Regional Human Development Report for Latin America
and the Caribbean: Update policy note

Applying PovRisk tool to
15 countries in Latin America

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Empowered lives.
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This special policy note is a follow-up to the Regional Human Development Report for Latin America and the Caribbean 2016, and provides an updated analysis on poverty transitions and mobility in 15 Latin American countries during the period circa 2013 and 2015.

Applying PovRisk tool to 15 countries in Latin America

**Regional Human Development Report for
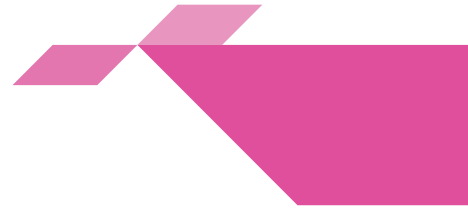Latin America and the Caribbean: Update policy note**

Published for the
United Nations
Development
Programme
(UNDP)

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Measuring social transformation during the boom

Since the catastrophic debt crisis of the early 1980s, the experience of Latin American countries has, on the whole, been one of profound and positive transformation. On the economic front, most countries gradually accelerated trade liberalization and moved towards macroeconomic stability. This, coupled with greater prudence in the design of fiscal and monetary policies, contributed to a new found resilience to external economic crises. Greater openness to trade also allowed countries to reap the benefits of the rise in commodity prices between 2003-2013. In a region where the export of agricultural raw materials, energy and metals accounts for half of the value of total exports, the rise in global demand and the price of these goods led to an improvement in the terms of trade, which saw the region grow at an average annual rate of 3.9 percent over the decade (see Figure 1).

FIGURE 1

Average economic growth in Latin America during the commodity price boom experienced between 2003 and 2013 was the highest of the last four decades; in 12 of the 17 countries considered, the rate of growth exceeded the regional average.

Average annual growth rate of total GDP at constant prices (percentages) in Latin America, 2003-2013
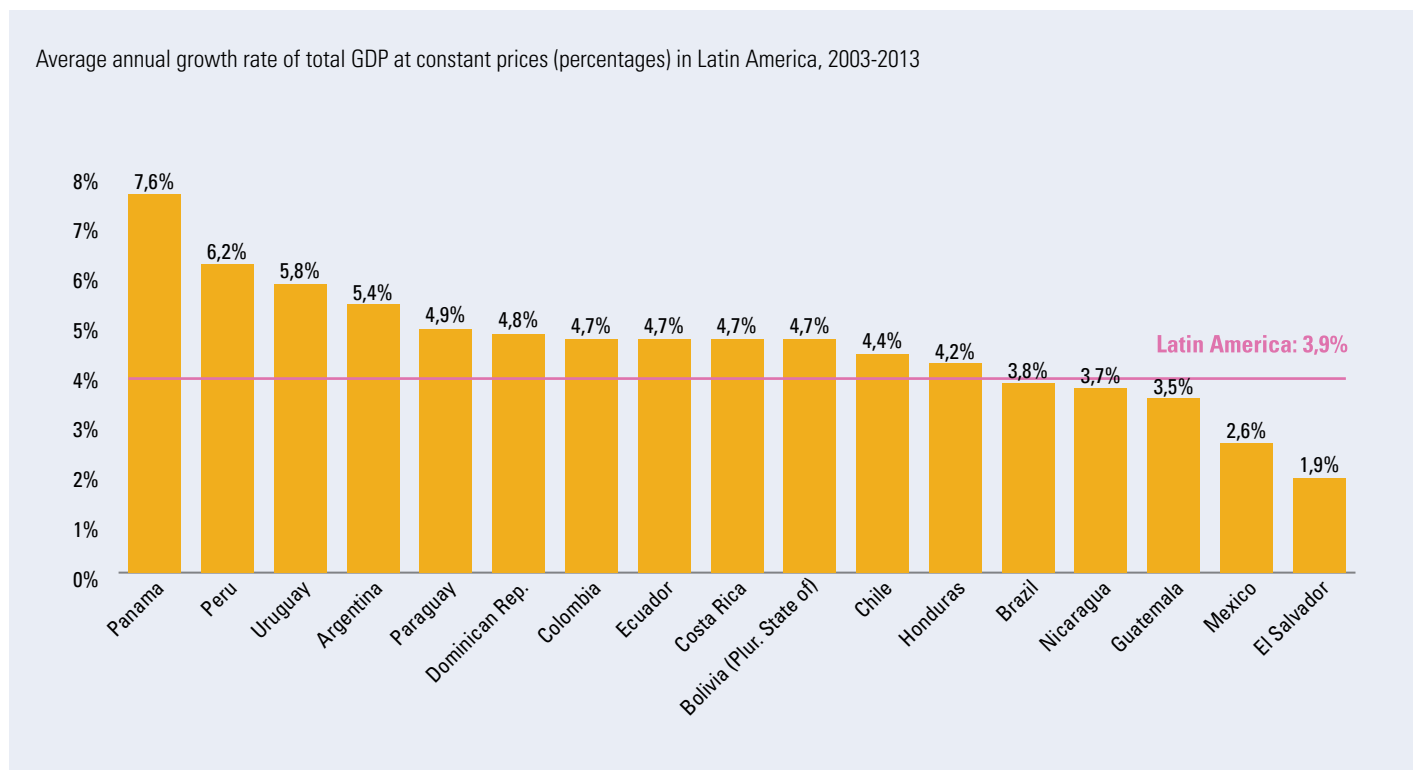
Source: CEPALSTAT, Economic Commission for Latin America and the Caribbean (ECLAC), updated March 2017.
Note: The data for Latin America refers to the 17 countries included in the figure plus Cuba, Haiti and Venezuela (Bolivarian Republic of).

This trend in economic growth coincided with a marked increase, since the second half of the 1990s, in social development policies across the region focusing on the eradication of the intergenerational transmission of poverty. In particular, the human development achievements of this period were built on investments that widened the coverage of education and health services. Direct cash transfer schemes were targeted at the child and adolescent population to encourage greater school attendance and the creation of essential health checks, as well as at those older adults who could not rely on pension benefits or savings in their retirement. This redirection of social policy brought about a significant increase in public expenditure on social services. For example, taking the whole region, per capita public social spending increased at an average annual real rate of 4.7 percent during the boom years (see Figure 2), while as a percentage of gross domestic product (GDP) it increased 1.3 percentage points from 8.6 percent to 9.9 percent; with more than a third of this being due to the expansion of social protection spending.[1]

The data presented in the 2016 Regional Human Development Report for Latin America and the Caribbean (UNDP 2016) further highlights that, over the 2003-2013 period, not only did social spending increase, but that it was also increasingly pro-poor. In particular, lower income populations benefited more from the widening of education coverage that began in the 1990s. This also facilitated an expansion of the

FIGURE 2

The acceleration of economic growth was accompanied by a significant increase in social public spending per capita in the majority of the countries considered
Source: CEPALSTAT, ECLAC, updated May 2017.

Average annual rate of growth of central government social public spending per capita in dollars at constant prices of 2010 (in percentages) in Latin America, circa 2003-2013

Latin America: 4,7%

Ecuador 21,6% | Dominican Rep. 12,1% | Panama 11,0% | Paraguay 10,9% | Colombia 8,9% | Nicaragua 8,4% | Argentina 7,6% | Uruguay 5,0% | Mexico 5,0% | Peru 4,9% | Chile 4,2% | Bolivia (Plur. State of) 2,9% | Guatemala 2,6% | Brazil 2,3% | Honduras 2,2% | Costa Rica 1,8% | El Salvador 1,3%
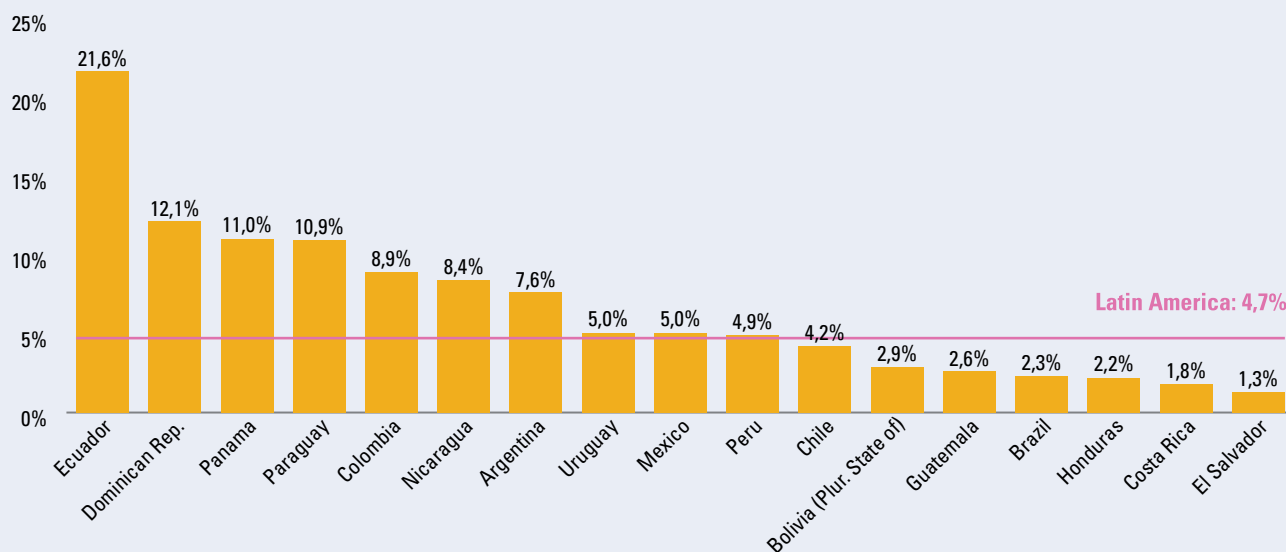
Note: The data for Latin America refers to the 17 countries included in the figure plus Haiti and Venezuela (Bolivarian Republic of). The period considered is 2003-2013 for all countries, with the exception of Paraguay (2007-2013), Peru (2005-2013) and Uruguay (2011-2013). While the average annual rate of 5 percent for Uruguay was calculated on the basis of data available in CEPALSTAT for only two years, this data is consistent with that for the period 2000-2011 (5.9 percent), calculated on the basis of previously published CEPALSTAT data, and updated in March 2015.

relative supply of a better educated workforce (Cruces, Domench, y Gasparini, 2014).[2] In this relatively more qualified labor market the boom in raw materials resulted in a real wage growth that benefited the poor. Between 2003 and 2013, real hourly salaries rose by 63 percent among the extremely poor population, by 43 percent among the moderately poor, and by 38 percent among the vulnerable population. In contrast, pay for the middle class only rose by 9 percent (see Figure 3). If, in addition to the impact of real wage growth, we consider the expansion of cash transfers, we observe a real increase in income per capita that was of greater benefit to the poorest people, who are generally the focus of such transfers.

Overall, the entire population experienced a real growth in wages, although this growth was significantly greater among lower income groups. In addition to the pro-poor nature of this, the wage increase was higher among women participating in the labor market

Real hourly wage growth of the economically active total population between 25 and 55 years of age according to gender and income group, as well as rate of growth of household per capita income according to income group (in percentages) in Latin America, 2003-2013
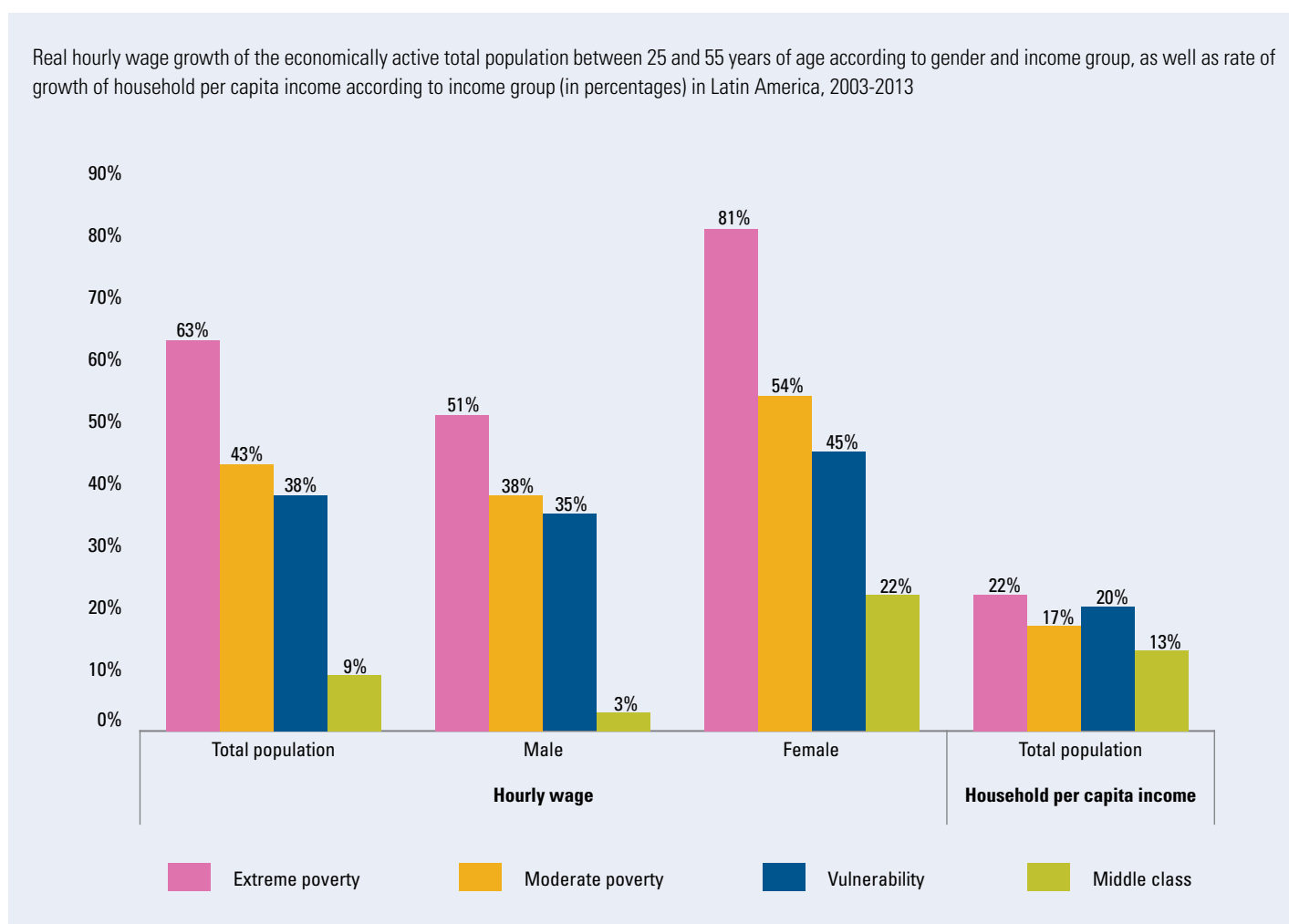
Source: Prepared by the authors based on Center for Distributive, Labor and Social Studies (CEDLAS) estimates using information obtained from the Socio-Economic Database for Latin America and the Caribbean - SEDLAC (CEDLAS and the World Bank).
Note: The data shows the weighted averages of the rates of growth of the hourly wage and of the per capita income recorded in 17 countries of Latin America circa 2013 and the hourly wage and per capita income recorded in 15 countries of the region circa 2003: Argentina (2014), Bolivia (Plurinational State of) (2002 and 2013), Brazil (2003 and 2013), Chile (2013), Colombia (2003 and 2013), Costa Rica (2002 and 2013), Ecuador (2003 and 2014), El Salvador (1998 and 2013), Guatemala (2000 and 2011), Honduras (2003 and 2013), Mexico (2000 and 2012), Nicaragua (2001 and 2009), Panama (2001 and 2013), Paraguay (2004 and 2013), Peru (2004 and 2013), Dominican Republic (2003 and 2013) and Uruguay (2004 and 2014). The data for the Bolivarian Republic of Venezuela are not included for reasons of statistical consistency. The said rates of growth are calculated based on the hourly wage and the per capita income expressed in dollars adjusted by the parity of purchasing power. The income groups are defined on the basis of lines and ranges of per capita income per day established in dollars and adjusted by the parity of purchasing power: population living in extreme poverty (less than US$2.5 per day), population living in moderate poverty (US$2.5-US$4 per day), vulnerable population (US$4-10 per day) and middle class (US$10-US$50 per day).

While this increase in wages favored the poor, it also benefited women more than men. The hourly wages of female workers living in extreme and moderate poverty increased by 81 percent and 54 percent respectively, whereas that of men in the same circumstances increased by 51 percent and 38 percent respectively.

What was the impact of the previous decade's economic growth and increased social spending on the main well-being indicators? As pointed out in several papers (see Ferreira et al., 2013; López-Calva et al., 2014; Cord, Genoni and Rodríguez-Castelán, 2015; Stampini et al., 2016; UNDP, 2016), during the 2003-2013 period, Latin America achieved both the lowest incidence of poverty on record and the expansion of the middle class. During these years, the proportion of the population living in total poverty—i.e. those that live on an income of less than US$4 per day—fell 17.4 percentage points from 41.5 percent in 2003 to 24.1 percent in 2013. Furthermore, three-quarters of this fall (some 13 percentage points) occurred in those classified as being extremely poor—those living on less than US$2.5 per person per day—the proportion of which fell from 24.2 percent to 11.2 percent. The proportion of the middle class population—that with a daily income of between US$10 and US$50 per person per day—expanded by 13.5 percentage points, increasing from 21.2 percent in 2003 to 34.7 percent in 2013 (see figure 4).

The dynamism of the regional economy in these years was key to these changes. Firstly, it promoted the increase in household income, primarily through salaries; and secondly, it contributed to the accumulation of savings and reserves by these countries. This accumulation enabled governments in the region to implement counter-cyclical policies to stimulate internal demand in response to the 2009 crisis—which caused regional GDP to contract by 1.6 percent. As a result of these policies, and in contrast with what had happened in the past, the social progress recorded until 2009 was almost unaffected. Another key factor in income growth was social spending channeled through direct cash transfers, which enabled the most disadvantaged populations to generate more disposable income. Income growth, as suggested by a decomposition exercise, accounts for around three quarters of both the fall in poverty and the expansion of the middle class. What then explains the rest of the decline in poverty and the expansion of the middle class? The same exercise reveals that one quarter of the change observed in these income groups was the result of better distribution.[3] That is, both the effects derived from economic and labor market growth, and those arising from social policy favored the poor in a way that could have promoted a fairer income distribution.

Indeed, in terms of inequality, this decade was a golden period with significant falls in income inequality. The Gini coefficient of per capita household income fell from 0.541 to 0.493 between 2003 and 2013, a reduction equivalent to an average annual reduction of close to 0.9 percent.[4] This result, which is at the level of households and does not reflect inequalities in other areas unconnected to household income,[5] is significant. It is significant because it occurred across practically all the countries in the most unequal region in the world, and at a time when household income concentration was increasing in other regions (Lustig, López-Calva and Ortiz-Juárez, 2016). The Gini coefficient for the region in 2013 (0.493) was the lowest recorded since the end of the nineteenth century (Williamson, 2015). It is therefore impressive that during the boom, in a region that has been historically plagued by pro-cyclical inequality, inequality declined at the same time as the economy expanded.

What has happened in Latin America since 2013?

The post-2013 period saw a dramatic deterioration in the economic environment compared to the previous decade. In the wake of a drastic fall in global demand for and prices of raw materials, regional economic growth slowed down and contracted by 0.5 percent in 2015. As a result, the annual average growth rate from 2014-2015 was 0.2 percent. Given the importance of economic growth to social development through wage income and its impact on poverty reduction and social

mobility during the boom, economic deterioration was expected to result in a slowing down or reversal of social development gains.

Based on the data available up to 2015, the relative size of the middle class remains almost unchanged, which seems to indicate stagnation for the first time since 2003. However, in absolute terms, 3.2 million people have joined the middle class since 2013, bringing this income group to a regional total of 195 million people in 2015.[6] The proportion of people living in poverty fell marginally between 2013 and 2015. The percentage of people living in total income poverty—those who rely on an income of less than US$4 a day—fell half a percentage point, while the percentage of people who find themselves living in extreme poverty—those who have an income of less than US$2.5 per day—remained practically unchanged at around 11 percent (see Figure 4 and Income Pyramid 1). Although the decreasing relative trend in the proportion of people who live in poverty has not reversed, the absolute incidence of poverty registered a slight upturn for the first time during the period analyzed. In the region, between 2013 and 2015, nearly 160,000 people fell below the poverty threshold (US$4 per person per day).

