0.95	0.79	0.19	0.26	0.36	0.39	0.57	0.35
1995	0.36	0.49	0.62	0.71	0.82	0.57	0.98	0.99	0.99	1.00	1.00	0.99	0.65	0.72	0.81	0.86	0.94	0.77	0.20	0.25	0.30	0.39	0.58	0.34
1998	0.46	0.59	0.64	0.74	0.86	0.62	0.98	0.99	1.00	1.00	1.00	0.99	0.64	0.78	0.82	0.89	0.96	0.79	0.16	0.26	0.32	0.43	0.58	0.34
2000	0.54	0.56	0.70	0.80	0.91	0.65	0.98	0.98	0.99	0.99	1.00	0.99	0.68	0.79	0.85	0.92	0.97	0.81	0.16	0.28	0.36	0.42	0.67	0.36
2001	0.57	0.68	0.71	0.81	0.89	0.69	0.99	0.99	0.99	0.99	1.00	0.99	0.74	0.82	0.86	0.93	0.97	0.84	0.22	0.33	0.38	0.50	0.67	0.40
2002	0.53	0.66	0.74	0.76	0.88	0.67	0.98	0.98	0.98	0.99	0.99	0.98	0.72	0.83	0.90	0.95	0.98	0.85	0.20	0.34	0.46	0.57	0.74	0.44
2003	0.58	0.67	0.70	0.83	0.90	0.70	0.98	0.98	0.99	0.99	0.98	0.98	0.75	0.85	0.87	0.94	0.97	0.86	0.24	0.37	0.44	0.61	0.76	0.45

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.10
Attendance to Public Schools
By Household Equivalized Income Quintiles
Uruguay, 1992-2003

	3 to 5 years-old						6 to 12 years-old						13 to 17 years-old						18 to 23 years old					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989																								
1992	0.86	0.67	0.57	0.43	0.34	0.56	0.96	0.92	0.85	0.73	0.55	0.84	0.96	0.93	0.89	0.81	0.57	0.85	1.00	0.98	0.96	0.96	0.86	0.94
1995	0.88	0.76	0.65	0.49	0.33	0.61	0.96	0.91	0.84	0.73	0.50	0.83	0.96	0.94	0.89	0.81	0.59	0.86	0.97	0.98	0.95	0.92	0.87	0.93
1998	0.89	0.77	0.73	0.55	0.35	0.66	0.99	0.93	0.85	0.74	0.49	0.84	0.99	0.97	0.91	0.77	0.59	0.87	1.00	0.96	0.96	0.92	0.83	0.92
2000	0.95	0.93	0.81	0.62	0.37	0.77	0.98	0.96	0.89	0.78	0.47	0.86	0.99	0.98	0.90	0.81	0.53	0.87	0.98	0.97	0.98	0.95	0.81	0.92
2001	0.95	0.90	0.80	0.65	0.32	0.77	0.98	0.96	0.86	0.76	0.49	0.86	0.99	0.97	0.91	0.85	0.57	0.89	0.99	0.98	0.96	0.93	0.80	0.94
2002	0.96	0.92	0.85	0.70	0.39	0.81	0.99	0.96	0.90	0.77	0.48	0.88	0.99	0.97	0.93	0.87	0.56	0.90	0.99	0.98	0.97	0.95	0.84	0.95
2003	0.96	0.92	0.89	0.75	0.46	0.83	0.99	0.97	0.92	0.82	0.51	0.89	0.99	0.98	0.95	0.84	0.62	0.90	0.99	0.99	0.97	0.94	0.84	0.96

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 8.11
Educational Mobility
By Age Group
Uruguay, 1989-2003

	13-19 (i)	20-25 (ii)
1989	0.894	0.829
1992	0.879	0.817
1995	0.887	0.802
1998	0.863	0.777
2000	0.847	0.773
2001	0.805	0.715
2002	0.806	0.716
2003	0.826	0.709

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 9.1
Housing
By Household Equivalized Income Quintiles

	Ownership of housing						Number of rooms						Persons per room					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	0.580	0.646	0.677	0.688	0.746	0.674	2.928	3.148	3.275	3.381	3.801	3.335	1.507	1.174	1.076	0.979	0.801	1.084
1992	0.618	0.674	0.720	0.717	0.743	0.701	2.994	3.162	3.358	3.391	3.838	3.383	1.608	1.146	0.988	0.905	0.757	1.042
1995	0.617	0.669	0.709	0.725	0.753	0.701	3.042	3.201	3.312	3.481	3.856	3.413	1.526	1.134	1.005	0.896	0.742	1.026
1998	0.585	0.658	0.701	0.714	0.762	0.694	2.956	3.124	3.226	3.406	3.747	3.334	1.652	1.172	1.042	0.885	0.745	1.049
2000	0.556	0.644	0.669	0.709	0.774	0.684	2.941	3.055	3.231	3.302	3.725	3.298	1.687	1.248	1.017	0.883	0.706	1.046
2001	0.563	0.641	0.681	0.734	0.772	0.692	2.959	3.121	3.220	3.331	3.717	3.315	1.642	1.230	1.018	0.853	0.699	1.027
2002	0.547	0.635	0.675	0.726	0.785	0.689	3.048	3.170	3.236	3.357	3.777	3.362	1.595	1.225	0.978	0.828	0.670	0.996
2003	0.532	0.607	0.677	0.706	0.779	0.676	2.992	3.123	3.228	3.329	3.774	3.337	1.553	1.216	1.000	0.827	0.665	0.994

	Poor dwellings						Low-quality materials					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	0.101	0.064	0.042	0.039	0.024	0.051	0.050	0.023	0.014	0.007	0.002	0.018
1992	0.072	0.049	0.042	0.028	0.010	0.037	0.096	0.037	0.023	0.006	0.005	0.029
1995	0.043	0.040	0.026	0.017	0.014	0.027	0.077	0.026	0.014	0.004	0.002	0.021
1998	0.046	0.034	0.022	0.017	0.010	0.024	0.077	0.027	0.007	0.003	0.001	0.019
2000	0.036	0.029	0.024	0.018	0.009	0.021	0.083	0.027	0.011	0.005	0.002	0.020
2001	0.033	0.028	0.022	0.020	0.012	0.022						
2002	0.027	0.024	0.019	0.015	0.009	0.017						
2003	0.019	0.015	0.010	0.009	0.007	0.011						

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 9.2
Housing
By Age

	Ownership of housing					Number of rooms					Persons per room				
	[15,24]	[25,40]	[41,64]	[65+)	Mean	[15,24]	[25,40]	[41,64]	[65+)	Mean	[15,24]	[25,40]	[41,64]	[65+)	Mean
1989	0.248	0.515	0.736	0.738	0.675	2.587	3.075	3.499	3.358	3.340	1.309	1.441	1.079	0.748	1.079
1992	0.283	0.514	0.763	0.777	0.701	2.397	3.176	3.563	3.332	3.382	1.350	1.388	1.060	0.728	1.042
1995	0.235	0.509	0.747	0.798	0.701	2.551	3.189	3.569	3.393	3.412	1.246	1.349	1.068	0.721	1.026
1998	0.248	0.529	0.737	0.802	0.693	2.488	3.109	3.523	3.295	3.332	1.298	1.338	1.081	0.732	1.050
2000	0.254	0.526	0.714	0.793	0.684	2.446	3.112	3.461	3.268	3.298	1.359	1.347	1.095	0.722	1.046
2001	0.291	0.511	0.730	0.794	0.692	2.536	3.095	3.506	3.249	3.315	1.299	1.349	1.066	0.719	1.027
2002	0.258	0.485	0.725	0.805	0.688	2.528	3.121	3.536	3.326	3.360	1.290	1.313	1.043	0.691	0.997
2003	0.256	0.468	0.706	0.795	0.676	2.520	3.083	3.517	3.297	3.336	1.343	1.303	1.044	0.699	0.994