FIGURE 4

After the boom, and in the context of the slowdown in regional economic growth, the proportion of the population living in poverty and in the middle class population remained practically unchanged, revealing a marked stagnation for the first time since 2003.
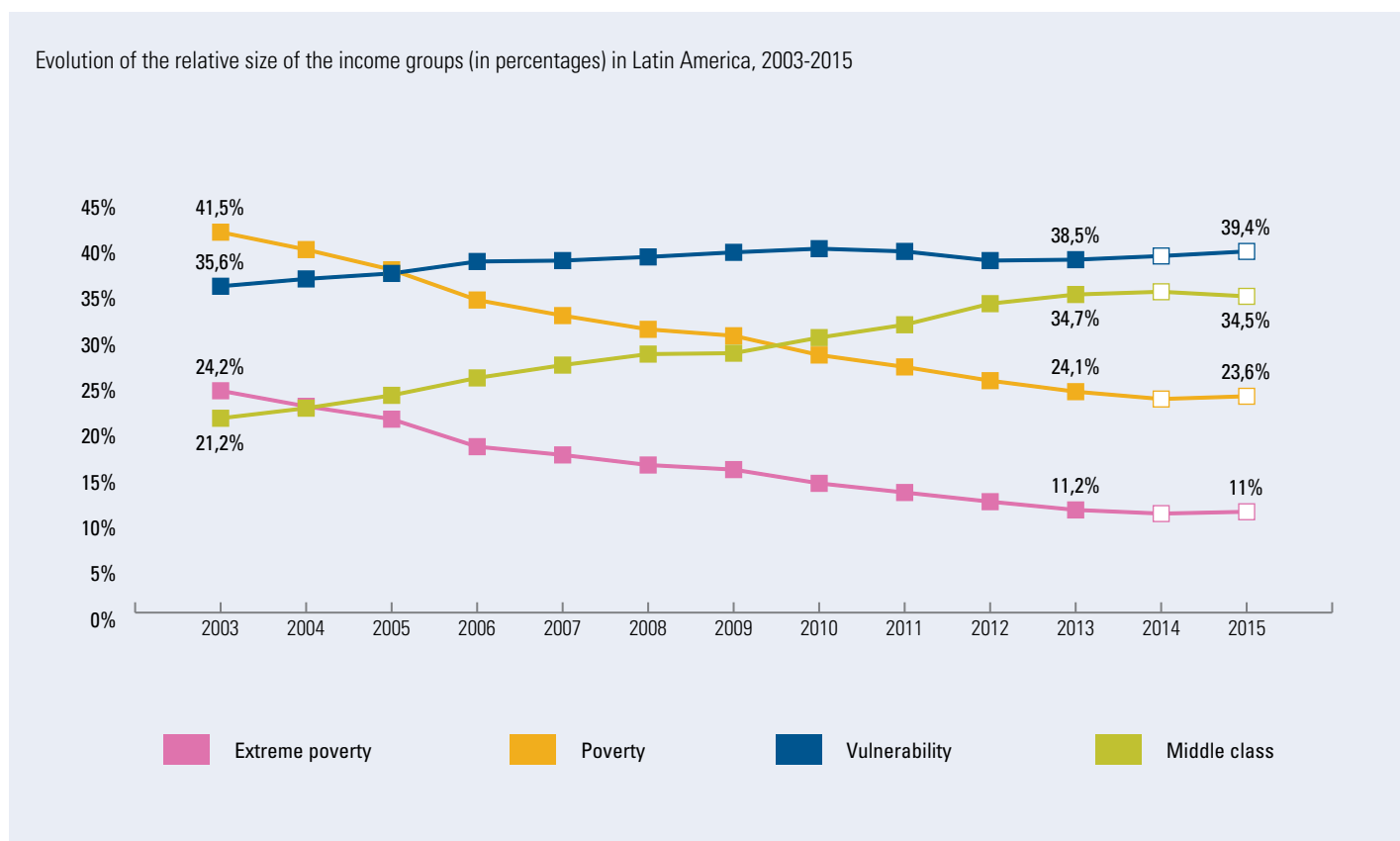
Evolution of the relative size of the income groups (in percentages) in Latin America, 2003-2015

Source: LAC Equity Lab of the World Bank based on SEDLAC (CEDLAS and the World Bank), April 2016 update.
Note: The figures refer to the aggregate of the following 17 countries: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Dominican Republic and Uruguay. Data for the Bolivarian Republic of Venezuela are not included for reasons of statistical consistency. The income groups are defined on the basis of lines and ranges of per capita income per day established in dollars and adjusted for purchasing power parity of the: population living in extreme poverty (less than US$2.5 per day), population living in poverty (less than US$4 per day), vulnerable population (US$4-10 per day) and middle class (US$10-US$50 per day). The population grouping of those in poverty includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

Changes in the income pyramid by zone of residence (in percentages and millions of people) in Latin America, 2003, 2013 and 2015

	2003			**2013**			**2015**
	Total population 489,4 million			Total population 554,1 million			Total population 566,5 million

	2003	2013	2015
Remainder (more than US$50 per day)	1,7%	2,7%	2,5%
Middle class (US$10 to US$50 per day)	21,2%	34,7%	34,5%
Vulnerability (US$4 to US$10 per day)	35,6%	38,5%	39,4%
Moderate poverty (US$2,5 to US$4 per day)	17,3%	12,9%	12,6%
Extreme poverty (US$0 to US$2,5 per day)	24,2%	11,2%	11,0%

Rural population / **Urban population** / Total percentage

Legend:
- Remainder (more than US$50 per day)
- Middle class (US$10 to US$50 per day)
- Vulnerability (US$4 to US$10 per day)
- Moderate poverty (US$2,5 to US$4 per day)
- Extreme poverty (US$0 to US$2,5 per day)
- = one million

Source: LAC Equity Lab of the World Bank based on SEDLAC (CEDLAS and the World Bank), updated April 2016.
Note: The data refer to the compound aggregate for the following 17 countries of Latin America: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, and Uruguay. The data for Venezuela (Bolivarian Republic of) are not included for reasons of statistical consistency. The income groups are defined based on daily per capital income thresholds established in dollars and adjusted for purchasing power parity: population in situation of extreme poverty (less than US$2.5 per day), population in situation of poverty (less than US$4 per day), vulnerable population (from US$4 to US$10 per day) and middle class (from US$10 to US$50 per day). The population grouping of those in poverty includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

A breakdown of this data by income poverty type (extreme or moderate) shows that 260,000 people joined the population in extreme poverty, while 100,000 people moved up out of the moderate poverty income group. The net result of these changes is that 160,000 people joined the worst-off groups, suggesting that this was principally the result of a deterioration in the incomes of the poorest. Although this absolute increase is very low in relation to the magnitude of the economic slowdown and to the influence that the reduction in economic growth exerts on poverty, the result clearly contrasts with the net aggregate changes recorded during the boom. In the 2003-2013 period, an average of around 7 million people left poverty each year with 5.6 million escaping extreme poverty and 1.3 million coming out of moderate poverty (i.e. the income range between US$2.5 and US$4 per person per day).

Given the unfavorable economic environment, why was the increase in the absolute incidence of regional poverty so low? The answer to this question lies in the country results rather than the regional aggregates. Essentially, the regional figures for economic growth during 2014 and 2015 are skewed by the relative weight of two of the largest countries, Argentina and Brazil, whose economies were heavily affected by the decline in the demand and prices for raw materials. In contrast, nine countries, mainly in the Andean Region and Central America, had an annual average growth rate of over 3 percent during those years, while the remaining countries had a 2-3 percent annual average growth rate (see Figure 5).

FIGURE 5

The data for the regional aggregate, indicating the economic slowdown and contraction between 2014 and 2015, are skewed by the relative weight of two of the largest economies: Argentina and Brazil. The remaining countries have continued to grow since the boom, especially those in the Andean Region and Central America, whose average annual growth rates are above 3 percent
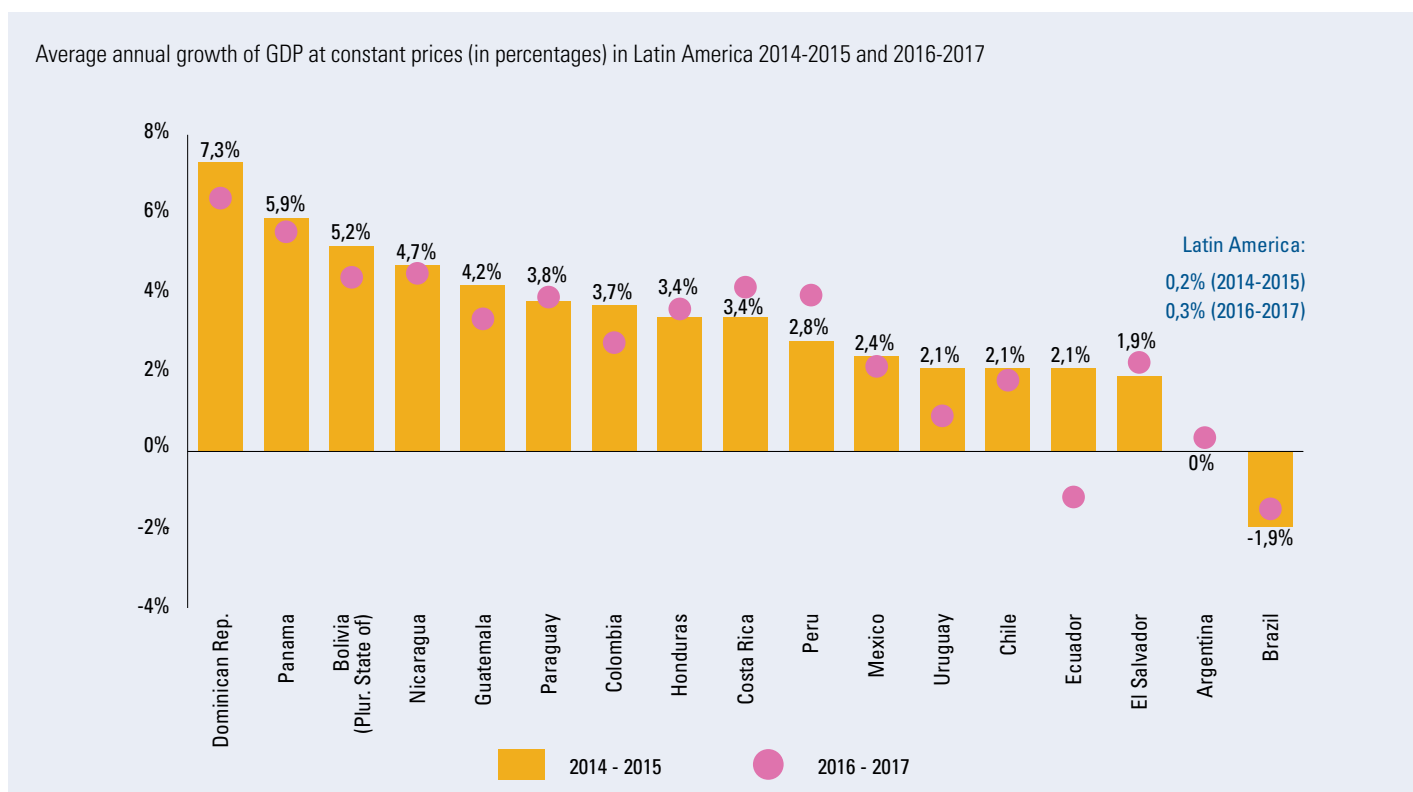
Average annual growth of GDP at constant prices (in percentages) in Latin America 2014-2015 and 2016-2017

Latin America:
0,2% (2014-2015)
0,3% (2016-2017)

Legend: 2014 - 2015, 2016 - 2017

Towards a convergence of social improvements?

The differences in subregional economic performance is reflected in differentiated results for the poor and middle class populations across the region. In the Andean Region, though the rate of decline did slowdown compared to the previous decade, there was a decline in the relative incidence of poverty at the end of the boom (see Figure 6A). Between 2003 and 2013, this sub-region experienced an average annual decline in poverty of 2.3 percentage points, equivalent to 1.7 million people leaving poverty each year. In contrast, between 2013 and 2015 the average annual decline in poverty was 1 percentage point, or 800,000 people annually. With respect to the aggregate of Central America and Mexico, the incidence of poverty, which had remained stagnant since 2007 at around 42 percent, experienced a significant reduction in the period 2013-2015 as, on average, almost 2 million people per year escaped poverty.

Finally, in the Southern Cone countries, which recorded the greatest absolute decline in poverty during the boom (5.1 million people came out of poverty per year), the trend was reversed largely due to the economic slowdown experienced by the two main economies, Argentina and Brazil. The recent changes in the size of the middle class in the three sub-regions closely mirrors the changes in the incidence of poverty. The size of the middle class increased in the Andean Region, although at a slower rate than that recorded during the boom. In Central America and Mexico it increased rapidly following a period of relative stability post-2007, and in the Southern Cone countries it fell (see Figure 6B).

While during the boom practically all of Latin America saw substantial improvements on social and economic indicators, after 2013 the achievements have been more uneven. The aggregate picture for the region exaggerates the performance of some sub-regions, such as the Southern Cone, that once exhibited great gains in poverty reduction and middle class growth, while hiding the progress of others such as Central America, a sub-region with the highest proportions of the population living in poverty and the lowest proportions of middle class population, which recorded moderate advances during the boom. In this geographical area poverty reduction has accelerated since 2013, which, given the reversal in the Southern Cone and the slowdown in the Andean Region, could lead to convergence in terms of decreases in poverty.

FIGURE 6

The economic downturn in the Southern Cone countries has coincided with a spike in post-boom poverty. There has been a continuing downward trend in poverty in the Andean Region, while Central America has seen an increase in the decline of poverty. The middle class has grown in each sub-region as poverty has declined

Trends in the relative size of the population in poverty and middle class by sub-region (in percentages) in Latin America, 2003-2015
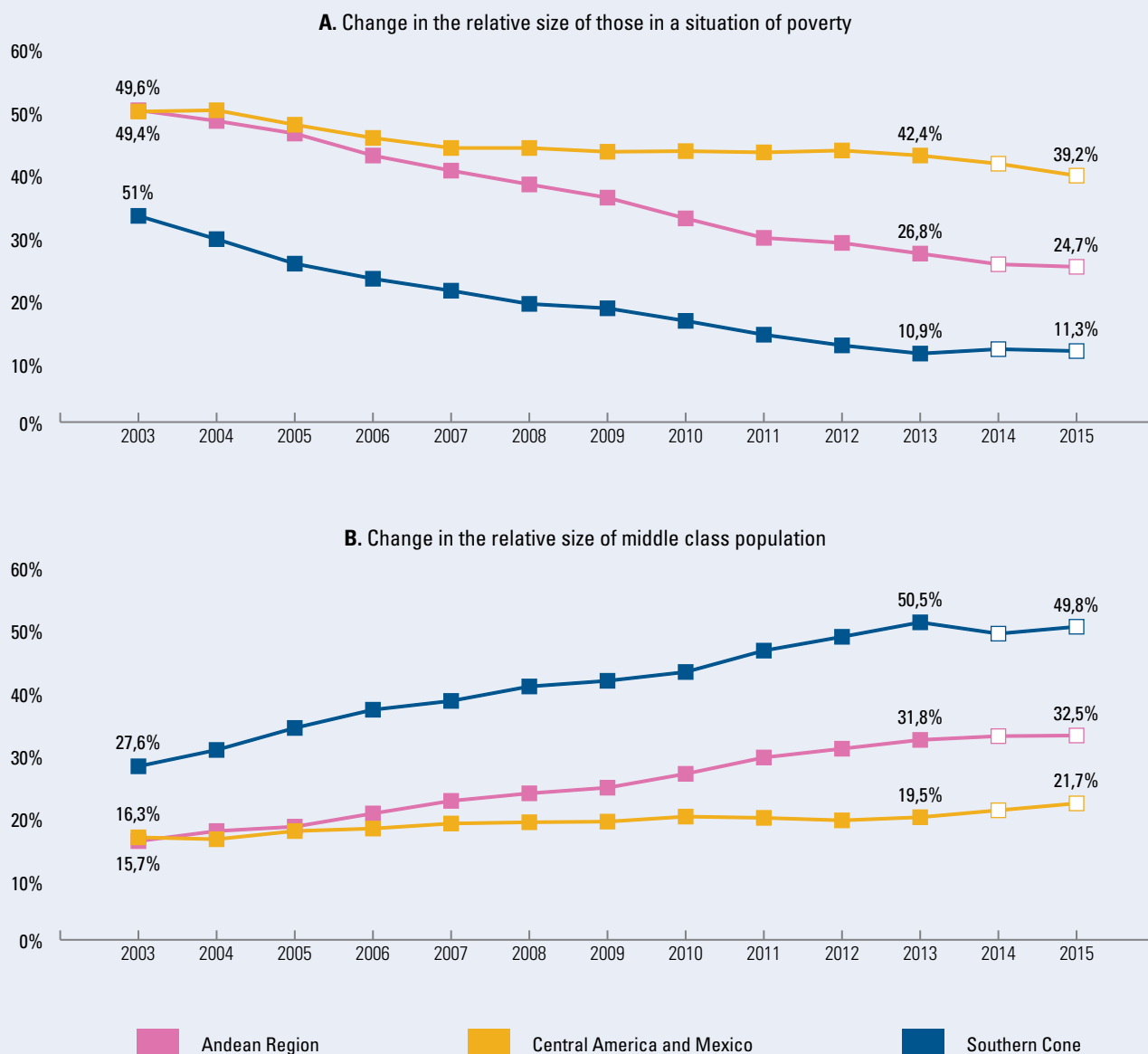
A. Change in the relative size of those in a situation of poverty

B. Change in the relative size of middle class population

Andean Region   Central America and Mexico   Southern Cone

Source: LAC Equity Lab of the World Bank based on SEDLAC (CEDLAS and the World Bank) (April 2016 update).
Note: The data are an aggregate of the three sub-regions included in the graphs: the Andean Region, comprising Bolivia (Plurinational State of), Colombia, Ecuador and Peru; Central America and Mexico, comprising Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic; and the Southern Cone, comprising Argentina, Brazil, Chile, Paraguay and Uruguay. Data for Venezuela (Bolivarian Republic of) are not included for reasons of statistical consistency. The income groups are defined on the basis of per capita income lines and bands in dollars per day, adjusted for purchasing power parity: population in poverty (less than US$4 a day) and middle class (US$10-US$50 a day). The population in poverty group includes people in extreme poverty (less than US$2.5 a day) and people in poverty (US$2.5 to US$4 a day).

The magnitude of the percentage change in the size of the income groups in each country between 2013 and 2015 confirms the previously noted trends. The greatest relative achievements in Central America were recorded in Nicaragua, the Dominican Republic and Panama (see Figure 7). The rate of poverty in these countries fell between 17.2 percent and 28.4 percent, while the middle class grew between 10.6 percent and 59.3 percent. These rates are significantly higher than those achieved in the Andean countries who, along with those in the Southern Cone, experienced the greatest regional improvements in the 2003-2013 period. The percentage declines in the poverty rate in El Salvador (10.7 percent) and Costa Rica (6.6 percent), although less than those achieved by their neighbors, were also considerable. The declines in poverty in Guatemala (4.5 percent) and Honduras (1.9 percent) are particularly noteworthy not only because the relative performance of these countries was better than that of Argentina, Brazil, Chile or Mexico but because these are the only two countries that made virtually no progress during the boom and, in the case of Guatemala, had even seen poverty increase over that period (UNDP, 2016, page 52).