	Poor dwellings					Low-quality materials				
	[15,24]	[25,40]	[41,64]	[65+)	Mean	[15,24]	[25,40]	[41,64]	[65+)	Mean
1989	0.133	0.055	0.042	0.059	0.052	0.026	0.021	0.017	0.014	0.017
1992	0.177	0.041	0.031	0.036	0.038	0.066	0.043	0.025	0.022	0.029
1995	0.113	0.032	0.021	0.026	0.027	0.052	0.029	0.020	0.016	0.021
1998	0.070	0.022	0.023	0.024	0.024	0.051	0.024	0.018	0.012	0.019
2000	0.084	0.023	0.018	0.020	0.021	0.065	0.027	0.017	0.015	0.020
2001	0.068	0.026	0.018	0.021	0.022					
2002	0.054	0.017	0.017	0.016	0.017					
2003	0.040	0.011	0.012	0.009	0.011					

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 9.3
Housing
By Education of the Household Head

	Ownership of housing				Number of rooms				Persons per room			
	Low	Middle	High	Mean	Low	Middle	High	Mean	Low	Middle	High	Mean
1989	0.674	0.650	0.702	0.670	3.170	3.502	4.010	3.327	1.109	1.091	0.953	1.091
1992	0.706	0.656	0.733	0.696	3.226	3.524	3.946	3.393	1.067	1.075	0.905	1.048
1995	0.712	0.661	0.742	0.701	3.232	3.549	4.024	3.413	1.045	1.064	0.838	1.026
1998	0.699	0.661	0.750	0.693	3.139	3.435	3.886	3.332	1.107	1.052	0.804	1.050
2000	0.679	0.666	0.757	0.685	3.102	3.407	3.898	3.299	1.095	1.057	0.805	1.047
2001	0.687	0.683	0.731	0.692	3.103	3.446	3.882	3.315	1.087	1.023	0.787	1.027
2002	0.681	0.672	0.752	0.688	3.149	3.480	3.917	3.360	1.058	0.993	0.765	0.997
2003	0.671	0.658	0.732	0.676	3.122	3.440	3.929	3.336	1.054	0.992	0.768	0.994

	Poor dwellings				Low-quality materials			
	Low	Middle	High	Mean	Low	Middle	High	Mean
1989	0.063	0.037	0.016	0.052	0.023	0.009	0.006	0.0179
1992	0.044	0.027	0.019	0.037	0.037	0.017	0.002	0.0274
1995	0.033	0.022	0.008	0.027	0.031	0.008	0.003	0.0212
1998	0.031	0.017	0.012	0.024	0.030	0.006	0.002	0.0187
2000	0.028	0.015	0.007	0.021	0.031	0.008	0.001	0.0202
2001	0.027	0.017	0.011	0.022				
2002	0.020	0.015	0.013	0.017				
2003	0.014	0.009	0.005	0.011				

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 9.4
Social Services
By Household Equivalized Income Quintiles

	Water						Restrooms						Sewerage					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	0.836	0.909	0.938	0.949	0.980	0.927							0.363	0.466	0.538	0.616	0.759	0.561
1992	0.955	0.969	0.976	0.981	0.990	0.976	0.689	0.830	0.897	0.942	0.984	0.882	0.380	0.465	0.557	0.657	0.802	0.591
1995	0.950	0.969	0.979	0.987	0.988	0.976	0.740	0.868	0.912	0.964	0.989	0.906	0.389	0.487	0.558	0.655	0.794	0.595
1998	0.943	0.967	0.977	0.978	0.983	0.972	0.760	0.886	0.931	0.975	0.992	0.922	0.364	0.512	0.589	0.690	0.805	0.617
2000	0.949	0.968	0.981	0.986	0.992	0.978	0.783	0.895	0.939	0.977	0.994	0.931	0.318	0.452	0.560	0.672	0.827	0.598
2001	0.953	0.970	0.979	0.987	0.994	0.979	0.797	0.905	0.955	0.976	0.994	0.938	0.378	0.489	0.592	0.709	0.856	0.636
2002	0.944	0.971	0.978	0.987	0.994	0.978	0.835	0.923	0.957	0.986	0.997	0.951	0.387	0.503	0.617	0.722	0.860	0.651
2003	0.958	0.971	0.984	0.988	0.994	0.981	0.855	0.921	0.960	0.981	0.996	0.952	0.412	0.515	0.595	0.712	0.861	0.649

	Electricity						Telephone					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
1989	0.907	0.966	0.981	0.992	0.997	0.972						
1992	0.946	0.983	0.993	0.997	1.000	0.986						
1995	0.965	0.990	0.995	0.998	0.999	0.991						
1998	0.976	0.989	0.997	0.999	1.000	0.994						
2000	0.978	0.989	0.996	0.999	0.999	0.993						
2001							0.467	0.620	0.720	0.810	0.912	0.735
2002							0.464	0.602	0.692	0.802	0.912	0.725
2003							0.465	0.579	0.680	0.782	0.910	0.712

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 10.1
Household Size

	Equivalized income quintile						Education of household head			
	1	2	3	4	5	Mean	Low	Medium	High	Mean
1989	3.83	3.38	3.19	3.10	2.82	3.23	3.15	3.42	3.44	3.24
1992	4.15	3.36	3.11	2.94	2.75	3.20	3.12	3.44	3.32	3.22
1995	4.09	3.38	3.17	2.97	2.72	3.20	3.10	3.44	3.16	3.20
1998	4.26	3.41	3.17	2.87	2.62	3.17	3.15	3.30	2.92	3.17
2000	4.35	3.59	3.10	2.78	2.52	3.15	3.12	3.30	2.93	3.15
2001	4.31	3.54	3.10	2.72	2.49	3.11	3.09	3.24	2.90	3.11
2002	4.26	3.54	3.02	2.70	2.42	3.06	3.04	3.21	2.81	3.06
2003	4.09	3.50	3.08	2.67	2.40	3.03	3.02	3.15	2.84	3.04