FIGURE 7

Contrary to what was observed during the golden decade, there has been a greater relative reduction in poverty and relative expansion of the middle class up to 2015 in Central American countries, while some Southern Cone countries, such as Argentina and Brazil, have seen a reversal of their achievements

Changes in poverty rate and size of middle class (in percentages) in Latin America, circa 2013-2015

Change in the incidence of poverty   Change in the size of the middle class
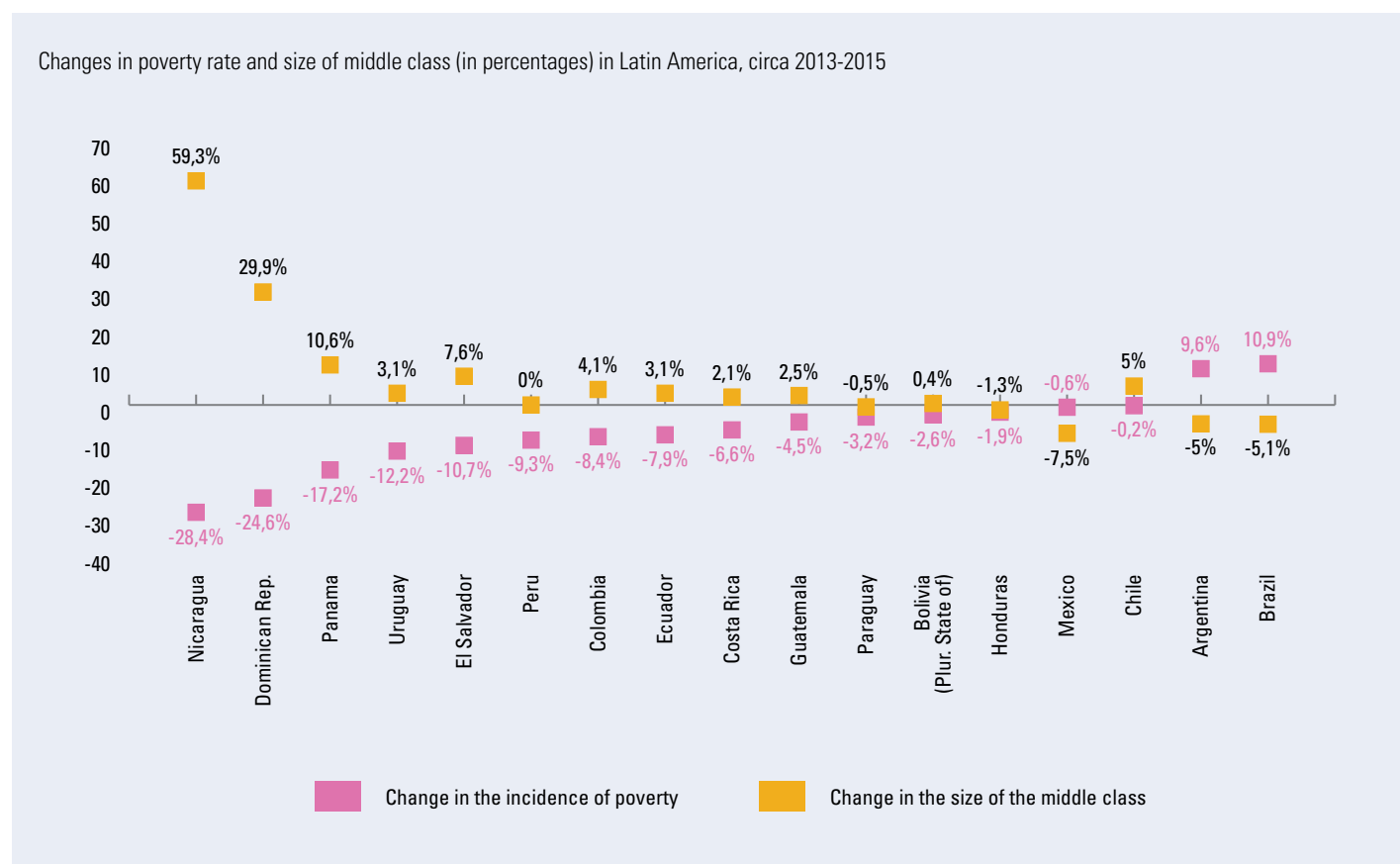
Source: SEDLAC (CEDLAS and the World Bank).

Note: The data for each country shows the change recorded between the initial year and the final year of the periods in brackets: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Brazil (2014-2015), Chile (2013-2015), Colombia (2013-2015), Costa Rica (2013-2015), Ecuador (2013-2015), El Salvador (2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Nicaragua (2009-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015), Dominican Republic (2013-2015) and Uruguay (2013-2015). The data for Venezuela (Bolivarian Republic of) are not included for reasons of statistical consistency. The income groups are defined on the basis of per capita income lines and ranges in dollars per day, adjusted for purchasing power parity: population in poverty (less than US$4 a day) and middle class (US$10-US$50 a day).

The previous rates of change were given in percentages rather than percentage points to reflect the magnitude of the recent achievements made by the countries that were lagging. These changes contributed to a new social configuration of Latin America in 2015, in terms of country position, as compared to 2013. For example, the poverty rate in the Dominican Republic in 2015 was below that of the Plurinational State of Bolivia and close to the levels recorded in Ecuador and Brazil. Furthermore, although El Salvador and Nicaragua continue to have the fourth and third highest levels of poverty respectively, their recent achievements have enabled them to pull away from the levels observed in Honduras and Guatemala, and virtually match the figures for Colombia and Mexico (see Figure 8).

While significant progress has been made in Central America, since the countries of this sub-region have slightly closed the gap between themselves and the rest of the region, the difference in the size of the income groups continues to be considerable. Poverty in El Salvador, Guatemala, Honduras and Nicaragua affected 46 percent of the population of these countries (simple average) in 2015. By contrast, the simple average in Argentina, Chile, Costa Rica and Uruguay

FIGURE 8

Although the differences between the sub-regions remain stark with regard to the magnitude of poverty and the size of the middle class, the progress made in Central America has enabled the region to narrow the gap between itself and the other countries. El Salvador and Nicaragua, for example, have come close to the levels of Colombia and Mexico, while the Dominican Republic has moved towards the middle of the regional distribution

Population distribution by income group (in percentages) in Latin America, c. 2013 and 2015
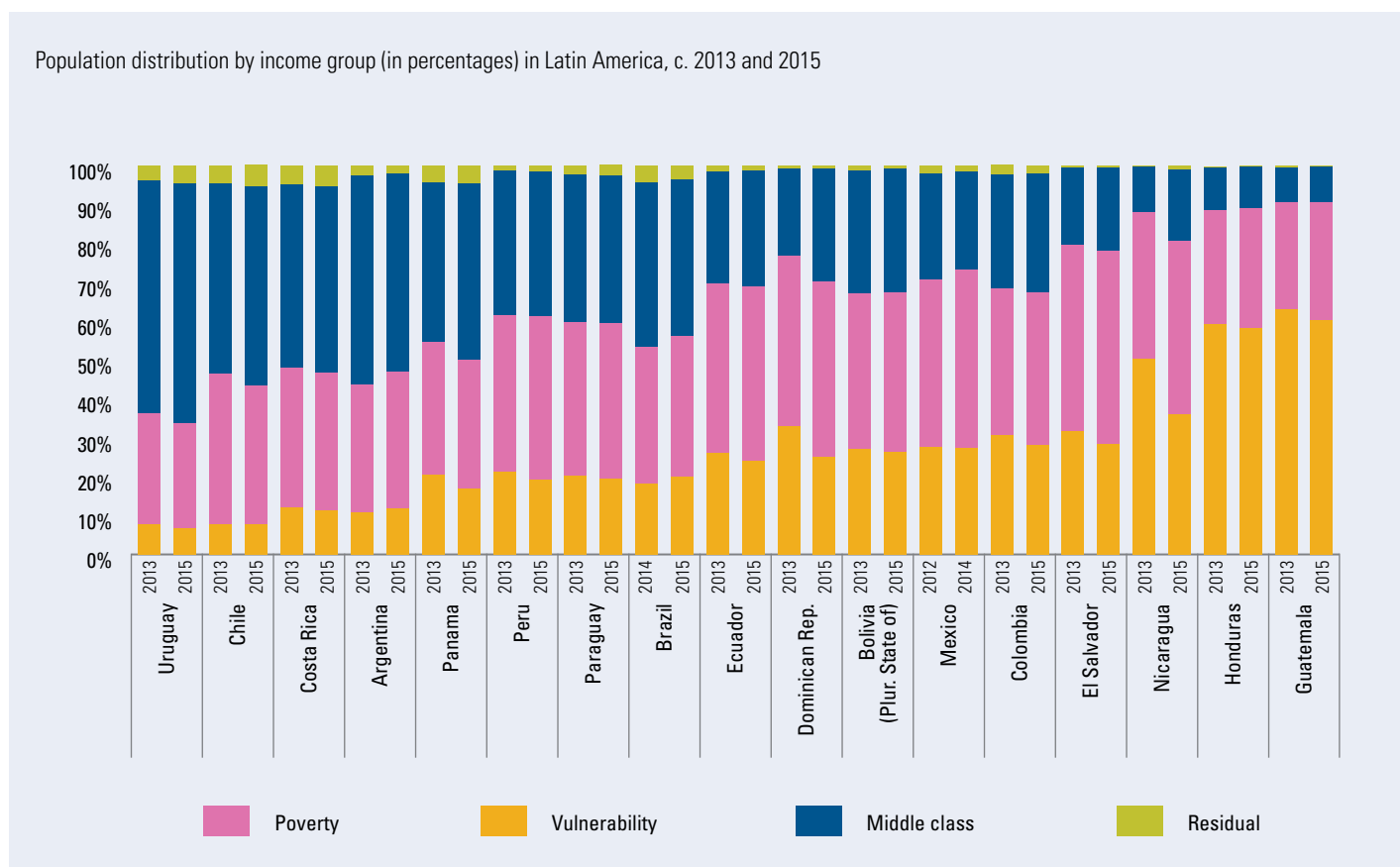
Source: SEDLAC (CEDLAS and the World Bank).

Note: The poverty rate circa 2015 was used to rank the countries from lowest to highest. The data for Venezuela (Bolivarian Republic of) are not included for reasons of statistical consistency. The income groups are defined on the basis of per capita income lines and bands in dollars per day, adjusted for purchasing power parity: population in poverty (less than US$4 a day), vulnerable population (US$4-US$10 a day), middle class (US$10-US$50 a day) and other (more than US$50 per day).

was just 9.5 percent. Similarly, the simple average for the percentage of the middle-class population in the latter four countries is 53 percent while for the four Central American countries it is just 15 percent.

The consolidation of a region in a situation of vulnerability

The recent increase in the pace of poverty reduction in Central America, which was 3.3 percentage points between 2013 and 2015, has been accompanied by a corresponding 2.2 percentage point increase in the size of the middle class and a 1.1 percentage point increase in the relative size of the population living in vulnerability (see Figure 9). In absolute terms, nearly 5 million people have joined the middle classes in this sub-region

since 2013, and nearly 3.8 million people have moved into the vulnerable population group. As a result of these changes, the gap between those living in vulnerability (37.9 percent) and those living in poverty (39.2 percent) closed markedly in 2015. Furthermore, if the observed trends are maintained in the context of the sub-region's economic growth prospects for 2016-2017 (see Figure 5), it is highly likely that those living in poverty will form the smallest group in future social statistics estimates.

The 2.1 percentage point decline in the poverty rate between 2013 and 2015 in the Andean countries was matched by a relative increase in the proportion of people living in vulnerability, close to 1.5 percentage points, with the remaining 0.7 percentage points going to the middle class. In absolute terms, 2.6

FIGURE 9

The common denominator across the different patterns of changing social indicators in the different sub-regions has been the increased proportion of people living in vulnerability between 2013 and 2015. This increased pace of the group's regional expansion has made it the largest group numerically

Change in the relative size of the population living in a situation of vulnerability, by sub-region and aggregated, (in percentages) in Latin America, 2003-2015

Latin America · Andean Region · Central America and Mexico · Southern Cone

million people joined the vulnerable group, which contained almost 44 million people in 2015, a figure equivalent to 41.1 percent of the total population of this sub-region (see Figure 9), while only 1.5 million people joined the middle class. The above represents a drastic change from the trend observed between 2003 and 2013 when more than two thirds of the relative decline in poverty was mirrored by an expansion in the middle classes. However, since 2013, the bulk of this decline has resulted in an increase in the vulnerable population. Finally, the slowdown in and reversal of poverty reduction in the Southern Cone, alongside the slight contraction of the middle class since 2013 (see Figure 6) has led to a small expansion in the group of people living in a situation of vulnerability in this region (see Figure 9). One notable finding is that, unlike in the past, this slight growth in the vulnerable group in this sub-region is no longer primarily a result of the relative decline of poverty but, for the first time since the start of the boom, of the relative decline in the size of the middle class.

For all the countries considered, the changes noted mean that vulnerability is experienced by 39.4 percent of Latin American society, thus making it the largest population group by numbers. This recent expansion of the vulnerable population, noted in almost all countries of the region—with the exception of Chile, Costa Rica, Panama and Uruguay (see Figure 8)—has resulted in almost 10 million people joining this population group since 2013, bringing the regional total to nearly 223 million people in 2015.[7]

FIGURE 10

After a slight slowdown at the start of the decade, the level of inequality in the region, as measured by the Gini coefficient, recovered its downward trend to achieve an annual rate of decline of more than 1 percent, similar to the rates noted between 2003 and 2010

Change in the Gini coefficient (weighted regional averages) in Latin America from 2000-2015

A less unequal region

One of the most significant social outcomes of the golden decade's success was the marked fall in income inequality, as measured by the Gini coefficient, calculated on the basis of household per capita income. The turn of the century was a tipping point for inequality as the previously rising indicator declined over the years that followed. After a significant increase during the 1990s, the regional Gini coefficient was 0.554 in 2000, falling to 0.545 at the start of the boom in 2003, and to 0.497 a decade later, in 2013 (see Figure 10). In other words, inequality fell at an average annual rate of nearly 0.9 percent over the 2003-2013 period.

Alongside the gradual fading of the commodities boom from 2011, the available data began to show an apparent slowdown in the rate of decline in inequality. With a marginal decline up to 2012, followed by a stagnation in 2013, this slowing led various analysts to believe that the path that had thus far resulted in a more inclusive region, at least from an income perspective, was close to suffering a reversal. Did this anticipated reversal occur? According to the information available for the post-boom years, not only did the downward trend in the level of inequality return but it gathered pace, with an average annual

rate of decline in inequality of 1.1 percent. In 2015, the Gini coefficient reached the lowest level on record in Latin American history, 0.486.

In the updated data on inequality, one significant result can be seen at the country level (see Figure 11). In those countries where the average annual decline in the Gini coefficient from 2003 to 2013 was close to zero, such as Costa Rica (0.01 percent), Colombia (0.17 percent) and Guatemala (0.42 percent), the decline in inequality gathered pace significantly after 2013, moving the average annual rate of decline to 0.19 percent, 0.55 percent and 0.80 percent respectively in the 2003-2015 period. A substantial acceleration also occurred in those countries that had already recorded significant declines during the boom, such as Chile, Honduras, Panama and the Dominican Republic, with rates of decline of more than 1 percent per year. Finally, although some of the countries that had already markedly reduced their inequality experienced a slight slowdown in this decline post-boom, their annual rates of decline were returned to levels close to those previously recorded—for example, Argentina, Ecuador, Paraguay and Peru. Only in Nicaragua, which led the decline during the boom, was the rate of improvement seen to slow by virtually half when the period was extended to 2015.
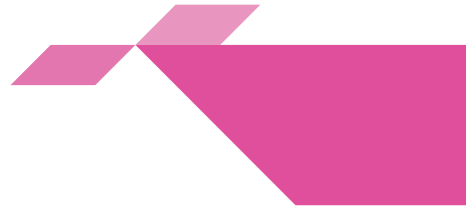
FIGURE 11

After the boom, the decline in inequality accelerated significantly in countries that had previously made moderate progress. In Argentina, Ecuador, Paraguay and Peru, where levels of inequality fell markedly between 2003 and 2013, the decline in inequality slowed slightly to 2015 but continued at an average rate of more than 1 percent per year

Average annual change in the Gini coefficient (in percentages) in Latin America, c. 2003-2013 and 2003-2015
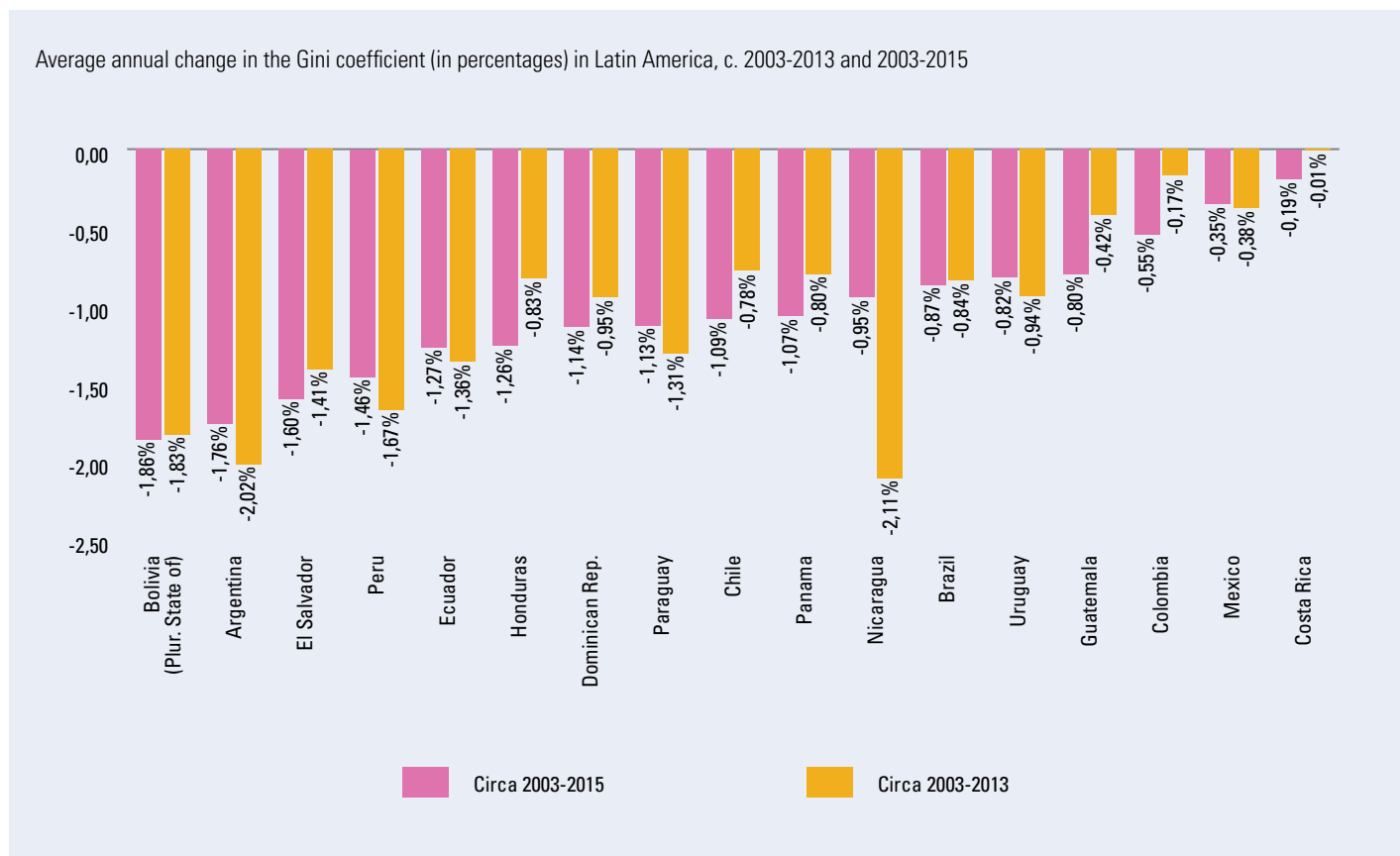
Source: SEDLAC (CEDLAS and the World Bank), updated December 2016.
Note: The average annual percentage change in the Gini coefficient for each country is calculated as the percentage change recorded between the first and last years of the period in question, divided by the number of years in the period. The data used to calculate the changes for the 17 countries in question correspond to the years indicated in brackets: Argentina (2003, 2013 and 2015), Bolivia (Plurinational State of) (2002, 2013, 2015), Brazil (2004, 2013 and 2015), Chile (2003, 2013 and 2015), Colombia (2003, 2013 and 2015), Costa Rica (2003, 2013 and 2015), Ecuador (2003, 2013 and 2015), El Salvador (2002, 2013 and 2015), Guatemala (2000, 2011 and 2014), Honduras (2003, 2013 and 2015), Mexico (2002, 2012 and 2014), Nicaragua (2001, 2009 and 2014), Panama (2003, 2013 and 2015), Paraguay (2003, 2013 and 2015), Peru (2003, 2013 and 2015), Dominican Republic (2003, 2013 and 2015) and Uruguay (2003, 2013 and 2015). Data for Venezuela (Bolivarian Republic of) are not included for reasons of statistical consistency.

Latin America: Hobbled, but still mobile

Latin America: Hobbled, but still mobile

The change in the size of the population groups—those in poverty, vulnerability or the middle class—that took place following the boom, and which are described above, are aggregate trends rather than specific transitional dynamics over time. As trends, a relative decrease (increase) in the aggregate poverty rate is matched "arithmetically" by a relative increase (decrease) in the aggregate size of other groups; however, this says nothing about simultaneous movements that occur between the different groups. In other words, as one population group escapes poverty and moves into the vulnerable or middle class income group, another population group could, for example, be moving from vulnerability into poverty or to the middle class, and yet another from the middle class to vulnerability or poverty.

In order to monitor and analyze these income mobility dynamics more thoroughly, we need longitudinal information that refers to the same individuals over time. There is, however, no recent or widespread data of this kind available in the region and so, as with the exercise conducted in the Regional Human Development Report for Latin America and the Caribbean 2016, the following data has been obtained through the use of synthetic panels, estimated on the basis of data given in the traditional household income and expenditure surveys for the countries in the region. The construction of synthetic panels for each country requires estimating a counterfactual income for each individual in the initial sample (a sample based, in this case, on data from 2013) equivalent to the income that this individual would receive, according to their socio-economic characteristics, in 2015.

Given the different forecasting models (see the methodological note included in annex 1 to this document), it is possible to obtain at least two counterfactual income estimates, corresponding to two magnitudes of income mobility: one based on a conservative estimate, and corresponding to a lower limit, and the other based on an extreme estimate, and corresponding to an upper limit. The statistical rationale for having two estimates is that these establish the thresholds within which the specific magnitude of mobility would fall if longitudinal data were available.

It is important to note that three countries were not included in the analysis presented in this section: Brazil, Nicaragua and the Bolivarian Republic of Venezuela. Mobility in Brazil between 2013 and 2015 is not considered given that the survey from 2015, necessary for constructing the synthetic panel, was not available at the time of producing the estimates. Despite this, one of the main outcomes described in this work, that improvements accelerated in Central America and a slight stagnation and slowdown occurred in some countries of the Southern Cone, including Brazil, remains the same. Regarding Brazil, the surveys show that between 2013 and 2014 there was a decline in the poverty rate, which was followed by an increase of a similar magnitude in 2015 (see, for example, Figures 7 and 8). A similar situation occurred in Nicaragua, which is not included because post-2013 data were not available at the time of constructing the synthetic panels. Finally, data on the Bolivarian Republic of Venezuela, as in the first part of this study, are not included for reasons of statistical consistency.

The magnitude of income mobility after the boom

According to the results of the conservative estimate, the trajectories of income change for the population post-2013 indicate that: i) around 90 percent of the region's population have maintained their initial position (data resulting from summing the proportions presented along the diagonal of Table 1); ii) 5.1 percent have experienced an economic improvement that enabled them to move to a higher income group (data resulting from summing the proportions given to the right of the diagonal) and; iii) a little more than 5 percent (in other words 5 in every 100 persons) have experienced a deterioration in their income level resulting in a downward trajectory (data resulting from summing the proportions to the left of the diagonal).[8] Of the approximately five people who experienced upward mobility, one moved from extreme poverty to moderate poverty, a little fewer than two moved from moderate poverty to vulnerability, and just more than two moved from vulnerability to the middle class. Of the five people who experienced downward mobility, one moved from moderate poverty to extreme poverty, another two from vulnerability to moderate poverty, and another two from the middle class to vulnerability.

In absolute terms, the previous proportions assume that just over 302 million people in the region remained in the same income group between 2013 and 2015, 17.8 million experienced downward mobility and 17.3 million enjoyed upward mobility. These magnitudes of upward and downward mobility are significant because they have occurred over a very short period of time and their recognition is paramount for public policies. When such dynamics are ignored—as occurs when aggregate changes in the size of the groups are analyzed—the potential spaces for designing policies that could be more effective in promoting social progress are also overlooked. For example, it is notable that, despite the figures for upward mobility, a little over 7 million people have fallen from vulnerability into poverty.

Given both the evident and immediate effects of the recessions on well-being—in addition to other adverse events related to health, climate or violence—and the magnitude of vulnerability which, as indicated, currently affects around 40 percent of the region's population, a proportion equivalent to 223 million people, there is a need for universal protection systems and better jobs. The Regional Human Development Report for Latin America and the Caribbean 2016 forecasts that, should there be no progress towards establishing solid social protection strategies in the region, between 25 and 30 million people would fall from vulnerability into poverty over the decade from 2013 on. With scarcely two years of this period passed, it is estimated that 7.2 million people, a quarter of the predicted total, have already fallen into poverty. This a situation that could have been avoided, or at least minimized, if appropriate protection policies had been implemented. In this worrying context, it is notable that the magnitude of the downward trajectory from vulnerability to poverty does not apply to the region as a whole. As the corresponding transition matrices given in annex 2 show, almost 80 percent of these 7.2 million people are concentrated in Argentina and Mexico alone.[9]

It is noteworthy that around 6.4 million people in the region have moved from the middle class to vulnerability. The fact that the number of people who, according to estimates, have experienced this downward mobility —82 percent of whom are also in Argentina and Mexico, as well as Chile— is not so different from the number of people who, according to estimates, moved from vulnerability to poverty gives rise to an additional concern for the region's public agendas, which has been discussed in an incipient form: the fragility of the middle class, which is particularly clear when one looks at the movements for the extreme estimate (or upper limits of mobility).

According to the extreme estimate, 44 out of every 100 people in the region have experienced upward mobility, 46 have remained in their original situation and 10 have moved to a lower income group. Of the 44 beneficiaries, 12 have moved out of extreme poverty. Of

these 12 people, 1 has moved into moderate poverty, around 8 have moved into vulnerability and 3 have moved into the middle class. In addition, 13 people have moved out of poverty, of which a little fewer than 9 have moved into vulnerability and 4 have moved into the middle class. Finally, the remaining nearly 19 people that experienced upward mobility over the period in question have moved from vulnerability into the middle class (see Table 2).

In absolute terms, the situation of almost 148 million people has improved, 85.2 million of whom have moved out of poverty (extreme or not) and just over 62 million of whom have moved from vulnerability to the middle class. In contrast, only 7.5 million people have fallen into poverty, of whom 5.9 million have done so from vulnerability. The fact that almost 27 million moved from a situation of relative economic security, which belonging to the middle class assumes, to a situation of high vulnerability, bringing with it the risk of falling into poverty is noteworthy. This suggests that, in addition to the much needed social protection schemes and the creation of better jobs, the region is beginning to demand mechanisms that effectively strengthen the middle class. Debates on the implementation of policies aimed at promoting greater and better access to productive credit, promoting and protecting

TABLE 1

According to the most conservative estimate, 5 in every 100 inhabitants of Latin America have experienced economic improvements since 2013 to an extent that it enabled them to move to a higher income group by 2015; a similar number experienced the reverse process, and 90 in every 100 remained in their initial situation

Transition matrix of the population to different income groups (in percentages and millions of people) in Latin America, circa 2013-2015

Conservative estimate (lower limit) (as a percentage)				
	Circa 2015			
		Extreme poverty	**Poverty**	**Vulnerability**	**Middle class**
Circa 2013	**Extreme poverty**	**11,5%**	1,1%	0,0%	0,0%
	Poverty	1,2%	**11,1%**	1,8%	0,0%
	Vulnerability	0,0%	2,1%	**36,2%**	2,2%
	Middle class	0,0%	0,0%	1,9%	**30,9%**

Conservative estimate (lower limit) (in millions of people)				
	Circa 2015			
		Extreme poverty	**Poverty**	**Vulnerability**	**Middle class**
Circa 2013	**Extreme poverty**	**38,7**	3,6	0,1	0,0
	Poverty	4,2	**37,4**	6,2	0,0
	Vulnerability	0,0	7,2	**122,1**	7,4
	Middle class	0,0	0,0	6,4	**104,3**

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank).
Note: The data presented give the proportion and number of people who, circa 2015, had remained in the same income group as in 2013 (see data in bold, on the diagonal), and the proportion and number of people who in 2015 had changed income group in relation to 2013 (see data given outside the diagonal). This is aggregate data on the movements experienced by the population of the 15 following countries, between first and last years of the periods mentioned in brackets: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Chile (2013-2015), Colombia (2013-2015), Costa Rica (2013-2015), Ecuador (2013-2015), El Salvador (2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015), Dominican Republic (2013-2015) and Uruguay (2013-2015). The income groups are defined on the basis of per capita income lines and bands in dollars per day, adjusted for purchasing power parity: population in extreme poverty (less than US$2.5 a day), population in poverty (US$2.5 to US$4 a day), vulnerable population (US$4-US$10 a day) and middle class (US$10-US$50 a day).

entrepreneurship and the creation of productive assets, and promoting investment that encourages educational quality as well as research and development are thus now gaining particular relevance.

These recent economic mobility trends, for both the conservative and the extreme estimate, are consistent with the relative stagnation and deceleration of social achievements demonstrated by the regional aggregate since 2013 (see Figure 4). In the context of an economic downturn that has especially impacted the large economies of region, it is reasonable to expect the upward mobility in Latin America to be less marked than during the boom, and downward mobility to be greater. There are, however, two positive points to be made. Firstly, upward mobility has continued since 2013, and in the vast majority of countries its scope has outweighed downward mobility. Secondly, despite the financial downturn, a large proportion of the population has remained in the same income group rather than descending to lower income groups. Both these points suggest that the regional average is concealing significant achievements in many of the countries in the region, whose weighting is offset in the aggregate figures by the more modest advances made in the larger economies, or by the considerable downward mobility in countries such as Argentina, Chile and Mexico.

According to the conservative income mobility estimate for the 2013 to 2015 period,

TABLE 2

At the upper limit of the mobility estimate, the precarious situation of the middle class from 2013 to 2015 in relative and absolute terms stands out

Transition matrix of the population to different income groups (in percentages and millions of people) in Latin America, circa 2013-2015

		Extreme estimate (upper limit) (in percentage)			
		Circa 2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
Circa 2013	**Extreme poverty**	**0,2%**	1,6%	7,6%	3,1%
	Moderate poverty	0,1%	**1,1%**	8,9%	4,0%
	Vulnerability	0,2%	1,6%	**20,3%**	18,5%
	Middle class	0,1%	0,3%	8,0%	**24,4%**

		Extreme estimate (upper limit) (in millions of people)			
		Circa 2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
Circa 2013	**Extreme poverty**	**0,8**	5,4	25,7	10,5
	Moderate poverty	0,5	**3,7**	30,2	13,5
	Vulnerability	0,6	5,3	**68,4**	62,4
	Middle class	0,2	0,9	27,2	**82,4**

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: The data shows the proportion and number of people who remained in the same income group circa 2015 as the one they belonged to in 2013 (see the date in bold print, on the diagonal axis), and the proportion and number of people who changed to a different group in 2015, from the one they had been part of in 2013 (see the data on the diagonal axis). These data are an aggregate of data relating to the transitions experienced by the population of the following 16 countries between the first year and the final year of the periods shown in parentheses: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Brazil (2013-2014), Chile (2013-2015), Colombia (2013-2015), Costa Rica (2013-2015), Ecuador (2013-2015), El Salvador (2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015), Dominican Republic (2013-2015) and Uruguay (2013-2015). The income groups are based on per capita per diem income lines and ranges in dollars, adjusted to purchasing power parity: population living in extreme poverty (less than US$2.5 per day), population living in moderate poverty (US$2.5 to US$4 per day), vulnerable population (US$4-US$10 per day) and middle class (US$10-US$50 per day).

the above was true in most Central American countries, where significant advances were made, considering that the period is so short, in contrast to their modest achievements during the boom (see Figure 12).[10] In Costa Rica, 9.3 out of every 100 people were upwardly mobile in those years, and two-thirds of them moved from situations of vulnerability into the middle class. This proportion is equivalent to an aggregate total of 420,000 people or 10 times more than the total number of people experiencing downward mobility. In Honduras, 12 percent of the population (920,000 people) were upwardly mobile, and the vast majority of those people came from lower income groups. Finally, in countries such as Guatemala, Panama and the Dominican Republic, almost 15 percent per country experienced upward mobility.

In the Andean Region, the Plurinational State of Bolivia not only stands out as one of the countries that saw the greatest reductions in poverty and inequality during the golden decade, as shown by UNDP (2016), in the last two years it has also consolidated its lead in upward mobility. 17 percent of Bolivia's population (1.7 million people) experienced this type of mobility with half of them moving from a situation of vulnerability into the middle class. In stark contrast, only 3 percent

FIGURE 12

Since 2013, upward mobility has been concentrated in countries whose social achievements were modest during the boom, mostly in Central America, and upward mobility has been significant in the Plurinational State of Bolivia, where social standards have not dropped since 2003.

The population group that has experienced upward mobility into different income groups, per original income group, based on conservative estimates (in percentages) in Latin America, circa 2013-2015

Legend: From extreme poverty · From moderate poverty · From vulnerability

(300,000 people) were downwardly mobile. In Colombia, Ecuador and Peru advances were made, albeit less pronounce, as between 6 and 8 out of every 100 people made the transition into a higher income group.

These mobility trajectories are also consistent with the aggregate trends in the relative size of social groups, as described in the first part of this study. In other words, from 2013, the acceleration of achievements in a large part of Central America, which saw only moderate performance during the boom, coincided with significant upward mobility. In the Andean countries, the sustained improvements in terms of aggregate social reconfiguration, also coincided with positive income mobility (i.e. upward mobility trajectories), although at a slower rate than in the golden decade.

The fact that these positive results were not evident in the aggregate for the entire region highlights the bias imposed by the poor mobility in countries with a large relative weighting, such as Argentina, Chile and Mexico. It is important to note that in countries that saw significant social improvement, especially upward transitions from poverty to higher income groups (e.g. the Plurinational State of Bolivia, Costa Rica or Panama), the new mobility trends suggest a certain "consolidation in the middle," especially as most of this mobility has been from situations of vulnerability to the middle class. In turn, countries who achieved little during the boom and where there are significant social disadvantages, such as Guatemala, Honduras and the Dominican Republic, the new upward mobility trajectories from poverty seem to reflect a trend towards picking the low hanging fruit, thus reinforcing the notion of a potential regional convergence in social achievements.

As shown at the start of this section, the social transformations described here are a convergence of simultaneous transitions between the different groups. While a proportion of the population is experiencing upward mobility, another segment is moving down to lower income groups. For example, they may be moving from moderate poverty to extreme poverty, from vulnerability to moderate and extreme poverty, or from the middle class to any of the previous groups. Regarding these downward trends, figure 13 shows that, with the exception of Argentina, Chile and Mexico, the extent of this downward mobility was smaller than the extent of upward mobility, and this resulted in, on balance, a positive social transformation in those countries post-2013.

The case of Honduras is significant because, although 12 out of every 100 people were upwardly mobile, at the same time 9 people were downwardly mobile. Most these were people who escaped poverty and who fell into poverty, respectively. This suggests that the accelerated reduction in poverty Honduras after 2013 followed the trend of economic growth, however it was not necessarily accompanied by measures aimed at reducing the vulnerability of those who were already out of poverty at the start of the period.

Regarding the cases with clearly negative balances, in Mexico more than 9 out of every 100 people transitioned to lower income groups, especially towards poverty, while only 2 experienced upward mobility. There were also negative balances in Chile and Argentina, although to a lesser extent than in Mexico. In the case of Chile, downward mobility mostly affected people who had originally belonged to the middle class and who, during this period, transitioned to vulnerability (see Figure 13).

FIGURE 13

With the exception of Argentina, Chile and Mexico, the extent of downward mobility was lower than the proportion of people who transitioned to higher income groups throughout the region. This created positive balances in the social mobility of countries after 2013

The population group that has experienced downward mobility into different income groups, per original income group, based on the conservative estimate (in percentages) for Latin America, circa 2013-2015
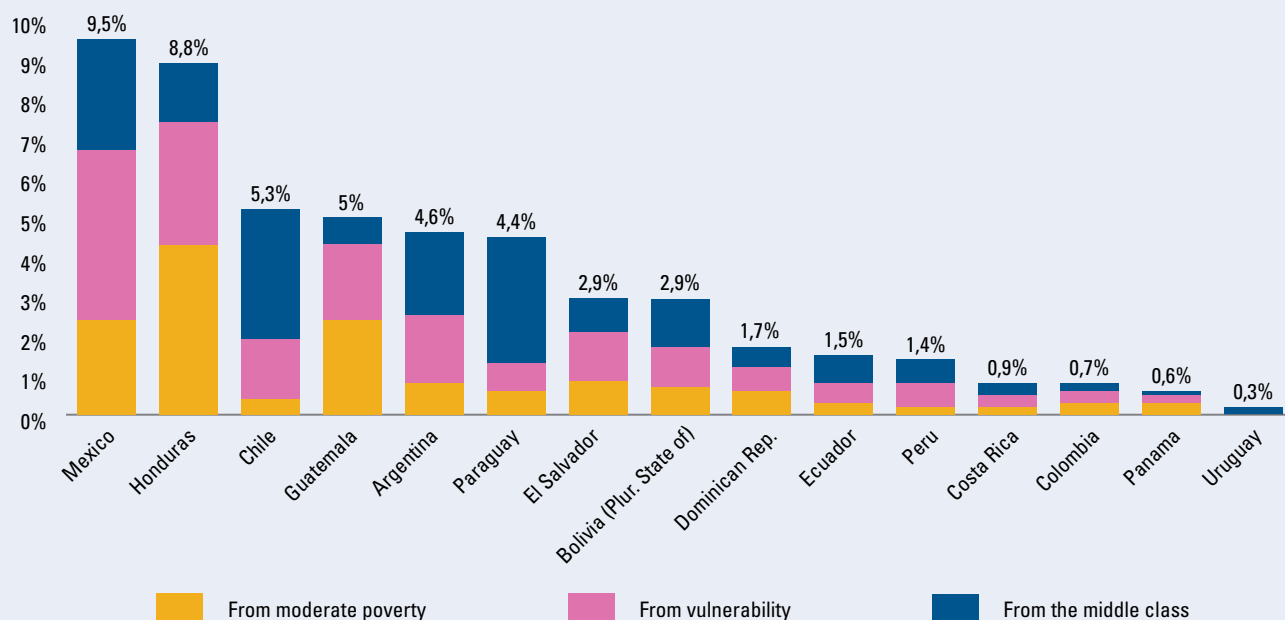
Legend: From moderate poverty · From vulnerability · From the middle class

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: The data relating to each country is expressed in percentages of the population who, circa 2015, experienced downward mobility towards other income groups to the one they belonged to circa 2013. The data taken into account refers to the initial and final years of the period between parentheses: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Chile (2013-2015), Colombia (2013-2015), Costa Rica (2013-2015), Ecuador (2013-2015), El Salvador (2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015), Dominican Republic (2013-2015) and Uruguay (2013-2015). The income groups are based on per capita per diem income lines and ranges in dollars, adjusted to purchasing power parity: population living in moderate poverty (US$2.5 to US$4 per day), vulnerable population (US$4-US$10 per day) and middle class (US$10-US$50 per day).

Behind the economic mobility trends

Based on a series of probabilistic regression models applied to the synthetic panels for the period 2013-2015, we calculated the marginal contributions of the various demographic and socio-economic factors towards the probability of households experiencing upward and downward economic mobility trajectories. The factors identified vary according to the transitions being considered and the extent of the mobility. For example, in countries where the extent of upward mobility was, according to the estimates, especially low, this resulted in a lower number of observations, which could in turn make it difficult to achieve a

reliable statistical calculation of the influence exercised by the various factors influencing the transition probabilities. In countries where, according to the estimates, the extent of mobility was greater, the factors identified are all the more relevant by virtue of the effect that certain public policies can have on them.

The factors correlated with escaping poverty

Consistent with the findings presented by UNDP (2016) in a similar exercise carried out during the boom, we see that the demographic profile of households that escaped poverty had a influence on their transition possibilities from 2013 to 2015. For example,

the increase in the size of the household, whether due to an infant being born or a member of the general population joining the household, has a negative impact on the probability that the household will escape poverty, compared with households whose structure remained unchanged. For example, except for Ecuador, the addition of a child to the household is correlated with a reduced probability of escaping poverty of between 1 and 2 percentage points in countries where this variable is significant (see Figure 14). This might be due to the economic costs associated with caring for an infant at home, resulting in fewer available resources to meet the needs of the rest of the household, or the opportunity costs of childcare, which mean a reduction in household income.