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 10.2
Number of Children

	Parental income quintile						Parental education			
	1	2	3	4	5	Mean	Low	Medium	High	Mean
1989	1.42	1.43	1.41	1.41	1.41	1.41	1.53	1.33	1.34	1.42
1992	1.43	1.42	1.32	1.28	1.34	1.36	1.45	1.28	1.32	1.36
1995	1.37	1.36	1.26	1.33	1.37	1.34	1.47	1.30	1.14	1.34
1998	1.44	1.36	1.28	1.20	1.29	1.32	1.60	1.21	1.05	1.32
2000	1.31	1.31	1.17	1.19	1.16	1.23	1.46	1.15	0.91	1.22
2001	1.39	1.28	1.25	1.20	1.21	1.26	1.55	1.15	0.96	1.26
2002	1.25	1.33	1.28	1.27	1.12	1.25	1.57	1.14	0.85	1.25
2003	1.14	1.18	1.28	1.29	1.19	1.21	1.52	1.12	0.85	1.21

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 10.3
Dependency Rates
Income Earners over Household Size

	Equivalized income quintile						Education of household head			
	1	2	3	4	5	Mean	Low	Medium	High	Mean
1989	0.56	0.66	0.70	0.71	0.76	0.68	0.72	0.61	0.63	0.68
1992	0.50	0.66	0.71	0.76	0.77	0.69	0.72	0.63	0.65	0.68
1995	0.50	0.65	0.73	0.76	0.79	0.70	0.73	0.64	0.68	0.70
1998	0.47	0.63	0.71	0.76	0.80	0.69	0.71	0.65	0.71	0.69
2000	0.46	0.62	0.71	0.77	0.81	0.70	0.72	0.65	0.71	0.70
2001	0.46	0.61	0.70	0.78	0.81	0.70	0.72	0.66	0.72	0.70
2002	0.47	0.60	0.71	0.77	0.82	0.70	0.72	0.66	0.72	0.70
2003	0.49	0.61	0.70	0.77	0.82	0.70	0.72	0.66	0.71	0.70

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 10.4
Mean Age

	Equivalized income quintile					
	1	2	3	4	5	Mean
1989	30.63	34.92	37.09	36.01	37.79	35.29
1992	28.74	35.23	37.69	38.65	39.13	35.89
1995	28.68	35.31	38.34	39.09	39.84	36.25
1998	26.42	33.65	36.52	37.96	39.70	34.85
2000	27.08	33.28	37.86	39.95	42.33	36.13
2001	26.26	33.15	37.60	40.94	41.89	35.97
2002	26.71	32.65	38.38	41.32	43.52	36.52
2003	27.80	33.04	37.48	41.70	44.06	36.82

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 10.5
Correlation between Couples

	Years of education (i)	Hourly wages (ii)	Hours	
			All (iii)	Workers (iv)
1989	0.595	0.413	0.129	0.143
1992	0.567	0.125	0.139	0.139
1995	0.622	0.319	0.245	0.148
1998	0.607	0.291	0.225	0.122
2000	0.618	0.302	0.152	0.152
2001	0.668	0.358	0.239	0.142
2002	0.661	0.245	0.231	0.132
2003	0.664	0.323	0.239	0.146

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.1
Poverty Profile
Demographics
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Population share	94.7	5.3	68.7	31.3
Population share by age				
[0,15]	89.9	10.1	47.9	52.1
[16,25]	93.1	6.9	62.6	37.4
[26,40]	94.8	5.2	66.9	33.1
[41,64]	96.7	3.3	78.0	22.0
[65+]	99.3	0.7	90.1	9.9
Age distribution				
[0,15]	21.1	42.3	15.5	37.0
[16,25]	14.9	19.7	13.8	18.2
[26,40]	19.7	19.3	19.2	20.9
[41,64]	27.4	16.7	30.4	18.9
[65+]	16.9	2.0	21.1	5.1
Total	100.0	100.0	100.0	100.0
Mean age	37.6	22.7	41.7	26.1
Gender				
Share males	0.468	0.489	0.462	0.482
Household size and structure				
Family size	3.0	4.8	2.6	4.5
Children (<12)	1.1	2.4	0.9	1.9
Dependency rate	0.71	0.36	0.76	0.46
Female-headed hh.	0.33	0.24	0.35	0.26

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.2
Poverty Profile
Regions
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Regions				
Population share				
Montevideo	93.2	6.8	70.2	29.8
Int. Norte	96.8	3.2	61.4	38.6
Int. Centro-Norte	95.7	4.3	59.6	40.4
Int. Centro-Sur	96.7	3.3	73.1	26.9
Int. Sur	98.4	1.6	73.1	26.9
Distribution				
Montevideo	59.0	76.6	61.2	57.1
Int. Norte	8.8	5.2	7.7	10.7
Int. Centro-Norte	12.2	9.8	10.5	15.6
Int. Centro-Sur	8.3	5.0	8.6	7.0
Int. Sur	11.7	3.4	12.0	9.7
Total	100.0	100.0	100.0	100.0

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.3
Poverty Profile
Housing
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Home ownership	0.682	0.479	0.731	0.472
Number of rooms	3.351	2.901	3.414	3.047
Persons per room	0.961	1.934	0.818	1.645
Poor housing	0.011	0.012	0.010	0.017
Water	0.983	0.951	0.986	0.966
Hygienic restrooms	0.956	0.818	0.975	0.866
Sewerage	0.658	0.363	0.700	0.456
Telephone	0.724	0.369	0.778	0.468

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.4
Poverty Profile
Education
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor	Poor	Non-poor	Poor
	(i)	(ii)	(iii)	(iv)
Years of education				
Total	7.6	4.8	8.3	5.4
[10,20]	7.5	6.2	8.0	6.6
[21,30]	10.6	7.5	11.4	8.3
[31,40]	10.3	7.2	11.3	8.0
[41,50]	9.9	6.8	10.6	7.5
[51,60]	8.7	6.2	9.1	6.4
[61+]	6.6	5.3	6.8	4.8
Educational groups				
Adults				
Low	42.0	74.8	35.6	65.28
Medium	39.5	23.5	41.5	31.34
High	18.5	1.7	23.0	3.38
Total	100.0	100.0	100.0	100.0
Male adults				
Low	43.3	75.8	36.6	66.9
Medium	40.6	22.8	43.3	30.3
High	16.1	1.4	20.1	2.8
Total	100.0	100.0	100.0	100.0
Female adults				
Low	40.9	74.0	34.7	63.9
Medium	38.6	24.1	39.9	32.2
High	20.5	1.9	25.4	3.9
Total	100.0	100.0	100.0	100.0
Household heads				
Low	53.9	75.2	50.4	70.0
Medium	31.5	23.6	32.3	27.2
High	14.6	1.3	17.3	2.8
Total	100.0	100.0	100.0	100.0
Literacy rate	0.98	0.98	0.98	0.98
School attendance				
[3,5]	0.72	0.54	0.79	0.63
[6,12]	0.98	0.99	0.98	0.98
[13,17]	0.87	0.67	0.92	0.77
[18,23]	0.46	0.17	0.55	0.25