One key factor in the probability of escaping poverty—and experiencing upward mobility or avoiding downward mobility more generally—is education, given its contribution to a person's income generating capability. Specifically, if the head of the household has a secondary level of education, compared with those who have only completed primary education, this is associated with an increased probability of the household escaping poverty. The effect is more than 3 percentage points in Colombia and Panama, fluctuates between 1 and 2 percentage points in some countries of the Southern Cone, and can be

FIGURE 14

Presumably due to the redistribution of resources that accompany the expansion of the household, that expansion has a negative impact on the probability of escaping poverty, which may fall by more than 2 percentage points

A change in the probability that the household will escape poverty, associated with the addition of a new member to the household, according to the type of new member (in percentage points) in Latin America, circa 2013-2015

FIGURE 15

The completion of secondary education by the head of the household is associated with an increase in the probability of escaping poverty. This is true both in countries where poverty has been falling for years and countries such as Guatemala and Honduras, where this is more recent, following relative stagnation during the boom

Changes in the probability of the household escaping poverty as a result of the head of the household completing secondary education or only completing primary education (in percentage points) in Latin America. Circa 2013-2015

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: In order to estimate the probability of escaping poverty, a set of explanatory factors are taken into account for each country, to obtain an overall probability of mobility for a household that represents the sample. The joint probability represents the base, specific to each country, from which the extent of changes in that probability is calculated, as generated by the variable under consideration. The extent of the changes is expressed in percentage points. The population living in poverty is the one whose income is lower than US$4 per person per day, adjusted for purchasing power parity, and it includes people living in extreme poverty (less than US$2.5 per day) and people living in moderate poverty (US$2.5 to US$4 per day).

seen in some Central American countries that have seen recent reductions in poverty, such as Guatemala, Honduras and El Salvador, albeit in a moderate magnitude (see Figure 15).

A third factor that influences mobility patterns is related to variables associated with historical inequalities in certain countries. One of these is place of residence. In particular, population groups in rural areas typically face disadvantages, in terms of access to the markets and coverage by services, compared with those in urban areas. This can affect their income generating possibilities, thus preventing them from reaching a higher degree of well-being. According to estimates for the 2013 to 2015 period, residing in rural, as opposed to urban, areas has a negative impact

on upward mobility, and this is especially marked in the Plurinational State of Bolivia and Panama, where that condition is associated with a reduction in the probability of escaping poverty by more than 10 percentage points. Another variable whose effect needs to be considered is the ethnicity or race of the population, insofar as the ingrained exclusion and discrimination reduces the probability of escaping poverty. Unfortunately, the surveys used for the construction and analysis of synthetic panels to collect this data are only available in a limited number of countries. In Chile and Panama, for example, the probability of the indigenous population escaping poverty is lower by around 2 and 5 percentage points, respectively (see Figure 16).

FIGURE 16

In some countries in the region, the complex dynamics of inequality and exclusion affects the probability of economic improvement in population groups with specific characteristics, such as people living in rural areas or those who come from specific ethno-racial backgrounds

The change in the probability that the household will escape poverty, associated with residing in rural areas or their indigenous race or ethnicity (in percentage points) in Latin America, circa 2013-2015

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Note: To estimate the probability of escaping poverty, a set of explanatory factors are taken into account for each country, to obtain an overall probability of mobility for a household that represents the sample. The joint probability represents the base, specific to each country, from which the extent of changes in that probability is calculated, as generated by the variable under consideration. The extent of the changes is expressed in percentage points. The population living in poverty is the one whose income is lower than US$4 per person per day, adjusted for purchasing power parity, and it includes people living in extreme poverty (less than US$2.5 per day) and people living in moderate poverty (US$2.5 to US$4 per day).

Other factors that are important, although not widely present in the different countries, are related, for example, to how formal the head of the household's employment is, given the relative stability and financial security that formal employment offers. If the head of the household having a formal occupation, compared with an informal employment, is associated with an increase in the household's probability of escaping poverty of up to 11 percentage points in Guatemala and 4 percentage points in Ecuador. Property ownership also has a significant impact on the probability of the household escaping poverty. This affect is as large as 4 percentage points in the Dominican Republic, and around 2.5 percentage points in Chile and Guatemala (see Figure 17).

Downward mobility from vulnerability and from the middle class

Mirroring what we have seen in relation to the probability of escaping poverty, an increase in the infant population of a household affects its probability of experiencing downward mobility. Compared with households whose size does not change, the addition of an infant to a household in Chile and Mexico, for example, is associated with an increase of 4.4 and 3.1 percentage points, respectively, in the probability of the household falling from vulnerability into poverty. In countries such

FIGURE 17

Access to formal employment or ownership of tangible assets such as a house are mechanisms that can improve a household's possibility of improving their economic status

The change in the probability that a household will escape poverty is linked to the head of the household being a home-owner or the formality of their employment (in percentage points) in Latin America, circa 2013-2015

Source: Prepared by the authors, based on CEDLAS estimates using information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: In order to estimate the probability of escaping poverty, a set of explanatory factors are taken into account for each country, to obtain an overall probability of mobility for a household that represents the sample. The joint probability represents the base, specific to each country, from which the extent of changes in that probability is calculated, as generated by the variable under consideration. The extent of the changes is expressed in percentage points. The population living in poverty is the one whose income is lower than US$4 per person per day, adjusted for purchasing power parity, and it includes people living in extreme poverty (less than US$2.5 per day) and people living in moderate poverty (US$2.5 to US$4 per day).

as Argentina, Guatemala and Peru, we see a similar effect, albeit to a much lesser extent, with and increase closer to 1 percentage point. The incidence of this variable is similar when evaluating mobility from the middle class down to a situation of vulnerability or poverty. This is especially the case in Chile, Guatemala and Mexico, where the possibility of downward mobility increased by 1 percentage point or more as a result of the addition of an infant to the household (see Figure 18).

Regarding the mobility trajectory from the middle class, the presence of elderly people in households has a significant influence. While in the Plurinational State of Bolivia and El Salvador the addition of an elderly person is associated with an increase of between 1 and 2.5 percentage points in the probability of

downward mobility, in Chile and Mexico the opposite is true. That is, the presence of an elderly person in those countries is associated with a reduction in the probability of transitioning to vulnerability or poverty, by 2.7 to 3.5 percentage points. This could be the result of better coverage by non-contributory pensions in those countries in recent years.

Access to education and the accumulation of human capital not only influence a household's likelihood of escaping from poverty, but can also protect the household from impoverishment. For example, in comparison with household heads who lack formal education or have a low level of education, completing secondary education is associated with a reduction in the probability of moving from vulnerability into poverty of 5 percentage

FIGURE 18

In some countries, the addition of a child to the household is associated with an increased probability of downward mobility, both from vulnerability to poverty and from the middle class to vulnerability or poverty. In some cases, the presence of elderly people is also associated with downward mobility, although in countries such as Chile and Mexico the reverse is true, and the addition of an elderly person to households in these countries is linked to a lower probability of downward movement. This is probably due to social policies that have expanded the coverage of non-contributory pensions to include this group

The change in the probability of a household experiencing downward mobility due to the addition of a member to the household, by type of member added and original income group (in percentage points) in Latin America, circa 2013–2015
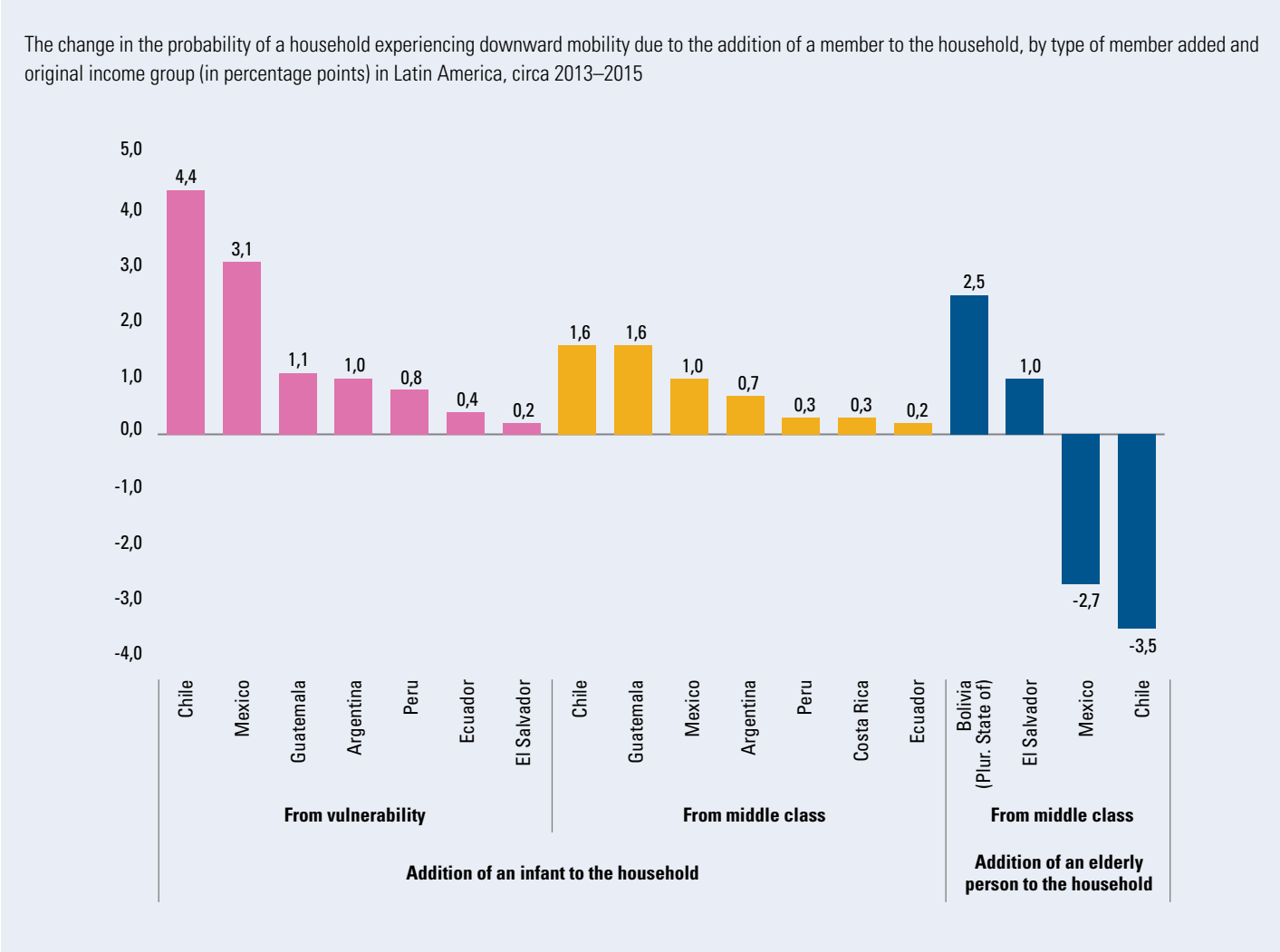
Source: Developed by the authors based on estimates CEDLAS using data from SEDLAC (CEDLAS and the World Bank).
Note: To estimate the probability of experiencing downward mobility, in each country a set of explanatory factors was used as the basis for determining overall probability of mobility for a representative household. The overall probability represents the baseline, which is specific for each country, against which the magnitude of changes in this probability was calculated for the variable under consideration. The magnitude of the changes is expressed in percentage points. The income groups are defined on the basis of per capita daily income, with thresholds and ranges established in dollars adjusted for purchasing power parity: vulnerable population (from US$4-US$10 per day) and middle class (from US$10-US$50 per day).

points in Mexico, of 3.8 percentage points in Chile, of almost 2 percentage points in the Plurinational State of Bolivia, and of around 1 percentage point in Colombia and Peru (see Figure 19). This effect is systematically greater the more the educational level increases. As a result, possessing a tertiary level of education is linked to a reduction in the likelihood of moving from vulnerability to poverty of up to 4.3 percentage points in Honduras, 6.6 percentage points in Mexico, and between 7 and 10 percentage points in Chile and the Plurinational State of Bolivia.

FIGURE 19

The accumulation of human capital not only has a positive influence on the probability of escaping poverty, but also constitutes—to an even greater degree—a protection against possible risks of impoverishment that may cause households to fall from a better relative position

Change in the probability of the household experiencing downward mobility due to the completion of secondary or higher education as compared to the absence of formal education or a low level of education, by income group of origin and accumulated level of education (in percentage points) in Latin America, circa 2013–2015

Source: Developed by the authors based on estimates by CEDLAS using data from SEDLAC (CEDLAS and the World Bank), provided for this study.

Note: To estimate the probability of experiencing downward mobility, in each country a set of explanatory factors was used as the basis for determining overall probability of mobility for a representative household. The overall probability represents the baseline, which is specific for each country, against which the magnitude of changes in this probability was calculated for the variable under consideration. The magnitude of the changes is expressed in percentage points. The income groups are defined on the basis of per capita daily income, with thresholds and ranges established in dollars adjusted for purchasing power parity: vulnerable population (from US$4-US$10 per day) and middle class (from US$10-US$50 per day).

The previous magnitudes increase when downward mobility from the middle class is measured. In Chile and Mexico for example, the higher education of the head of household is correlated with a fall of between 10 and 24 percentage points in the probability of falling into vulnerability or poverty. In contrast with the effects observed when analyzing transitions from vulnerability, where the influence of education was moderate in these countries, in Ecuador, Honduras and Peru, secondary and tertiary education are also associated with a significant decline in the probability of leaving the middle class.

Finally, in some countries certain ethno-racial characteristics are associated with a greater probability of downward mobility. Specifically, membership of indigenous ethno-racial groups is associated with an increase in the probability of falling from vulnerability into poverty of between 90 and 92 percentage points in Guatemala and Ecuador. Additionally, in Ecuador the probability of Afro-descendant populations suffering this fall also increases by a similar magnitude. In Panama, although the effect is significantly lower than that observed in the countries mentioned above, it should be noted that the indigenous population has a higher

FIGURE 20

In countries such as Guatemala and Ecuador, the likelihood of indigenous and Afro-descendant populations falling from vulnerability into poverty is disproportionately higher than for the rest of the population. The ethno-racial identity of groups is associated with a likelihood of impoverishment that is 90 percentage points higher due to patterns of social and economic exclusion
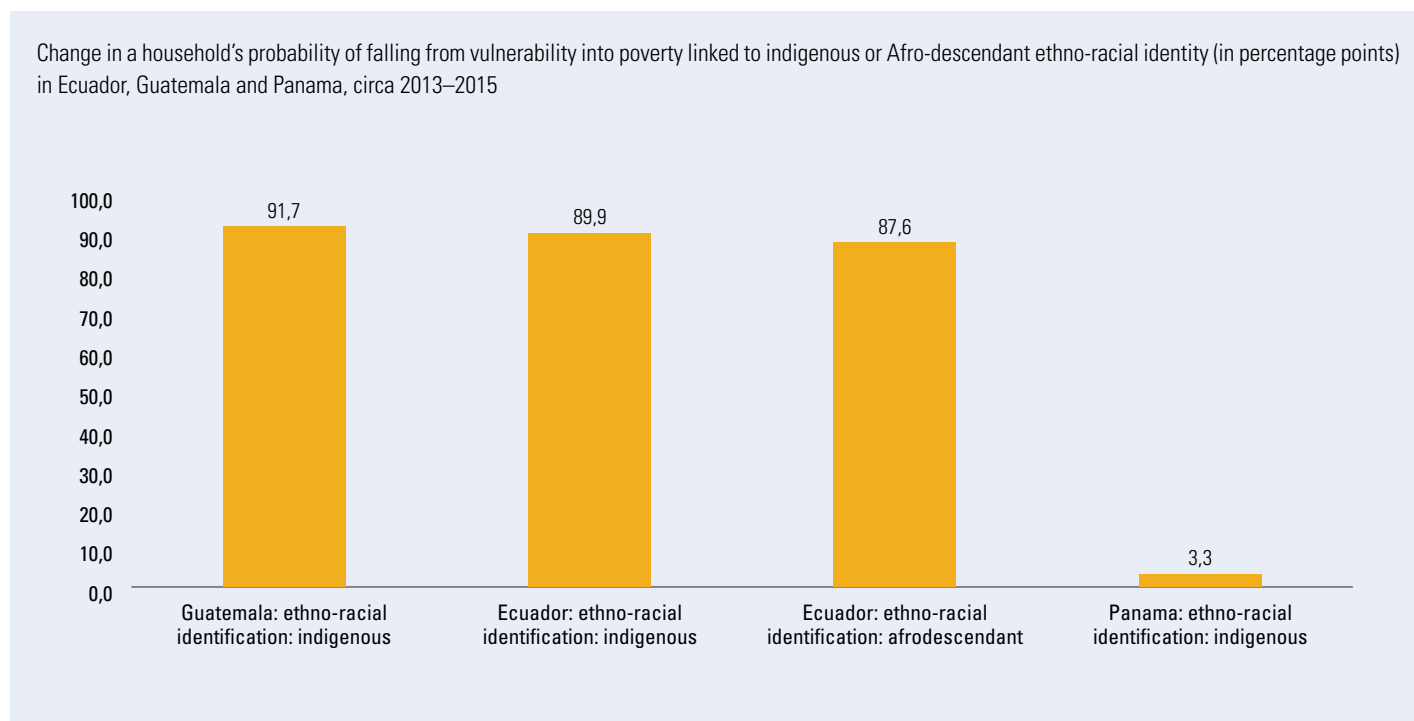
Change in a household's probability of falling from vulnerability into poverty linked to indigenous or Afro-descendant ethno-racial identity (in percentage points) in Ecuador, Guatemala and Panama, circa 2013–2015

Source: Developed by the authors based on estimates by CEDLAS using data from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: To estimate the probability of falling into poverty, in each country a set of explanatory factors was used as the basis for determining the overall likelihood of mobility for a representative household. The overall probability represents the baseline, which is specific for each country, against which the magnitude of changes in this probability was calculated for the variable under consideration. The magnitude of the changes is expressed in percentage points. The income groups are defined on the basis of per capita daily income, with thresholds and ranges established in dollars adjusted for purchasing power parity: population in a situation of poverty (less than US$4 per day) and vulnerable population (from US$4-US$10 per day). The population group in a situation of poverty includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

probability of becoming impoverished than the rest of the population (see Figure 20).

In Ecuador, where a more detailed profile of population groups according to their mobility trajectory and ethno-racial conditions is available, of the total number of people who would fall into poverty from vulnerability, just under 15 percent are indigenous and approximately 2.5 percent are of Afro-descendent origin. In contrast, only 6 percent and 4.8 percent of those who would remain out of poverty belong to these groups, respectively. If the opposite situation is analyzed, a little over 3 percent of those who would have moved out of poverty are indigenous, while this proportion reaches almost 12 percent among those who would have remained in poverty circa 2013-2015.

The profile of the dynamics of escaping poverty

A detailed description of the characteristics associated with mobility towards and away from poverty, not in terms of their effects on the probability of undergoing such a transition but observed, instead, before the transition takes place, is presented in annex 3 of this study. With respect to the population that would escape from poverty following the boom, the data shows that throughout the region, with the exception of Costa Rica, a higher proportion of that population lived in urban areas when compared to the population that remained in poverty. According to a simple average of the proportions shown in figure 21, almost 62 percent of those who

FIGURE 21

In relation to the population that would have remained in a situation of poverty in the 2013–2015 period, a higher proportion of those who would have escaped poverty lived in urban areas

Urban population who would have escaped poverty or would have remained in poverty (in percentages) in Latin America, circa 2013–2015

Population that escaped poverty living in urban areas

Population that ramained poor living in urban areas
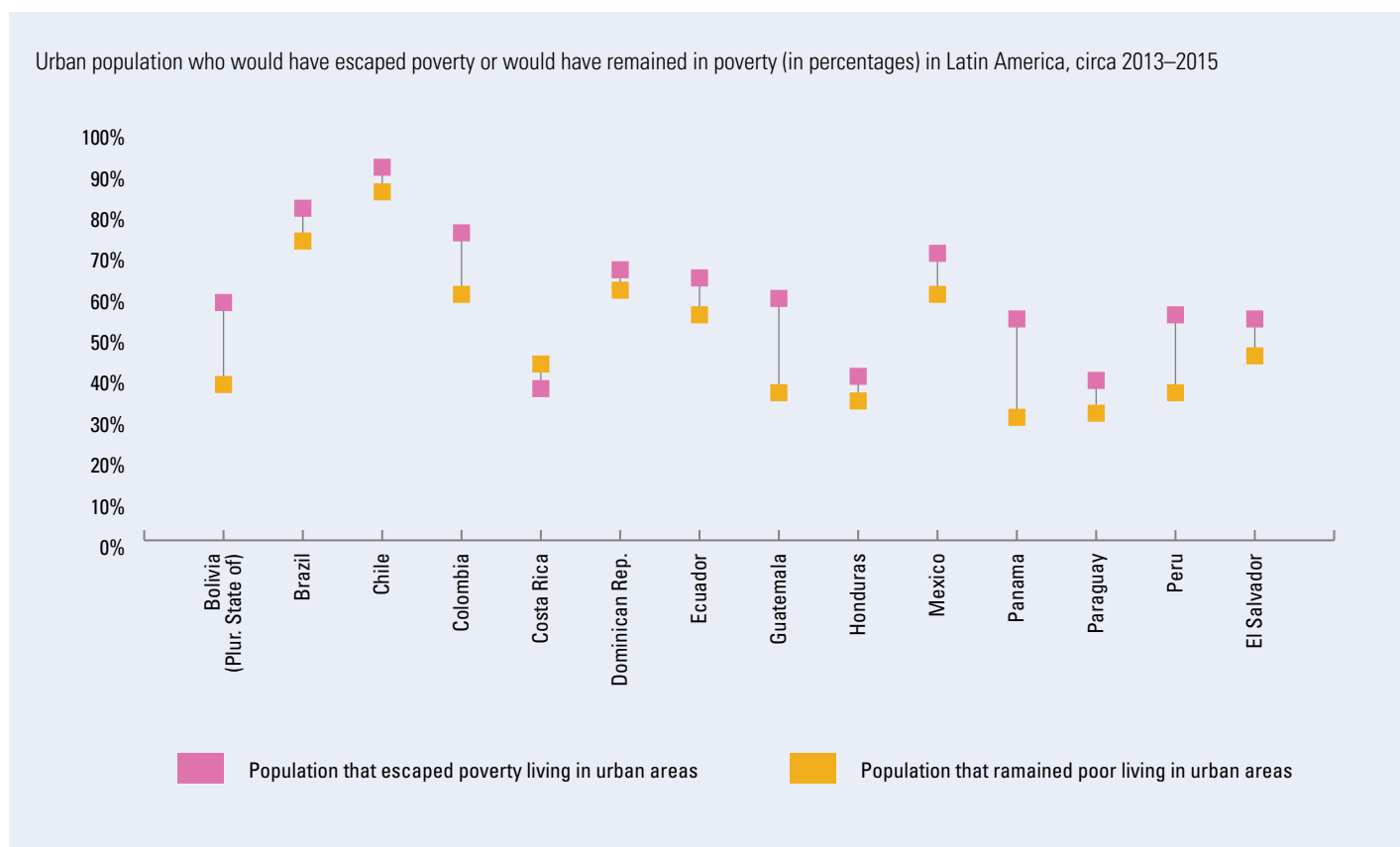
Source: Developed by the authors based on estimates by the CEDLAS using data from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: The data shows the percentage of the urban population who were in a situation of poverty circa 2013 and who had escaped it circa 2015, and the percentage of the urban population who were in a situation of poverty circa 2013 and remained in poverty circa 2015. The data considered when establishing whether the urban population of each country had escaped poverty or remained in poverty corresponds to the start and end years of the periods in brackets: Bolivia (Plurinational State of) (2013-2015), Brazil (2013-2014), Chile (2013-2015), Colombia (2013-2015), Costa Rica 2013-2015), Dominican Republic (2013-2015), Ecuador (2013-2015), El Salvador, 2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015). Data for Argentina is not included in the figure because that country's surveys only collect urban information. The population group in a situation of poverty consists of those with an income of less than US$4 per person per day adjusted for purchasing power parity, and includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

escaped poverty lived in urban areas, compared to 50 percent of those who did not escape poverty. The differences were particularly marked in the Plurinational State of Bolivia, Colombia, Guatemala, Panama and Peru, where they range from 15 to 25 percentage points.

In 2013, the people who would subsequently escape poverty lived in households with a smaller average size, in all countries, than the household size of those who failed to experience such upward mobility. Households which would escape poverty had an average size of 4.3 members, while those who would fail to escape poverty had an average size of

approximately 5 members. In some countries, such as Argentina, Brazil, Chile, Colombia and Guatemala, the difference between both groups was around 1 member, while in Mexico this difference was close to 2 members (see Figure 22). In accordance with these results, the tables presented in annex 3 of this study show that, in all countries, the average number of children aged below 12 years was lower in the households that would eventually escape poverty, when compared with those that failed to do so, with the difference being particularly pronounced in Brazil, Chile, Guatemala and Mexico, where the difference was, on average, almost 1 child.

FIGURE 22

The population that would have escaped a situation of poverty also lived in households whose average size was smaller than that of households that would have remained in poverty. According to the simple average of the results relating to the different countries analysed, the households that would have escaped poverty had approximately one less member than the households that would have remained in poverty

Average size of households that escaped poverty and of households that remained in poverty (number of members) in Latin America, circa 2013-2015

■ Average household size among those that escaped poverty
■ Average household size among those that remained poor

Source: Developed by the authors based on estimates by CEDLAS using data from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: The data shows the average size of the households that were in a situation of poverty circa 2013 and who escaped it by circa 2015, and of the households that were in a situation of poverty circa 2013 and remained so circa 2015. The data considered when establishing whether the households of each country had escaped poverty or remained in poverty corresponds to the start and end years of the periods in brackets: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Brazil (2013-2014), Chile (2013-2015), Colombia (2013-2015), Costa Rica 2013-2015, Dominican Republic (2013-2015), Ecuador (2013-2015), El Salvador, 2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015). The population group in a situation of poverty consists of those with an income of less than US$4 per person per day adjusted for purchasing power parity, and includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

At the start of the period under analysis, the population that would subsequently escape poverty also had a higher level of education. For example, in practically all countries, the proportion of heads of household with tertiary education—that is, with 13 or more years of education—was higher among the population that would escape poverty compared to the population that would remain in poverty, with particularly large differences being observed in Argentina, the Plurinational State of Bolivia, Chile, Mexico and Peru

(seeFigure 23). Similar differences can be observed in the tables in annex 3 which compare the proportions of men and women who would escape poverty with the proportions of men and women who would remain in poverty. It is significant that, when examining the data after it has been disaggregated by gender, the proportion of women with tertiary education is higher than that of men with the same level of education in Brazil, Costa Rica, Dominican Republic, Ecuador, Mexico and Panama.

FIGURE 23

People who would escape a situation of poverty after 2013 had achieved a higher level of education than those who would remain in poverty. The differences between the two groups in terms of the proportion of people with tertiary education is particularly pronounced in Argentina, the Plurinational State of Bolivia, Chile, Mexico and Peru

Heads of household with tertiary education who escaped poverty and who would have remained in poverty (in percentages) in Latin America, circa 2013–2015

Household heads with tertiary education among those that escaped poverty

Household heads with tertiary education among those that remained poor

Source: Developed by the authors based on estimates by CEDLAS using data from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: The data shows the proportion of household heads with tertiary education who were in a situation of poverty circa 2013 and who escaped it by circa 2015, and the proportion of household heads with tertiary education who were in a situation of poverty circa 2013 and remained so circa 2015. The years considered when establishing whether heads of household escaped poverty or remained in poverty correspond to the start and end years of the periods in brackets: Argentina (2013-2015), Bolivia (Plurinational State of) (2013-2015), Chile (2013-2015), Colombia (2013-2015), Costa Rica 2013-2015), Dominican Republic (2013-2015), Ecuador (2013-2015), El Salvador, 2013-2015), Guatemala (2011-2014), Honduras (2013-2015), Mexico (2012-2014), Panama (2013-2015), Paraguay (2013-2015), Peru (2013-2015). The population group in a situation of poverty consists of those with an income of less than US$4 per person per day adjusted for purchasing power parity, and includes people in a situation of extreme poverty (less than US$2.5 per day) and people in a situation of moderate poverty (from US$2.5 to US$4 per day).

To summarize, certain educational and demographic characteristics appear to be correlated with patterns of upward mobility. These results are consistent with, and reinforce, the findings of probabilistic exercises, according to which educational and demographic characteristics exercise a significant influence on a population's probability of progressing to higher income groups. However, there are significant differences, other than education and family structure, between those who escaped poverty and those who remained trapped in it,

and these may play a determining role in the trajectories observed. The tables presented in annex 3, for example, show that the first group have better indicators in terms of housing quality and services, which may have a positive influence on people's long-term development through their impact on health and education, particularly on children. Moreover, in occupational terms, the people who were to escape poverty had lower levels of informal employment than those who remained in poverty, and they were more likely to be employed
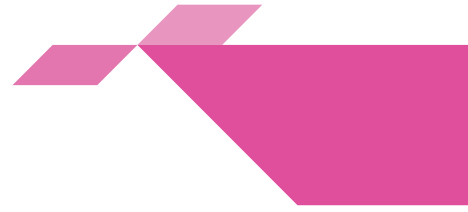
in primary activities and be engaged in trade and other services, including the public sector.

The country tables presented in annex 3 of this study also include a comparison between people who would fall into poverty between 2013 and 2015 and those who consistently remained out of poverty during that period. In this case, the profiles observed would appear to reflect the picture described in this section. Consistently, and in most countries, the different indicators, such as demographic and employment indicators, analyzed are unfavorable to those who had experienced economic setbacks that caused them to fall into poverty.

Three urgent tasks for Latin America

Three urgent tasks for Latin America

Latin America today is a region of opportunities. After the end of a boom driven by high commodity prices, the region experienced an economic slowdown which suggested the likelihood of a significant reversal in the social achievements of the 2003–2013 period. These achievements had been heavily reliant on economic growth, both as a result of the benefits distributed through the labor market and by generating the higher tax revenues which enabled greater public spending on social provision. Given that three-quarters of the reduction in poverty and the expansion of the middle class were the result of the economic growth experienced during the 2003 to 2013 period, it was natural to assume that an economic slowdown and contraction would have a negative impact on these areas.

Particularly depressing was the knowledge that the region had missed an opportunity to make investments and radically reform its social protection systems, going beyond the conditional transfers which, while undoubtedly positive, did not in themselves constitute the core of a social policy in a context where most people had already crossed the poverty threshold. Expanding the segment of the population in the middle of the income pyramid required job security and higher quality employment, along with access to fair pension and healthcare systems. It also called for more and better education services, ones that provided a natural transition into the job market and that were designed to reflect the economic needs of countries in the region.

While the 1990s saw decisive action by the state to promote investment in the expansion of education coverage, to refocus social policy to make it more progressive, and to consolidate the stability of macroeconomic indicators, the golden decade of 2003 to 2013 was characterized by a failure to implement the reforms needed to satisfy these demands. As a result, with almost 40 percent of the region's population living in conditions of economic vulnerability in 2013, more than half of all workers employed in informal conditions, and a significant deficit in the coverage of basic services, which particularly affected those living in situations of poverty and vulnerability, the publication of statistical information for 2015 represented a real test of the resilience of recent social achievements.

Did the decline in social conditions that was forecast for the post-boom years materialize? The changing situation in the region in 2015 led not to a reversal but rather to a slowdown of the achievements of the boom period, in particular with respect to poverty reduction and the expansion of the middle class. A breakdown of the regional data by country shows that this result is heavily influenced by the relative weight of the two economies most affected by the economic slowdown—Argentina and Brazil—who together account for a considerable share of the regional economy. In the other countries, there were minimal change in the pace of social progress between 2013 and 2015. The Andean countries continued to successfully reconfigure their socioeconomic structures, while in the majority of the Central American countries poverty reduction actually accelerated after 2013. This is significant for two reasons: firstly, because social progress in those countries had been markedly slower than in the rest of the region, and secondly because, in relative terms, the bulk of the population of that sub-region was concentrated in the most disadvantaged groups.

Recent trends reflect continuing income growth in much of the region, which is important in and of itself because it has occurred on a significant scale over a very short time period (2013–2015), and because it has been concentrated in those countries where

upward mobility had previously been less pronounced. Breaking down the figures by country, then, shows that the Latin America region continues to experience mobility. It is also a less unequal region as, after 2013, the Gini coefficient resumed the downward trend observed in previous years in all countries.

In summary, several Latin American countries have had a solid response to the economic slowdown and have protected social progress, which, in the 2003-2013 period, showed the most significant improvements since regional records began. With the prospect of economic recovery in the medium term, the predominance of democracy, and a large middle class, the region now has a new opportunity to implement the reforms needed to consolidate and accelerate the well-being of its inhabitants. In addition to strengthening the strategies that have delivered good results in terms of poverty reduction, the public policy agenda for the medium term should prioritize three issues: effective social inclusion, comprehensive social protection, and productive inclusion.

As was stressed in the Regional Report on Human Development for Latin America and the Caribbean 2016 (UNDP 2016), the region's governments should not ignore that the social and economic progress achieved to date has not benefited everyone, or that this progress has not been reflected in less tangible but equally important areas of development. In particular, Latin America continues to suffer from complex processes that discriminate against and exclude women, rural populations, and indigenous and Afro-descendant populations from economic processes, and that prevent these people from effective enjoyment of their social and political rights.

Membership of these population groups cannot and should not be synonymous with reduced chances of progress. Changing this reality means strengthening strategies to reduce poverty and inequality (or moving towards universal social security provision that covers every part of society) and reforming institutions to make them more inclusive and sensitive to the diverse needs of citizens.

Secondly, the public policies and economic strategies that have produced good results in the region so far will need to be redesigned in the years to come. While the combination of economic growth (with its positive effects reflected in higher wages) and direct transfers has successfully reduced poverty in many countries, relying exclusively on this strategy seems unlikely to be sufficient. This is because, even if the region were to resume the high levels of economic growth achieved during the boom, there is a part of the population that is largely excluded from the main channel through which these economic benefits are transmitted: the labor market. In 2015, only one-third of those over 16— including school-age youth and older people of retirement age—living in a situation of extreme poverty were employed. For adults between 25 and 55 years of age in extreme poverty, only 56 percent were employed, a rate that was almost 30 percentage points lower than for the middle class (it is worth noting that the population in extreme poverty still represented 11% of the regional population in 2015, equivalent to almost 60 million people). Furthermore, of the total employed adult population living in a situation of extreme poverty, 27 percent did not receive any income (see Figure 24).

FIGURE 24

The population in a situation of poverty, especially those in a situation of extreme poverty, suffers from very high levels of exclusion from the labor market; in addition to which, when in employment around 27 percent of this population receives no financial remuneration

Employed population and employed population receiving no income, by income group (in percentages) in Latin America, 2015

Population employed, total (16 years old and above)

Population employed aged 25-55 years

Population employed earning zero income (right-hand axis)
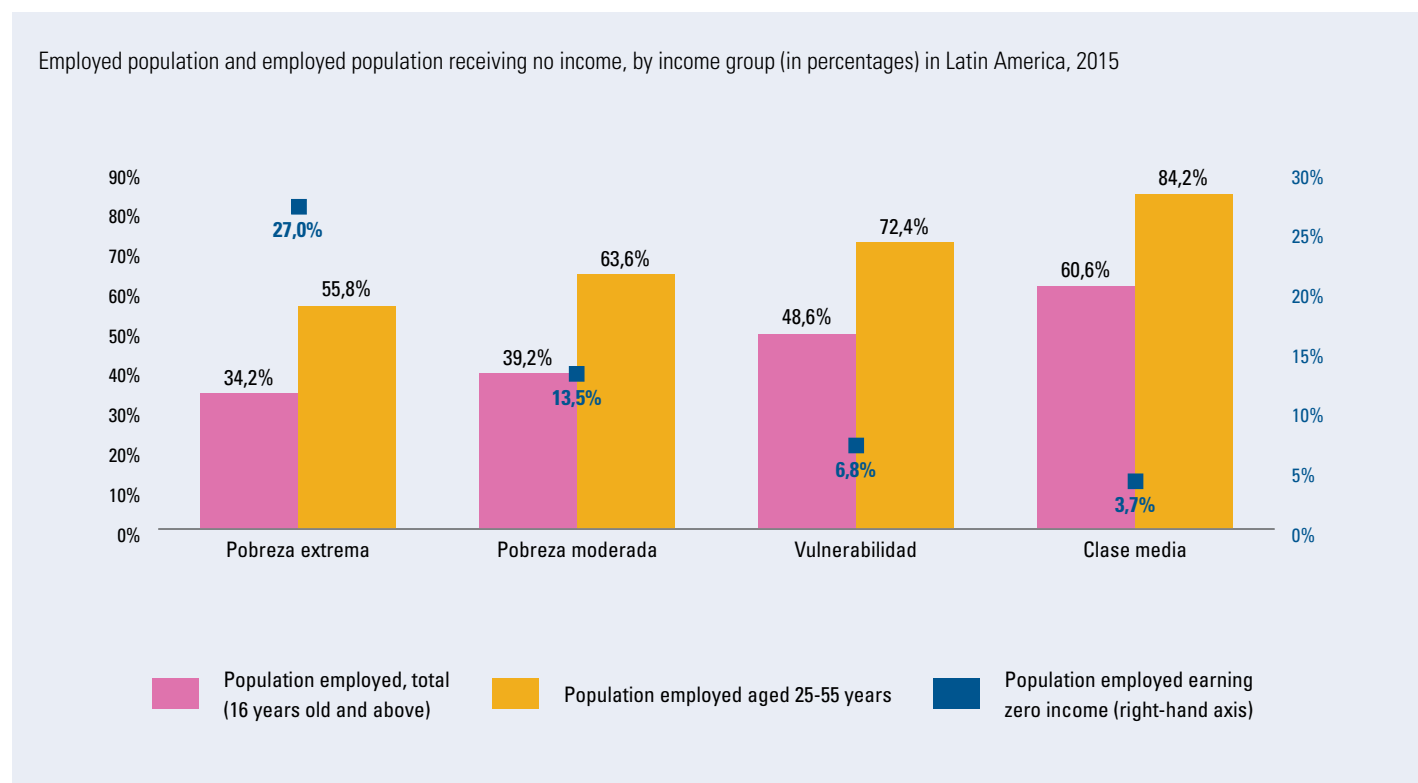
Source: SEDLAC (CEDLAS and the World Bank).
Note: The data corresponds to the compound aggregate for the following 17 Latin American countries: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Ecuador, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay. The income groups are defined on the basis of per capita daily income, with thresholds and ranges established in dollars adjusted for purchasing power parity: population in a situation of extreme poverty (less than US$2.5 per day), population in a situation of moderate poverty (from US$2.5 to US$4 per day), vulnerable population (from US$4-US$10 per day) and middle class (from US$10-US$50 per day).

Current social assistance strategies, typically implemented through direct transfers, while essential to facilitating immediate consumption, are insufficient if not accompanied by policies to ensure medium-term economic stability and security. These strategies, moreover, do not benefit or necessarily reach the large sections of the population who are no longer seeking to escape poverty but whose aim, instead, is to avoid falling back into it. Although recent years have not seen a fall back to previous levels of poverty when aggregate trends are analyzed, the population in a vulnerable situation has grown, both regionally and in each country, and this is indicative of the existence of a growing group of people who are not covered by traditional social assistance.

There is therefore an urgent requirement to develop innovative social protection policies. Achieving a level of social protection that covers the whole of society is also essential for achieving social justice, as current systems are generally fragmented and exclude those who do not participate in the formal labor market. In 2015, 56 percent of the total employed population in the region were in informal employment, a proportion which rose to 91 percent, 77 percent and 60 percent of the employed population in conditions of extreme poverty, moderate poverty and vulnerability, respectively. Moreover, if we look beyond changes at the aggregate level and consider simultaneous trajectories of escaping and falling into poverty, and transitions between vulnerability and membership of the

middle class, we can identify the existence of substantial segments of the population who are experiencing significant declines in their levels of economic well-being.

It is essential to focus on trends that are generally concealed if we are to design systems that are effective both in terms of their ability to reflect the needs of the population, depending on income group, and in terms of the fiscal conditions required to develop such systems. By conservative estimates, from 2013 to 2015 alone, almost 4 million people may have fallen into extreme poverty and around 7 million people may have moved from vulnerability into poverty or from the middle class into vulnerability. Security and social protection therefore emerge as essential needs that must be guaranteed in an effective, efficient manner to reduce the impoverishment of those who are persistently disadvantaged, to generate resilience among those who are not in poverty, and to strengthen the middle class.