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.5
Poverty Profile
Employment
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
In the labor force				
Total	0.465	0.381	0.486	0.406
[16,24]	0.570	0.606	0.564	0.596
[25,55]	0.848	0.767	0.870	0.784
[56+]	0.250	0.426	0.241	0.332
Men [25,55]	0.953	0.944	0.954	0.946
Women [25,55]	0.757	0.615	0.796	0.645
Employed				
Total	0.391	0.237	0.423	0.298
[16,24]	0.361	0.247	0.375	0.326
[25,55]	0.746	0.536	0.785	0.618
[56+]	0.227	0.340	0.222	0.278
Men [25,55]	0.876	0.721	0.889	0.818
Women [25,55]	0.633	0.376	0.695	0.447
Unemployment rate				
Total	0.158	0.378	0.130	0.267
[16,24]	0.366	0.593	0.335	0.453
[25,55]	0.120	0.302	0.097	0.212
[56+]	0.090	0.202	0.078	0.161
Men [25,55]	0.080	0.236	0.069	0.136
Women [25,55]	0.164	0.388	0.127	0.307
Unemployment spell (months)	8.0	7.7	8.1	7.8
Child labor	0.003	0.006	0.001	0.007

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.6
Poverty Profile
Hours, Wages and Earnings
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Worked hours				
Total	41.5	31.9	42.4	37.3
[16,24]	36.9	28.6	37.4	34.8
[25,55]	42.5	33.3	43.5	38.3
[56+]	40.2	27.5	41.1	34.6
Men [25,55]	46.2	36.8	47.1	42.4
Women [25,55]	38.1	27.7	39.5	32.0
Hourly wages				
Total	51.2	19.3	57.3	26.4
[16,24]	27.9	14.5	31.1	19.7
[25,55]	54.1	20.5	60.5	28.2
[56+]	55.7	19.8	60.0	25.2
Men [25,55]	57.5	18.2	66.0	28.3
Women [25,55]	49.9	24.3	54.3	28.1
Earnings				
Total	7904.4	1767.3	9003.8	3472.4
[16,24]	3594.6	1426.4	4072.3	2407.1
[25,55]	8536.1	1882.9	9718.6	3794.5
[56+]	8377.1	1560.8	9127.0	3066.6
Men [25,55]	9856.9	2178.9	11434.8	4405.4
Women [25,55]	6914.5	1403.7	7770.2	2820.6

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.7
Poverty Profile
Employment Structure
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Labor relationship				
Entrepreneur	3.0	0.2	3.8	0.4
Salaried worker	59.7	26.9	63.2	46.0
Self-employed	20.4	32.9	19.1	25.5
Zero income	1.1	2.2	1.1	1.3
Unemployed	15.8	37.8	13.0	26.7
Total	100.0	100.0	100.0	100.0
Labor group				
Entrepreneurs	3.6	0.3	4.3	0.6
Salaried-large firms	33.4	17.0	34.6	27.2
Salaried-public sector	18.7	1.7	21.3	7.8
Self-employed professionals	2.2	0.5	2.7	0.5
Salaried-small firms	18.8	24.6	16.7	27.7
Self-employed unskilled	22.0	52.5	19.2	34.4
Zero income	1.3	3.5	1.2	1.8
Total	100.0	100.0	100.0	100.0
Formality (based on labor group)				
Formal	57.9	19.4	62.9	36.1
Informal	42.1	80.6	37.1	63.9
Total	100.0	100.0	100.0	100.0
Formality (based on social security rights)				
Formal	75.4	26.9	81.0	49.7
Informal	24.6	73.1	19.0	50.3
Total	100.0	100.0	100.0	100.0
Sectors				
Primary activities	4.6	5.2	4.0	6.6
Industry-labor intensive	8.4	7.2	8.1	9.0
Industry-capital intensive	5.4	5.6	5.1	6.1
Construction	6.4	15.7	4.9	12.2
Commerce	21.6	30.9	20.9	24.6
Utilities & transportation	6.9	4.9	7.3	5.2
Skilled services	9.0	6.3	9.8	5.8
Public administration	9.2	1.0	10.2	4.6
Education & Health	19.2	9.2	21.4	10.4
Domestic servants	9.4	13.9	8.2	15.4
Total	100.0	100.0	100.0	100.0
Right to pensions	0.77	0.28	0.82	0.51

Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.8
Poverty Profile
Incomes
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Household per capita income	4696.3	631.1	5831.8	1520.6
Household total income	13962.5	3034.2	15437.2	6792.1
Gini per capita income	0.412	0.166	0.354	0.225
Individual income				
Labor	64.5	61.6	64.4	65.7
Non-labor	35.5	38.4	35.6	34.3
Total	100.0	100.0	100.0	100.0
Labor income				
Salaried work	71.6	53.6	71.4	73.1
Self-employment	18.9	46.3	18.2	25.8
Own firm	9.6	0.0	10.4	1.1
Total	100.0	100.0	100.0	100.0
Non-labor income				
Capital	8.4	1.2	9.2	1.2
Pensions	72.4	26.8	75.4	42.0
Transfers	19.2	72.0	15.4	56.8
Total	100.0	100.0	100.0	100.0

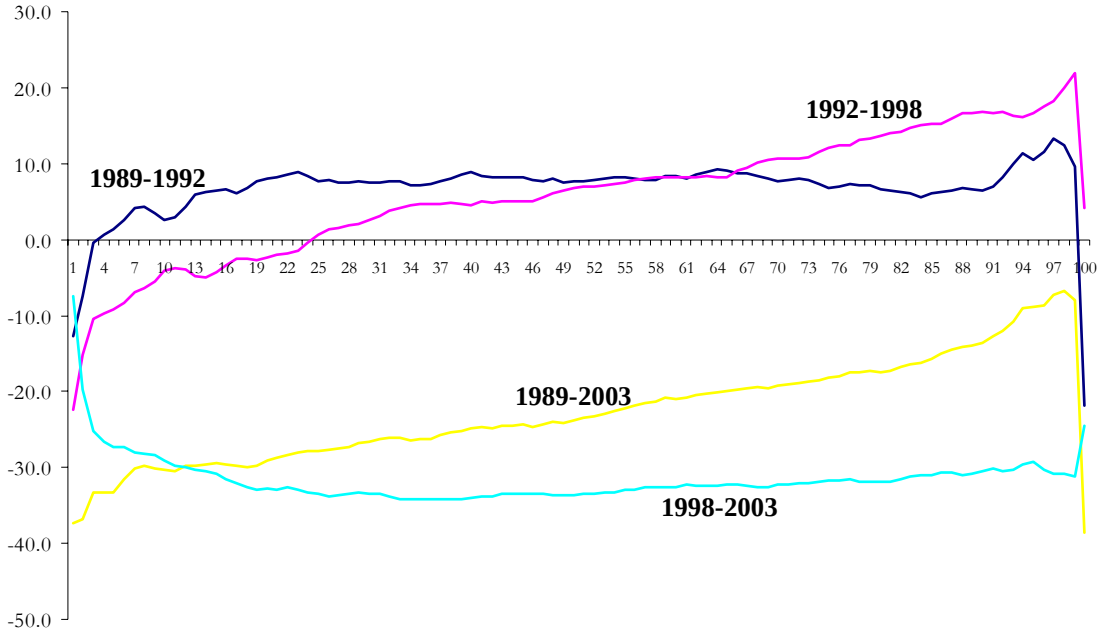
Source: Calculations by CEDLAS based on microdata from the ECH.

Table 11.9
Poverty Profile
Endowments
Uruguay, 2003

	USD 2		Official moderate	
	Non-poor (i)	Poor (ii)	Non-poor (iii)	Poor (iv)
Poor as				
Lack of endowments	0.24	0.48	0.21	0.41
Lack of endowments and income less than 2USD	0.00	0.48	0.00	0.08

Source: Calculations by CEDLAS based on microdata from the ECH.

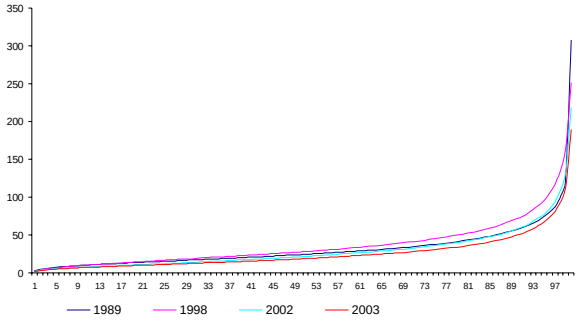
Figure 3.1
Growth Incidence Curves
Household per Capita Income Proportional Changes by Percentile
Uruguay, 1989-2003



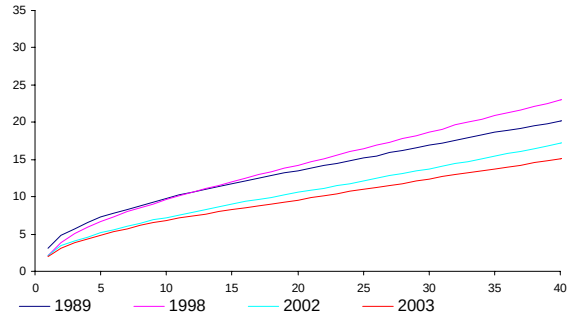
Source: Calculations by CEDLAS based on microdata from the ECH.

Figure 3.2
Pen's Parade Curves
Uruguay, 1989-2003

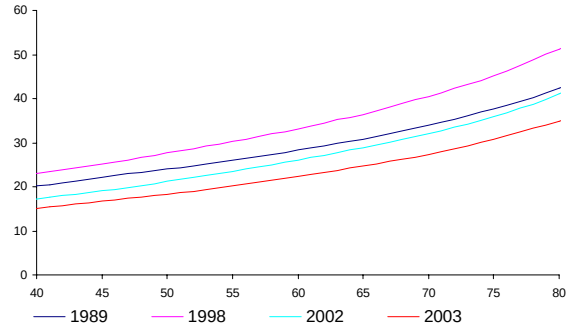
A. All the distribution



B. Percentiles 1 to 40



C. Percentiles 40 to 80



D. Percentiles 80 to 100

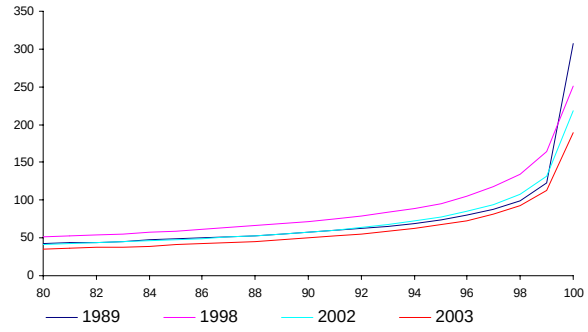
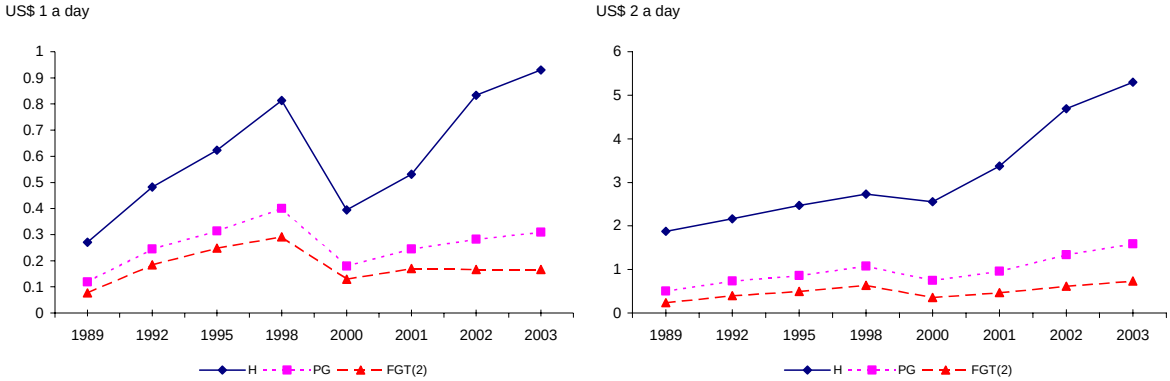
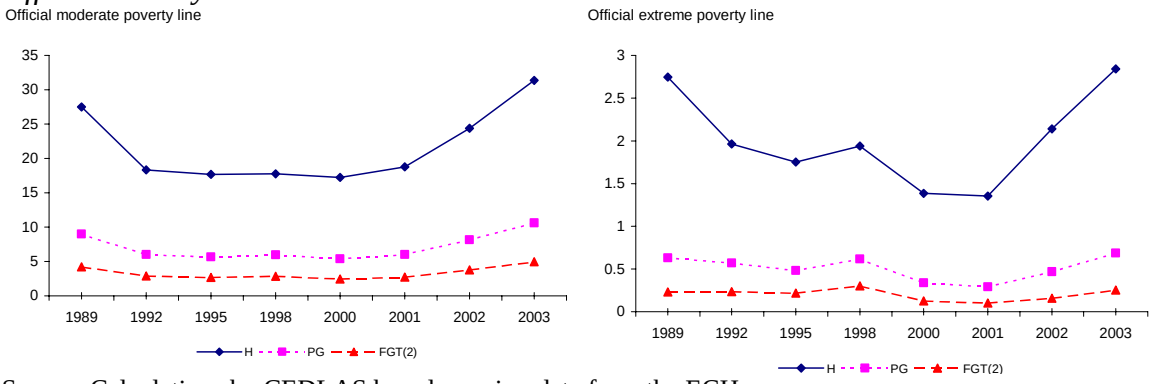


Figure 4.1
Poverty
Uruguay, 1989-2003
US$ 1 and US$ 2 Lines



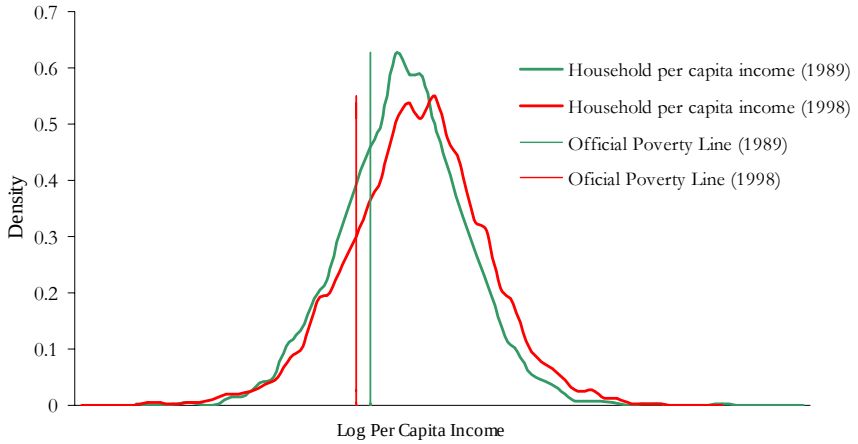
Source: Calculations by CEDLAS based on microdata from the ECH.
Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Figure 4.2
Poverty
Uruguay, 1989-2003
Official Poverty Lines