Finally, in addition to developing fair, comprehensive social protection systems, it is essential to promote greater productive inclusion to reduce the levels of informal employment, to improve opportunities for groups that are systematically excluded, to invest in high-quality education and innovation, to develop productive enterprise, and to improve the quality of employment. With respect to the final issue on this list, for example, the incidence of precarious employment (employment in microenterprises with less than five workers, self-employment with no form of specialization, and unpaid work) was 53 percent of the total employed population in 2015, while the equivalent figures for the employed population in a situation of extreme poverty, moderate poverty and vulnerability, were 85 percent, 72 percent and 56 percent, respectively. Moreover, employment in primary activities—a key sector of the Latin American economy—is synonymous with a lower level of well-being. In 2015, more than 52 percent of the population in a situation of extreme poverty was engaged in agricultural activities, a rate that contrasts with 8 percent for the same activities among the middle class.

Over and above efforts to improve the quality of any jobs that are generated, the expansion and sustainability of future economic growth cannot continue to depend on raw materials, both because of the risk associated with price volatility and global demand for these products, and because of the depletion of natural resources and the adverse environmental impact. Nor can such efforts rely on the absorption of informal, unskilled labor by the services sector, which comprise activities that are characterized by relatively low levels of productivity. In a region in which specialized services and industry account for only 6 and 12 percent of employment, respectively, it is essential to generate the conditions to drive greater economic productivity and more inclusive productive development.

These conditions include the implementation of institutional reforms that promote, in principle, the accumulation of productive factors and innovation and, as a result, generate the much needed commercial and productive diversification that is currently so lacking in the region. An example of this is the fact that, for each dollar that entered the region in 2015 from exports, almost half is spent on agricultural raw materials, fuel and mining products, and if Mexico is excluded from the aggregate then this figure rises to 70 cents for each dollar (see Figure 25). This situation, which is particularly challenging in a world in which both the demand for and the prices of these products have fallen dramatically, requires a change of perspective with regard to the structures of production, job creation and the formation of human capital in order to promote the productivity and competitiveness of Latin American economies. Such a transformation is neither simple nor immediate, but in public agendas it is possible to start to prioritize investment in high-quality education, job specialization, research and development, infrastructure, and the expansion of productive credit. Another option, already implemented by several countries in the region, is to move towards greater integration with global value chains as a way of accessing innovation flows and promoting productivity.

FIGURE 25

The value of raw agricultural materials, fuel and mining exports in 18 Latin American countries represents 47% of total exports, reaching 70% when Mexico is excluded from the regional aggregate

Distribution of the value of exports, classified by type (in percentages) in Latin America, 2015

Agricultural products · Energy and metals · Manufacturing
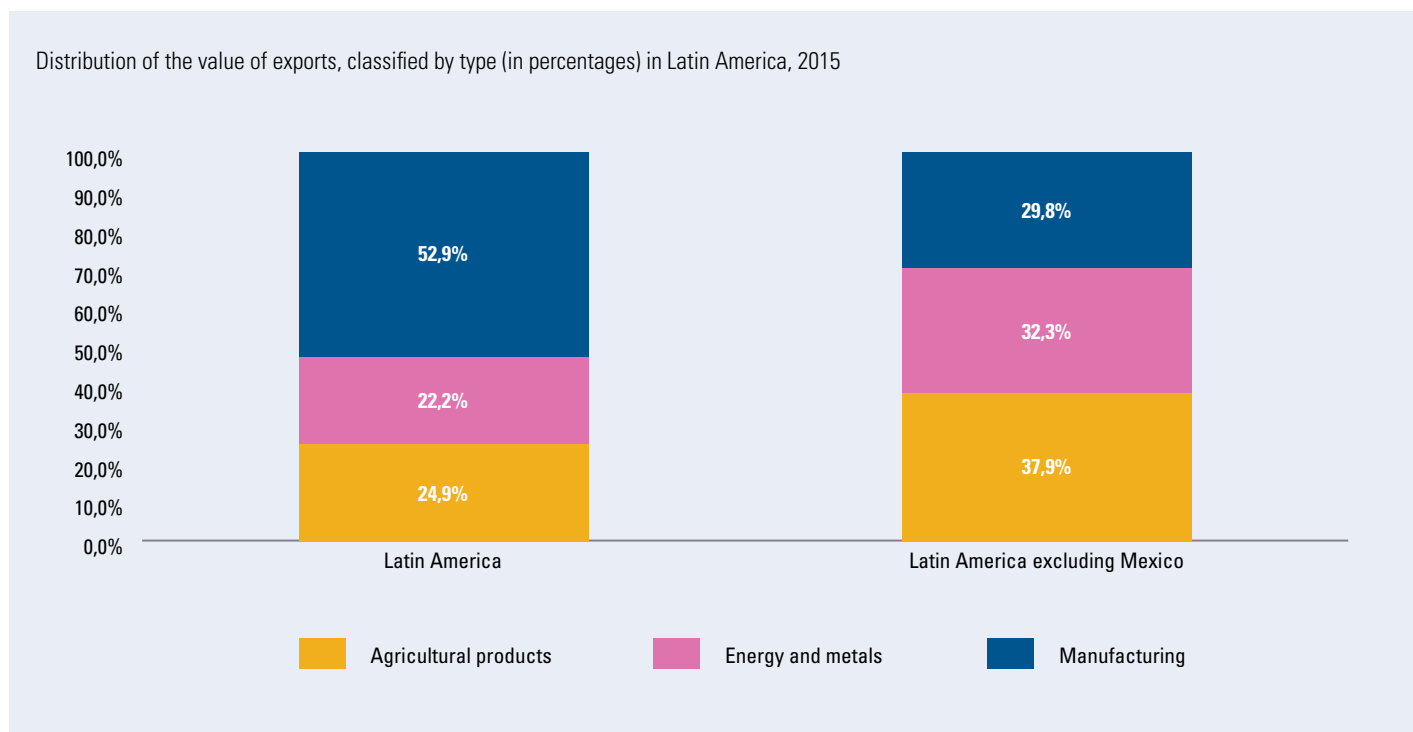
Source: World Trade Organization Statistics Database (WTO) [online] https://www.wto.org/spanish/res_s/statis_s/merch_trade_stat_s.htm.
Note: The data represent the aggregate composed of the following 18 Latin American countries: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of). In 12 of the 18 countries examined, the value of raw agricultural material, energy and metal exports represents more than half the value of total exports: it represents more than 90% in Bolivia (Plurinational State of), Ecuador, Paraguay and Venezuela (Bolivarian Republic of); between 70% and 90% in Argentina, Chile, Colombia, Peru and Uruguay; and between 50% and 70% in Brazil, Guatemala and Nicaragua.

The next years will be critical for the region. Tackling these three great challenges is not simple, since it requires substantial investment, unprecedented institutional strengthening, the coordination of actions between the different levels and bodies of government, and the establishment of political agreements that do not respond to short-term objectives. This calls for a drastic change in the way in which social policies are designed and implemented as there must be a shift from the current definition of objectives and specific ministerial mandates towards the establishment of multisectoral objectives based on shared responsibilities. To ensure that new social protection schemes are comprehensive, for example, such schemes must be focused on the different stages of the life cycle and on the personal and contextual characteristics of the population. This must bring together

areas that independent public entities are typically responsible for are, for example: care systems for children, reproductive and maternal health systems for women, pension systems for men and women who participate in the labor market, welfare systems for the protection of those who do not participate in the labor market, and the implementation of retirement and old-age pensions for older people. The equation becomes more complicated if, in addition to being comprehensive, the systems must also be coherent with the specific needs of the population, depending on their current situation (populations living in extreme poverty, populations living in overall poverty, vulnerable populations or middle class populations). Within this web of shared responsibilities, these systems must also be financially efficient, always ensuring coherence with financing options.

However, social protection is only one of the urgent challenges facing the region. This urgency, as previously indicated, lies in its significance for preventing the deterioration of people's current well-being, but it is insufficient if it is not accompanied by productive strategies that promote the strengthening of such well-being and position individuals on trajectories that involve greater long-term economic security. A key aspect for generating the changes required in the design and implementation of ambitious and innovative policies is the generation of statistical information and administrative records that make it possible to precisely identify groups and their dynamics over time.

Despite the difficulties, recent history has shown that the region is capable of mapping long-term objectives and working towards them to achieve far-reaching results. There has been a dedicated effort, since the 1990s, to stabilize the economy, and to develop a social policy vision which, almost two decades after it began, has been highly influential in fostering Latin America's current improved social profile.

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Notes

1 The changes noted were estimated based on data published by ECLAC in the CEPALSTAT database (updated May 2017). Social spending includes: social protection, health, education, housing, the environment, recreational activities, culture and religion.

2 According to data from CEDLAS estimated from SEDLAC (CEDLAS and the World Bank) and provided for this study, the proportions of adults aged between 25 and 55 years living in extreme and moderate poverty with some degree of secondary education reached, in around 1993, 9.6% and 16%, respectively. These proportions increased, respectively, to 13.6% and 21.8% around 2003, and to 24.4% and 30.8% around 2013. Moreover, in both groups the proportions of adults with some degree of higher education rose from 1% and 2% in 1993 to 1.6% and 2.4% in 2003, respectively, and to 3.6% in both relatively and moderately poor groups by 2013.

3 This result is in marked contrast with what happened during the 1990s, when almost all of the changes in the incidence of poverty were the product of economic growth (see figure 2.11 in UNDP, 2016, p. 60). The data described express, in percentages, the contribution of growth and redistribution to the change in the incidence of poverty, measured against the threshold of US$4 per day, and the change in size of the middle class, both calculated with the Datt-Ravallion decomposition method (Datt and Ravallion, 1992). The data corresponding to the incidence of poverty are those reported by the LAC Equity Lab of the World Bank based on SEDLAC (CEDLAS and World Bank) (updated April 2016), and the data corresponding to the change in size of the middle class were consulted in Azevedo et al. (2015).

4 In this study, the lower level of inequality in per capita household income during the boom was calculated based on the labor and non-labor income reported by the population in household income and spending surveys conducted across the region periodically. These surveys are standardized by CEDLAS to ensure comparability of data at a regional level. A commonality amongst these surveys is that, because they are restricted population samples, they do not capture the income of households in the extreme upper distribution, which are not represented in the sample. Moreover, they do not generally capture earnings from corporate capital.

5 A report by ECLAC shows, in a way that is consistent with what is described here, that household income inequality has effectively been reduced in recent years, but this tendency has not been accompanied by greater equality with respect to dimensions associated with the use of time by men and women, or ethnoracial characteristics (CEPAL, 2017). Another study, focused on the concentration of wealth in the upper distribution, shows that the recent success in achieving greater economic equality is not replicated when capital gains are included. In other words, the tendency towards the concentration of wealth in the region has been accentuated over time as a result of inequitable tax structures (CEPAL and Oxfam, 2016). However, this is not only the result of taxation but is also due to the regions high dependency on the large-scale exploitation of natural resources to produce of raw materials, which drives inequality and leads to more concentrated ownership of land, wealth, and economic and political power (Oxfam, 2016).

6 The 2016 Regional Human Development Report for Latin America and the Caribbean (UNDP, 2016, p. 6) indicates that the middle class included almost 202 million people in 2013, a year in which this income group accounted for almost 35 percent of the regional population. These data refer to an aggregate of countries including Venezuela (Bolivarian Republic of). However, in the aggregate considered in this document, data relating to this country are not included for reasons of statistical consistency. Thus, on excluding the data relating to Venezuela (Bolivarian Republic of), the middle class population for the aggregate of the countries considered, amounts to 192 million people in 2013, a figure equivalent to 34.7 percent of the total population.

7 UNDP (2016, page 6) indicates that there were some 224 million people living in a situation of vulnerability in 2013, a figure equivalent to 38 percent of the regional population. As indicated in the previous footnote, this data refers to an aggregate of countries that includes Venezuela (Bolivarian Republic of); however, the country aggregate given in this document does not include data from this country for reasons of statistical consistency. Excluding data on Venezuela (Bolivarian Republic of), the aggregate figure for the population living in a vulnerable situation across the countries was thus 213 million people in 2013.

8 These magnitudes of mobility, particularly upward, are very different to those observed in the 2003-2013 period, when 49 in every 100 people experienced upward mobility, 50 remained in the same income group and only 1 suffered an economic downturn (UNDP, 2016, p. 65). It is important to note that the evaluations, conducted on the basis of the synthetic panel technique, cover each period from point to point, and so they ignore dynamics that may have occurred during the interim. It is therefore to be expected that, between 2003 and 2013, a period in which economic improvements were enjoyed by all countries, benefiting the lower income groups in particular, the extent of upward mobility would be very great in comparison to that recorded between 2013 and 2015.

[9] The transition matrices for the conservative estimate in these countries show that, in Argentina, the total downwardly mobile population came to 1.94 million, or 4.6 percent of the population, while the upwardly mobile population was around 890,000 people or 2.1 percent of the population, and those who remained in the same group a little more than 39 million or 93.3 percent of the total population. In the case of Mexico, the figures are the following: 11.4 million people or 9.5 percent of the population are downwardly mobile, a little more than 2 million people or 1.7 percent of the population upwardly mobile, and just over 106 million people or 88.8 percent of the population remaining in the same group.

[10] Annex 2 to this document provides a matrix showing the transition in each country, based on the conservative estimate from which figures 12 and 13 were taken and the matrix based on the extreme estimate. It also includes absolute data for the number of people experiencing mobility or immobility.

[11] See, for example, the study on income mobility during the period 1992-2003 in 14 Latin American countries (Cuesta, Ñopo and Pizzolitto, 2011), or the paper on wage mobility in Argentina during the period 1985-2004 (Navarro, 2010).

[12] For the estimation of counterfactual income for both levels, the sample was reduced to households where the head of the household was aged between 25 and 55. In order to obtain stable results, a counterfactual income was estimated 50 times and the total of the estimates was averaged.
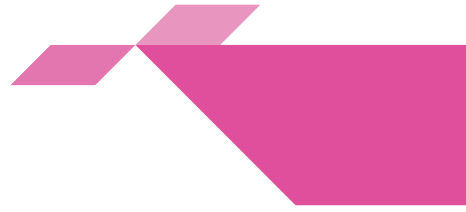
Annex

The study of the size and direction of changes in individual and household levels of income —intragenerational income mobility—requires longitudinal information that enable monitoring of the socioeconomic characteristics of a given population group over two or more time periods. The availability of this data in Latin America is limited to a small number of countries and the information includes different periods of information in each case, which limits the possibility of producing regional studies relating to a specific period of interest. In the absence of longitudinal data, the evidence available in terms of intragenerational economic mobility in the region has been based on the construction of pseudo-panels and synthetic panels.

The technique of pseudo-panels (Deaton, 1985) enables monitoring of population groups by age range and, through several rounds of surveys on household income or expenditure (cross-sectional surveys), the wide availability of which enables an estimate of the extent of economic mobility of some countries in the region, mainly toward the end of the last century.[11] One drawback of this approach is that it evaluates average mobility patterns by using age cohort as a unit of analysis, rather than evaluating individual intra-group or household mobility. A recent alternative for addressing this limitation is offered through synthetic panels, the construction of which are based on an "out-of-sample" imputation method (Dang and Lanjouw, 2013; Dang et al., 2014) based on the methodology of estimating income and poverty in small areas (Elbers, Lanjouw and Lanjouw, 2003). The results obtained in the region in terms of intergenerational economic mobility based on these panels are comparable to those achieved with longitudinal surveys, thereby obtaining significant statistical validity, which has validated the extensive use of synthetic panels in recent years.

This methodology of synthetic panels allows the prediction of income per capita in two rounds of cross-sectional surveys based on individual characteristics, thereby providing a panel of income for two points in time. The prediction involves estimating levels that take into account the true value of the parameters: one lower and one upper, which are referred to in the document as a conservative estimate and extreme estimate, respectively. The methodology followed officially involves the following stages.

Firstly, two rounds r of cross-sectional surveys are completed in each country—round 1 is for the year circa 2013, and round 2 is for the year circa 2015—and x_{ir} is determined for the individual characteristics vector i which are observed for different individuals in both rounds. This vector includes variables that remain constant over time, such as gender, and characteristics that vary over time, such as employment status in 2013. Subsequently, using an ordinary least squares (OLS) model, an estimate is made of income y_{ir} for both rounds, according to the vector x_{ir} —superscript indicates that observations are only found in round 1 or 2—:

$$y_{i13}^1 = \beta_{13} x_{i13}^1 + \varepsilon_{i13}^1 \tag{1}$$

$$y_{i15}^2 = \beta_{15} x_{i15}^2 + \varepsilon_{i15}^2 \tag{2}$$

Secondly, since the observations do not relate to the same individuals in the two rounds, an estimate of counterfactual income circa 2013 is made for each individual, which represents the income they would have circa 2015. With regard to the upper level, the estimated residuals and coefficients circa 2015 are obtained based on equation (2):

$$\hat{\varepsilon}_{i15}^2 = y_{i15}^2 - \hat{\beta}_{15} x_{i15}^2 \tag{3}$$

Then, for each individual observed circa 2013, the counterfactual income is constructed using the characteristics observed circa 2013 multiplied by the respective coefficients estimated for circa 2015, plus the residuals of circa 2015, the allocation of which is random for each individual circa 2013:

$$\hat{y}_{i15}^1 = \hat{\beta}_{15} x_{i13}^1 + \hat{\varepsilon}_{i15}^1 \tag{4}$$

This procedure overestimates income mobility because it overlooks the autocorrelation between estimation errors. Thus, in order to have consistent results, the residuals for circa 2013 and 2015 should not correlate —the random allocation of the residuals for circa 2015 remains valid for the observations relating to circa 2013—, but in practice it is hoped that these residuals positively correlate.