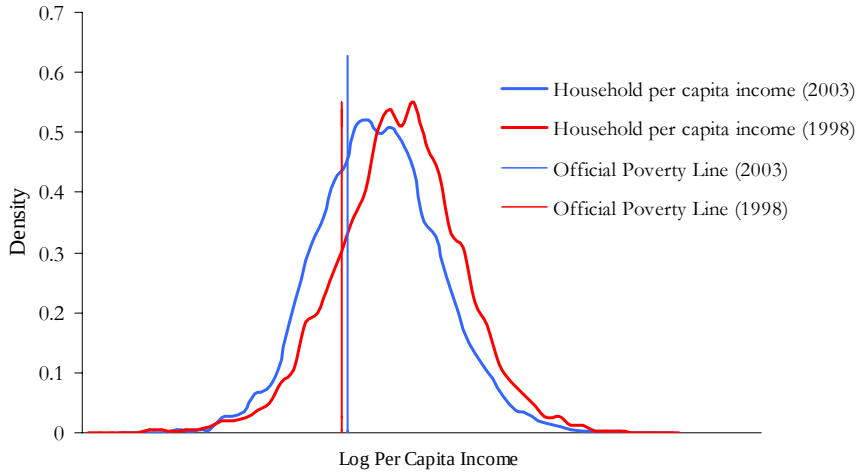
Source: Calculations by CEDLAS based on microdata from the ECH.
Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster, Greer and Thornbecke index with parameter 2.

Figure 4.3
Income Distribution
Kernel Density Functions
Uruguay, 1989-1998



Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Incomes and poverty lines are deflated by the CPI

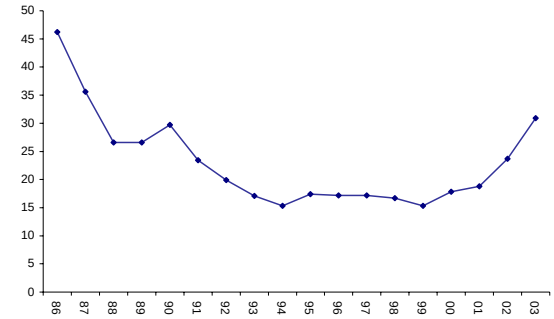
Figure 4.4
Income Distribution
Kernel Density Functions
Uruguay, 1998-2003



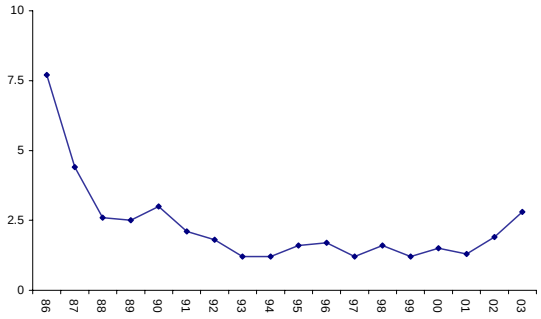
Source: Calculations by CEDLAS based on microdata from the ECH.
Note: Incomes and poverty lines are deflated by the CPI

Figure 4.5
Poverty
Uruguay, 1986-2003
Official Poverty Lines

Official moderate poverty line



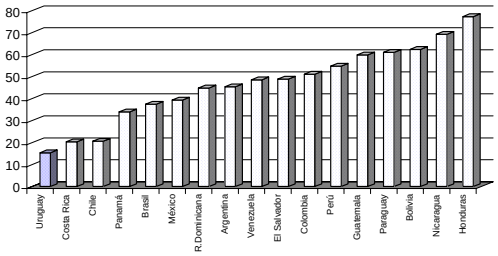
Official extreme poverty line



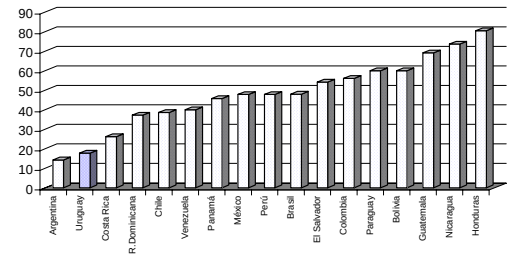
Source: INE (2003, 2003)

Figure 4.7
Poverty Headcount Ratio
LAC Countries
Late 1990s, early 2000s

Around 2002

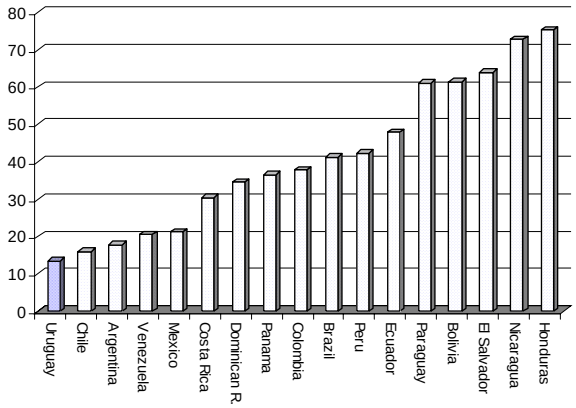


Around 1990



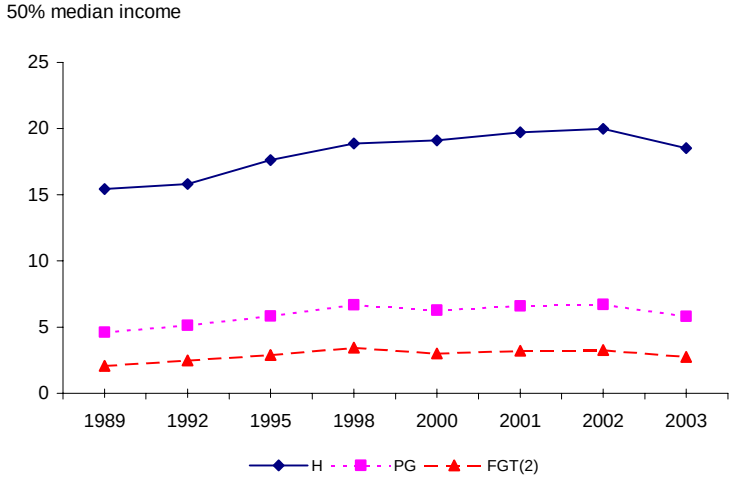
Source: BADEINSO (ECLAC)

Figure 4.8
Poverty Headcount Ratio
LAC Countries
Late 1990s, Early 2000s



Source: Székely (2001).

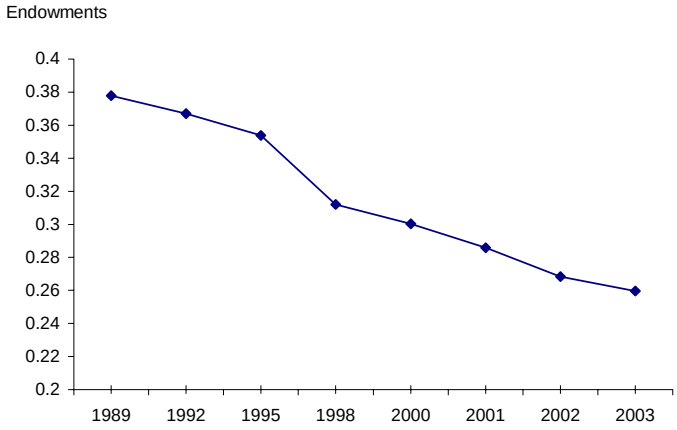
Figure 4.9
Poverty
Uruguay, 1989-2003
50% Median Poverty Line



Source: Calculations by CEDLAS based on microdata from the ECH.
Note: H=headcount ratio, PG=poverty gap, FGT(2)=Foster,
Greer and Thornbecke index with parameter 2.

Figure 4.10

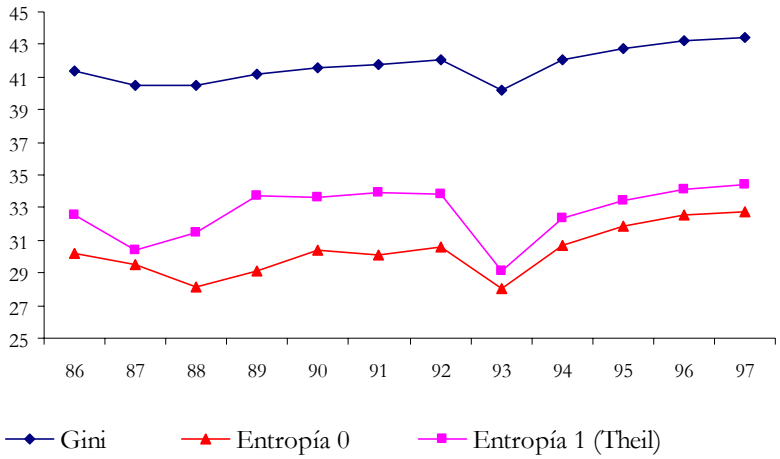
Poverty Indicator
Endowments
Uruguay, 1989-2003



Source: Calculations by CEDLAS based on microdata from the ECH.

Figure 5.1

Inequality
Distribution of Household per Capita Income
Uruguay, 1986-1997

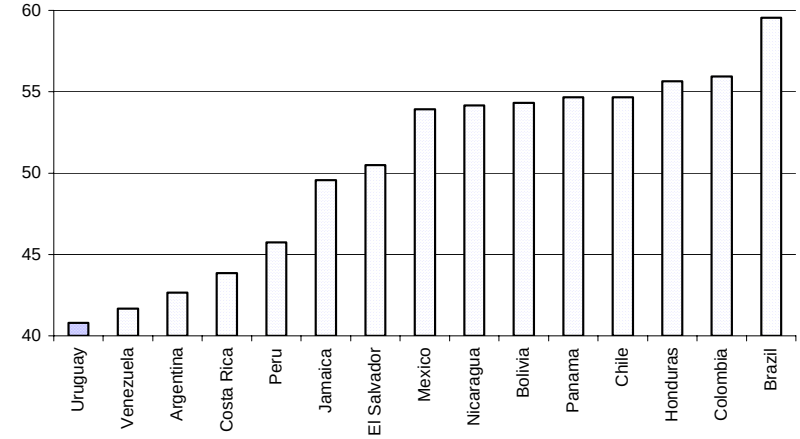


Source: Vigorito (1999)

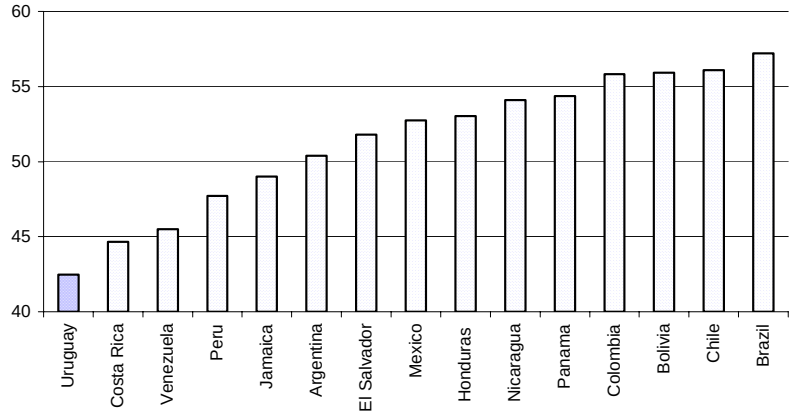
Figure 5.2

Gini Coefficient
Distribution of Household per Capita Income
Around 1990 and around 2000

Early 1990s

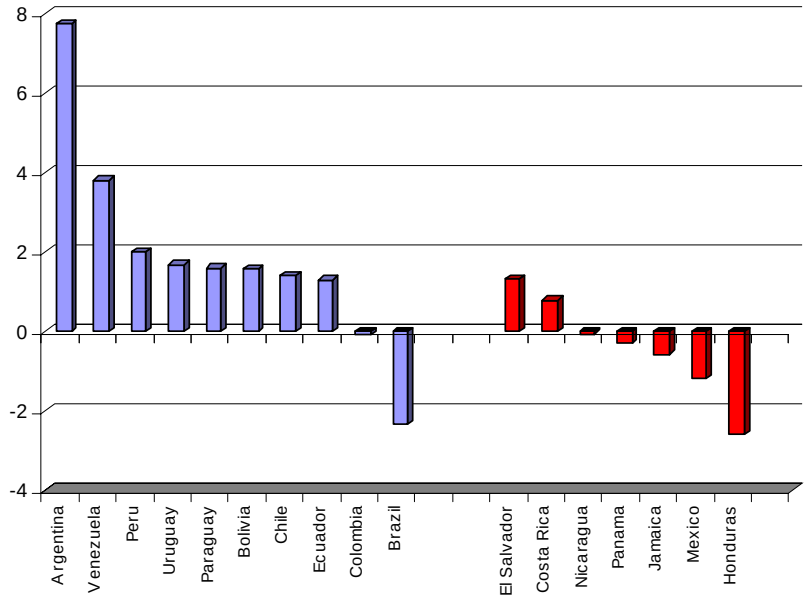


Early 2000s



Source: Estimates by CEDLAS based on Gasparini (2003).

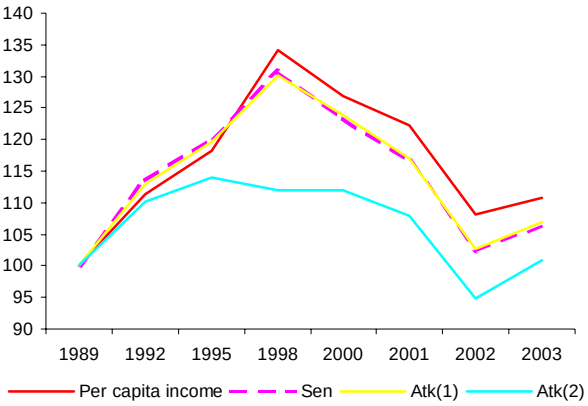
Figure 5.3
Changes in the Gini Coefficient
Between Early 1990s and Early 2000s
Distribution of Household per Capita Income



Source: Estimates by CEDLAS based on Gasparini (2003).

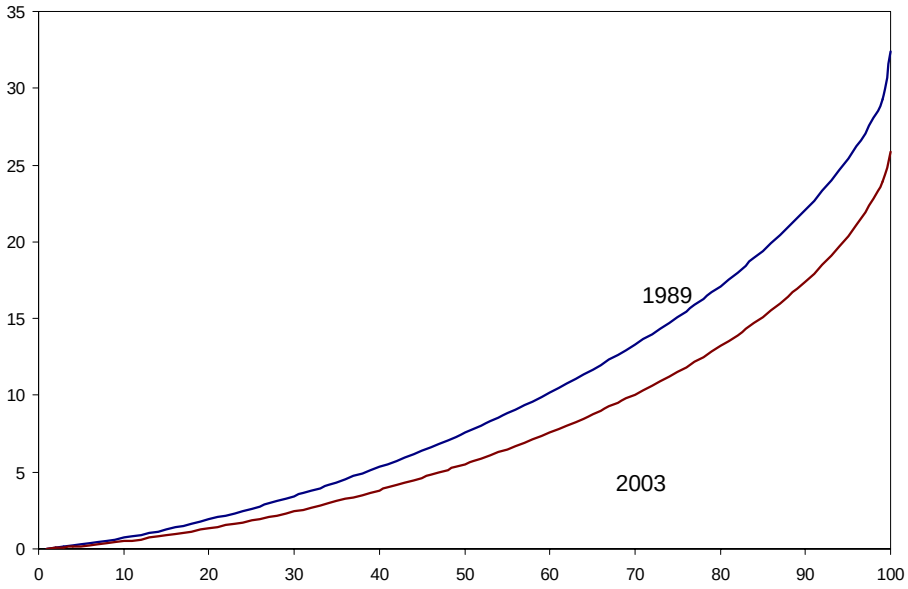
Figure 6.1

Aggregate Welfare, 1989-2003
Inequality from ECH and Mean Income from the National Accounts



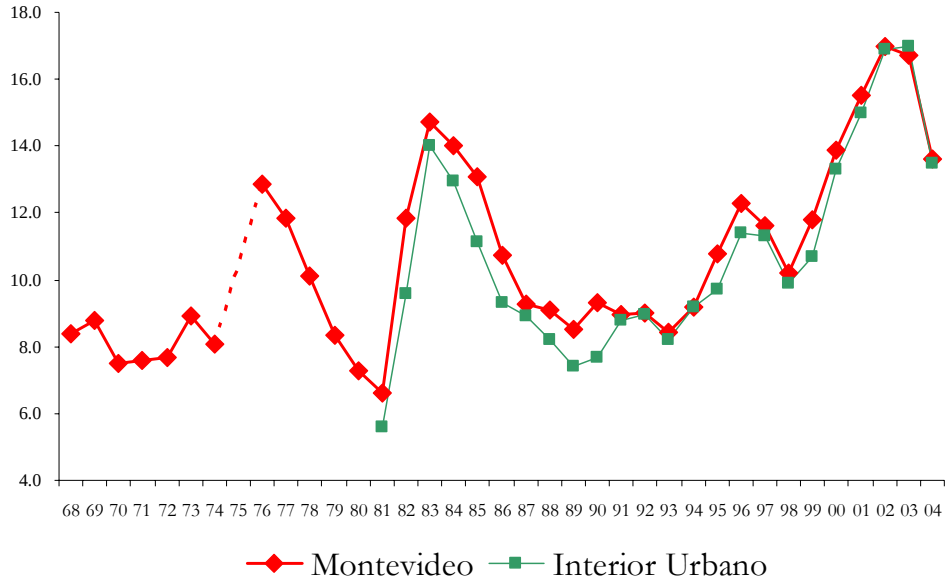
Source: Estimates by CEDLAS based on the ECH and National Accounts.
Note: Atk(e): CES welfare function with parameter e.

Figure 6.2
Generalized Lorenz Curves, 1989 and 2003



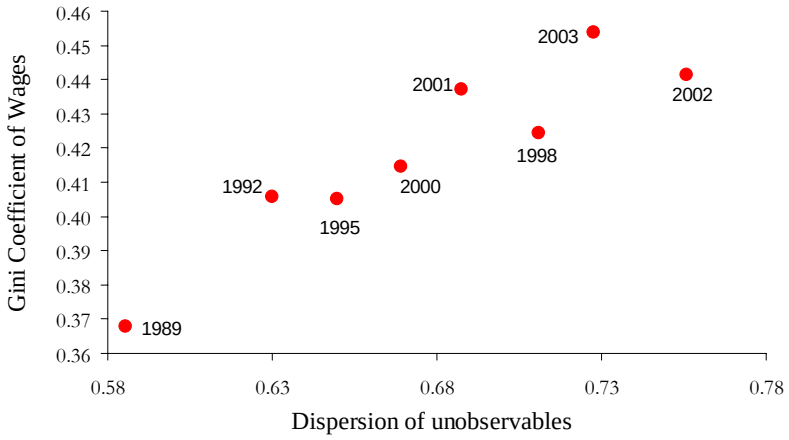
Source: Estimates by CEDLAS based on the ECH

Figure 7.1
Unemployment Rate
Montevideo and Urban Interior, 1968-2004



Source: INE

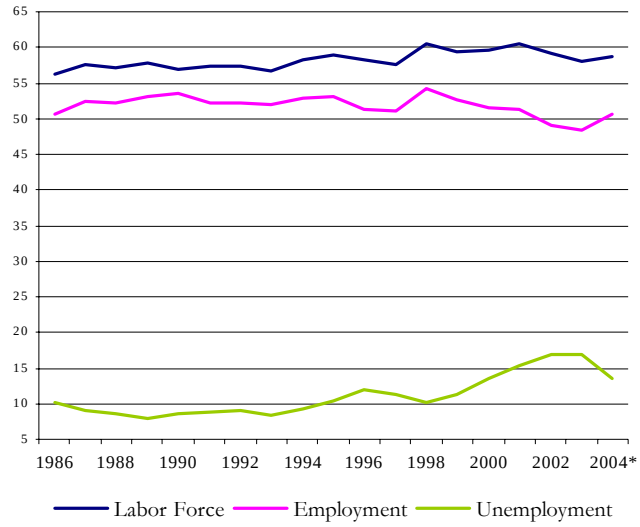
Figure 7.2
Gini Coefficient of Wages and Dispersion of Unobservables
Uruguay, 1989-2003



Source: Estimates by CEDLAS based on the ECH

Figure 7.3

Labor Force, Employment and Unemployment
Uruguay, 1986-2004



* It includes only the first half of the year
Source: INE

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