Consequently, a lower level is constructed taking into consideration that the aforementioned error relating to circa 2013 is exactly the same as the one relating to circa 2015 —i.e. there is considered to be a perfectly positive autocorrelation—. For this, for the sample of individuals relating to circa 2013, the residuals of equation (1) are obtained:

$$\hat{\varepsilon}_{i13}^1 = y_{i13}^1 - \hat{\beta}_{13} x_{i13}^1 \tag{5}$$

Then, for each individual observed circa 2013, the counterfactual income is constructed using the characteristics observed circa 2013 multiplied by the respective coefficients estimated for circa 2015, plus the residuals of circa 2015:

$$\hat{y}_{i15}^1 = \hat{\beta}_{15} x_{i13}^1 + \hat{\varepsilon}_{i13}^1 \tag{6}$$

Lastly, the size and direction of the changes in income among the population are computed, in relation to a certain threshold —for example, the poverty line of US$4 per day— taking into consideration the income observed circa 2013 (y_{i13}) and the counterfactual income of the lower or upper level estimated for round 2 ($\hat{y}_{i15}^1$).[12]

Table A2.1. Mobility matrices in Argentina (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**5,2%**	0,3%	0,0%	0,0%
	Moderate poverty	0,8%	**6,2%**	0,6%	0,0%
	Vulnerability	0,0%	1,7%	**34,3%**	1,2%
	Middle class	0,0%	0,0%	2,1%	**47,5%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**2,21**	0,14	0,00	0,00
	Moderate poverty	0,32	**2,61**	0,26	0,00
	Vulnerability	0,00	0,73	**14,48**	0,49
	Middle class	0,00	0,00	0,89	**20,03**

		Extreme estimate (upper limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,0%**	0,1%	2,6%	2,9%
	Moderate poverty	0,0%	**0,2%**	3,3%	4,1%
	Vulnerability	0,0%	0,2%	**12,8%**	24,3%
	Middle class	0,0%	0,0%	5,6%	**43,9%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,00**	0,03	1,11	1,21
	Moderate poverty	0,01	**0,06**	1,39	1,73
	Vulnerability	0,00	0,06	**5,38**	10,26
	Middle class	0,00	0,02	2,37	**18,52**

Table A2.2. Mobility matrices in Bolivia (Plurinational State of) (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**11,2%**	3,1%	0,3%	0,0%
	Moderate poverty	0,7%	**6,6%**	5,6%	0,0%
	Vulnerability	0,0%	1,0%	**31,7%**	7,7%
	Middle class	0,0%	0,0%	1,2%	**30,8%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**1,15**	0,31	0,03	0,00
	Moderate poverty	0,07	**0,68**	0,57	0,00
	Vulnerability	0,00	0,10	**3,26**	0,79
	Middle class	0,00	0,00	0,13	**3,16**

		Extreme estimate (upper limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,4%**	1,9%	8,0%	4,3%
	Moderate poverty	0,1%	**0,3%**	6,2%	6,3%
	Vulnerability	0,2%	0,6%	**12,8%**	26,8%
	Middle class	0,0%	0,2%	5,4%	**26,4%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,04**	0,19	0,82	0,45
	Moderate poverty	0,01	**0,03**	0,64	0,65
	Vulnerability	0,02	0,06	**1,31**	2,76
	Middle class	0,00	0,02	0,56	**2,71**

Source and note in page 63

Table A2.3. Mobility matrices in Chile (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**2,1%**	0,1%	0,0%	0,0%
	Moderate poverty	0,4%	**4,3%**	0,4%	0,0%
	Vulnerability	0,0%	1,5%	**35,7%**	1,0%
	Middle class	0,0%	0,0%	3,3%	**51,2%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,34**	0,01	0,00	0,00
	Moderate poverty	0,06	**0,71**	0,06	0,00
	Vulnerability	0,00	0,25	**5,87**	0,16
	Middle class	0,00	0,00	0,54	**8,40**

		Extreme estimate (upper limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,0%**	0,0%	0,8%	1,3%
	Moderate poverty	0,0%	**0,1%**	2,0%	3,0%
	Vulnerability	0,0%	0,3%	**9,7%**	28,2%
	Middle class	0,0%	0,2%	5,2%	**49,1%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,00**	0,00	0,13	0,22
	Moderate poverty	0,00	**0,01**	0,33	0,49
	Vulnerability	0,00	0,05	**1,60**	4,63
	Middle class	0,00	0,03	0,85	**8,06**

Table A2.4. Mobility matrices in Colombia (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**14,3%**	1,2%	0,0%	0,0%
	Moderate poverty	0,3%	**13,3%**	2,4%	0,0%
	Vulnerability	0,0%	0,3%	**35,8%**	2,5%
	Middle class	0,0%	0,0%	0,2%	**29,8%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**6,63**	0,55	0,00	0,00
	Moderate poverty	0,12	**6,14**	1,12	0,00
	Vulnerability	0,00	0,12	**16,57**	1,14
	Middle class	0,00	0,00	0,07	**13,78**

		Extreme estimate (upper limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,1%**	1,9%	10,4%	3,1%
	Moderate poverty	0,0%	**1,2%**	10,4%	4,4%
	Vulnerability	0,0%	1,4%	**19,7%**	17,4%
	Middle class	0,0%	0,2%	6,6%	**23,1%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,03**	0,88	4,83	1,44
	Moderate poverty	0,01	**0,54**	4,79	2,04
	Vulnerability	0,02	0,65	**9,12**	8,06
	Middle class	0,00	0,11	3,04	**10,70**

Source and note in page 63

Table A2.5. Mobility matrices in Costa Rica (in percentages and millions of people), 2013-2015

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**3,9%**</td><td>1,0%</td><td>0,0%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>0,2%</td><td>**5,2%**</td><td>2,6%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,3%</td><td>**31,7%**</td><td>5,8%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>0,3%</td><td>**49,1%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,17**</td><td>0,04</td><td>0,00</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>0,01</td><td>**0,23**</td><td>0,12</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,01</td><td>**1,42**</td><td>0,26</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,02</td><td>**2,19**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,0%**</td><td>0,0%</td><td>2,4%</td><td>2,4%</td></tr>
<tr><td>Moderate poverty</td><td>0,0%</td><td>**0,1%**</td><td>3,9%</td><td>4,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,1%</td><td>**12,6%**</td><td>25,0%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>5,5%</td><td>**43,9%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,00**</td><td>0,00</td><td>0,11</td><td>0,11</td></tr>
<tr><td>Moderate poverty</td><td>0,00</td><td>**0,00**</td><td>0,18</td><td>0,18</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,01</td><td>**0,56**</td><td>1,12</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,25</td><td>**1,96**</td></tr>
</table>

Table A2.6. Mobility matrices in Ecuador (in percentages and millions of people), 2013-2015

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**8,0%**</td><td>1,5%</td><td>0,0%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>0,3%</td><td>**10,9%**</td><td>3,1%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,5%</td><td>**42,2%**</td><td>3,2%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>0,7%</td><td>**29,6%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**1,25**</td><td>0,23</td><td>0,00</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>0,05</td><td>**1,72**</td><td>0,49</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,09</td><td>**6,62**</td><td>0,50</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,11</td><td>**4,64**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,0%**</td><td>0,1%</td><td>6,9%</td><td>2,4%</td></tr>
<tr><td>Moderate poverty</td><td>0,0%</td><td>**0,2%**</td><td>10,4%</td><td>3,8%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,3%</td><td>**26,2%**</td><td>19,4%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>9,4%</td><td>**20,8%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td colspan="5" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,00**</td><td>0,02</td><td>1,09</td><td>0,37</td></tr>
<tr><td>Moderate poverty</td><td>0,00</td><td>**0,03**</td><td>1,63</td><td>0,60</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,04</td><td>**4,12**</td><td>3,04</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>1,48</td><td>**3,26**</td></tr>
</table>

Source and note in page 63

Table A2.7. Mobility matrices in El Salvador (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**11,3%**	1,5%	0,0%	0,0%
	Moderate poverty	0,8%	**15,9%**	2,5%	0,0%
	Vulnerability	0,0%	1,2%	**44,8%**	2,0%
	Middle class	0,0%	0,0%	0,8%	**19,1%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,69**	0,09	0,00	0,00
	Moderate poverty	0,05	**0,96**	0,15	0,00
	Vulnerability	0,00	0,08	**2,71**	0,12
	Middle class	0,00	0,00	0,05	**1,16**

		Extreme estimate (upper limit) (in percentage)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,0%**	1,5%	10,7%	0,6%
	Moderate poverty	0,0%	**1,0%**	16,2%	2,0%
	Vulnerability	0,0%	1,2%	**34,7%**	12,1%
	Middle class	0,0%	0,2%	8,5%	**11,4%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2013	**Extreme poverty**	**0,00**	0,09	0,65	0,04
	Moderate poverty	0,00	**0,06**	0,98	0,12
	Vulnerability	0,00	0,08	**2,10**	0,73
	Middle class	0,00	0,01	0,51	**0,69**

Table A2.8. Mobility matrices in Guatemala (in percentages and millions of people), 2011-2014

		Conservative estimate (lower limit) (in percentage)			
		2014			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2011	**Extreme poverty**	**35,3%**	5,7%	0,2%	0,0%
	Moderate poverty	2,4%	**13,4%**	6,4%	0,0%
	Vulnerability	0,0%	1,9%	**22,8%**	2,8%
	Middle class	0,0%	0,0%	0,7%	**8,3%**

		Conservative estimate (lower limit) (in millions of people)			
		2014			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2011	**Extreme poverty**	**5,29**	0,86	0,03	0,00
	Moderate poverty	0,36	**2,01**	0,95	0,00
	Vulnerability	0,00	0,29	**3,41**	0,43
	Middle class	0,00	0,00	0,10	**1,25**

		Extreme estimate (upper limit) (in percentage)			
		2014			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2011	**Extreme poverty**	**6,0%**	16,3%	18,5%	0,5%
	Moderate poverty	1,6%	**6,4%**	12,9%	1,3%
	Vulnerability	1,1%	4,3%	**16,6%**	5,5%
	Middle class	0,2%	0,4%	3,4%	**5,1%**

		Extreme estimate (upper limit) (in millions of people)			
		2014			
		Extreme poverty	**Moderate poverty**	**Vulnerability**	**Middle class**
2011	**Extreme poverty**	**0,90**	2,44	2,78	0,07
	Moderate poverty	0,23	**0,97**	1,93	0,19
	Vulnerability	0,17	0,64	**2,49**	0,83
	Middle class	0,03	0,06	0,51	**0,76**

Source and note in page 63

Table A2.9. Mobility matrices in Honduras (in percentages and millions of people), 2013-2015

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**35,3%**</td><td>4,2%</td><td>0,3%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>4,3%</td><td>**10,7%**</td><td>4,8%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,1%</td><td>3,0%</td><td>**23,9%**</td><td>2,4%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>1,4%</td><td>**9,5%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**2,76**</td><td>0,33</td><td>0,03</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>0,33</td><td>**0,84**</td><td>0,37</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,01</td><td>0,23</td><td>**1,86**</td><td>0,19</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,11</td><td>**0,74**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**8,8%**</td><td>15,1%</td><td>14,6%</td><td>1,3%</td></tr>
<tr><td>Moderate poverty</td><td>2,1%</td><td>**6,8%**</td><td>9,7%</td><td>1,2%</td></tr>
<tr><td>Vulnerability</td><td>1,6%</td><td>6,2%</td><td>**17,1%**</td><td>4,5%</td></tr>
<tr><td>Middle class</td><td>0,2%</td><td>0,8%</td><td>5,1%</td><td>**4,8%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,69**</td><td>1,18</td><td>1,14</td><td>0,10</td></tr>
<tr><td>Moderate poverty</td><td>0,17</td><td>**0,53**</td><td>0,76</td><td>0,09</td></tr>
<tr><td>Vulnerability</td><td>0,12</td><td>0,48</td><td>**1,34**</td><td>0,35</td></tr>
<tr><td>Middle class</td><td>0,02</td><td>0,06</td><td>0,40</td><td>**0,38**</td></tr>
</table>

Table A2.10. Mobility matrices in Mexico (in percentages and millions of people), 2012-2014

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2012</td><td></td><td colspan="4" align="center">2014</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**11,2%**</td><td>0,4%</td><td>0,0%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>2,4%</td><td>**13,6%**</td><td>0,5%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>4,3%</td><td>**38,9%**</td><td>0,7%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>2,8%</td><td>**25,0%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2012</td><td></td><td colspan="4" align="center">2014</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**13,45**</td><td>0,53</td><td>0,00</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>2,87</td><td>**16,26**</td><td>0,65</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>5,15</td><td>**46,58**</td><td>0,85</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>3,37</td><td>**29,89**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2012</td><td></td><td colspan="4" align="center">2014</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,1%**</td><td>1,8%</td><td>7,6%</td><td>2,2%</td></tr>
<tr><td>Moderate poverty</td><td>0,1%</td><td>**1,5%**</td><td>12,3%</td><td>2,6%</td></tr>
<tr><td>Vulnerability</td><td>0,1%</td><td>2,1%</td><td>**26,7%**</td><td>15,1%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,2%</td><td>8,6%</td><td>**19,0%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2012</td><td></td><td colspan="4" align="center">2014</td></tr>
<tr><td></td><td>Extreme poverty</td><td>Moderate poverty</td><td>Vulnerability</td><td>Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,09**</td><td>2,13</td><td>9,14</td><td>2,62</td></tr>
<tr><td>Moderate poverty</td><td>0,16</td><td>**1,76**</td><td>14,77</td><td>3,08</td></tr>
<tr><td>Vulnerability</td><td>0,16</td><td>2,49</td><td>**31,92**</td><td>18,01</td></tr>
<tr><td>Middle class</td><td>0,01</td><td>0,26</td><td>10,25</td><td>**22,74**</td></tr>
</table>

Table A2.11. Mobility matrices in Panama (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**7,8%**	2,4%	0,0%	0,0%
	Moderate poverty	0,3%	**5,8%**	4,8%	0,0%
	Vulnerability	0,0%	0,2%	**27,6%**	8,0%
	Middle class	0,0%	0,0%	0,1%	**42,8%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,29**	0,09	0,00	0,00
	Moderate poverty	0,01	**0,21**	0,18	0,00
	Vulnerability	0,00	0,01	**1,01**	0,29
	Middle class	0,00	0,00	0,00	**1,56**

		Extreme estimate (upper limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**2,1%**	0,9%	4,8%	2,5%
	Moderate poverty	0,4%	**0,4%**	5,9%	4,2%
	Vulnerability	0,1%	0,2%	**10,9%**	24,6%
	Middle class	0,0%	0,0%	4,5%	**38,3%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,08**	0,03	0,18	0,09
	Moderate poverty	0,02	**0,01**	0,22	0,15
	Vulnerability	0,00	0,01	**0,40**	0,90
	Middle class	0,00	0,00	0,17	**1,39**

Table A2.12. Mobility matrices in Paraguay (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**7,0%**	1,5%	0,0%	0,0%
	Moderate poverty	0,6%	**9,6%**	2,0%	0,0%
	Vulnerability	0,0%	0,7%	**36,8%**	2,8%
	Middle class	0,0%	0,0%	3,2%	**35,8%**

		Conservative estimate (lower limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,44**	0,09	0,00	0,00
	Moderate poverty	0,04	**0,61**	0,13	0,00
	Vulnerability	0,00	0,04	**2,33**	0,18
	Middle class	0,00	0,00	0,20	**2,26**

		Extreme estimate (upper limit) (in percentage)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,0%**	0,1%	5,5%	2,8%
	Moderate poverty	0,0%	**0,1%**	7,9%	4,2%
	Vulnerability	0,0%	0,1%	**17,8%**	22,5%
	Middle class	0,0%	0,0%	8,1%	**30,8%**

		Extreme estimate (upper limit) (in millions of people)			
		2015			
2013		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,00**	0,01	0,35	0,18
	Moderate poverty	0,00	**0,01**	0,50	0,26
	Vulnerability	0,00	0,01	**1,12**	1,42
	Middle class	0,00	0,00	0,51	**1,95**

Table A2.13. Mobility matrices in Peru (in percentages and millions of people), 2013-2015

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**8,4%**</td><td>0,9%</td><td>0,0%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>0,2%</td><td>**9,0%**</td><td>1,9%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,6%</td><td>**37,3%**</td><td>3,4%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>0,6%</td><td>**37,8%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**2,57**</td><td>0,27</td><td>0,00</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>0,07</td><td>**2,74**</td><td>0,58</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,18</td><td>**11,38**</td><td>1,03</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,17</td><td>**11,54**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,0%**</td><td>2,0%</td><td>6,2%</td><td>1,1%</td></tr>
<tr><td>Moderate poverty</td><td>0,0%</td><td>**1,1%**</td><td>6,6%</td><td>3,3%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>1,2%</td><td>**16,1%**</td><td>23,9%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,1%</td><td>6,0%</td><td>**32,3%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,01**</td><td>0,60</td><td>1,89</td><td>0,34</td></tr>
<tr><td>Moderate poverty</td><td>0,01</td><td>**0,35**</td><td>2,02</td><td>1,01</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,37</td><td>**4,93**</td><td>7,28</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,03</td><td>1,82</td><td>**9,86**</td></tr>
</table>

Table A2.14. Mobility matrices in the Dominican Republic (in percentages and millions of people), 2013-2015

<table>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**10,0%**</td><td>4,0%</td><td>0,0%</td><td>0,0%</td></tr>
<tr><td>Moderate poverty</td><td>0,6%</td><td>**13,2%**</td><td>5,6%</td><td>0,0%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,6%</td><td>**38,5%**</td><td>5,2%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>0,5%</td><td>**21,9%**</td></tr>
<tr><td colspan="6" align="center">Conservative estimate (lower limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**1,01**</td><td>0,41</td><td>0,00</td><td>0,00</td></tr>
<tr><td>Moderate poverty</td><td>0,06</td><td>**1,35**</td><td>0,57</td><td>0,00</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,06</td><td>**3,92**</td><td>0,52</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,05</td><td>**2,23**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in percentage)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,0%**</td><td>0,3%</td><td>11,1%</td><td>2,6%</td></tr>
<tr><td>Moderate poverty</td><td>0,0%</td><td>**0,2%**</td><td>13,9%</td><td>5,3%</td></tr>
<tr><td>Vulnerability</td><td>0,0%</td><td>0,3%</td><td>**26,2%**</td><td>17,7%</td></tr>
<tr><td>Middle class</td><td>0,0%</td><td>0,0%</td><td>8,8%</td><td>**13,6%**</td></tr>
<tr><td colspan="6" align="center">Extreme estimate (upper limit) (in millions of people)</td></tr>
<tr><td rowspan="6">2013</td><td></td><td colspan="4" align="center">2015</td></tr>
<tr><td></td><td align="center">Extreme poverty</td><td align="center">Moderate poverty</td><td align="center">Vulnerability</td><td align="center">Middle class</td></tr>
<tr><td>Extreme poverty</td><td>**0,00**</td><td>0,03</td><td>1,13</td><td>0,26</td></tr>
<tr><td>Moderate poverty</td><td>0,00</td><td>**0,02**</td><td>1,41</td><td>0,54</td></tr>
<tr><td>Vulnerability</td><td>0,00</td><td>0,03</td><td>**2,67**</td><td>1,80</td></tr>
<tr><td>Middle class</td><td>0,00</td><td>0,00</td><td>0,89</td><td>**1,38**</td></tr>
</table>

Source and note in page 63

Table A2.15. Mobility matrices in Uruguay (in percentages and millions of people), 2013-2015

		Conservative estimate (lower limit) (in percentage)			
2013		**2015**			
		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**1,5%**	0,6%	0,0%	0,0%
	Moderate poverty	0,0%	**3,3%**	1,7%	0,0%
	Vulnerability	0,0%	0,0%	**25,2%**	4,8%
	Middle class	0,0%	0,0%	0,2%	**62,5%**

		Conservative estimate (lower limit) (in millions of people)			
2013		**2015**			
		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,05**	0,02	0,00	0,00
	Moderate poverty	0,00	**0,11**	0,06	0,00
	Vulnerability	0,00	0,00	**0,83**	0,16
	Middle class	0,00	0,00	0,01	**2,06**

		Extreme estimate (upper limit) (in percentage)			
2013		**2015**			
		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,0%**	0,0%	1,0%	1,1%
	Moderate poverty	0,0%	**0,0%**	2,1%	3,0%
	Vulnerability	0,0%	0,0%	**6,7%**	23,4%
	Middle class	0,0%	0,0%	2,7%	**60,1%**

		Extreme estimate (upper limit) (in millions of people)			
2013		**2015**			
		Extreme poverty	Moderate poverty	Vulnerability	Middle class
	Extreme poverty	**0,00**	0,00	0,03	0,04
	Moderate poverty	0,00	**0,00**	0,07	0,10
	Vulnerability	0,00	0,00	**0,22**	0,77
	Middle class	0,00	0,00	0,09	**1,98**

Source: Mobility matrices by country

Prepared by the authors, based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Note: Mobility matrices by country

The data presented indicate the proportion of people that stayed in the same income group (in bold, on the diagonal) and the proportion of people that changed income group (outside the diagonal).

Table A3.1. Profile of poverty dynamics in Argentina, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	0,0	0,0	0,0	0,0
Urban households (percentage)	100,0	100,0	100,0	100,0
Average age (years)	41,0	39,3	44,9	38,1
Male population (percentage)	69,1	56,5	66,9	70,0
Average household size (number of members)	3,7	4,9	3,4	4,9
Population below age of 12 in the household (average)	2,2	2,7	1,7	2,7
Home ownership (percentage)	57,1	48,3	61,2	49,4
Rooms (average)	2,7	2,6	2,9	2,5
People per room (average)	1,6	2,2	1,3	2,2
Precarious housing (percentage)	2,1	4,9	1,3	1,7
Household access to water (percentage)	99,3	99,6	99,8	99,5
Household connection to drainage (percentage)	58,9	40,4	67,1	55,2
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	11,9	9,7	12,5	9,6
Aged between 31 and 40	10,6	9,4	12,0	9,9
Aged between 41 and 50	9,9	8,8	11,4	8,6
Aged between 51 and 60	9,5	7,6	10,6	9,5
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	33,4	47,5	29,3	37,9
Secondary education (between 9 and 13 years of schooling)	43,5	43,2	40,1	53,9
Tertiary education (more than 13 years of schooling)	23,1	9,3	30,6	8,2
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	42,9	48,8	28,6	45,7
Secondary education (between 9 and 13 years of schooling)	38,5	36,8	33,8	44,6
Tertiary education (more than 13 years of schooling)	18,6	14,4	37,5	9,7
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	36,5	48,1	29,1	40,2
Secondary education (between 9 and 13 years of schooling)	41,9	40,4	38,0	51,1
Tertiary education (more than 13 years of schooling)	21,6	11,5	32,9	8,7
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	98,9	98,9	99,5	99,0
Employment situation				
Informal (percentage)	71,3	73,4	23,9	55,8
Employment by sector (percentage)				
Primary sector	5,0	2,9	1,8	1,3
Labour-intensive industry	2,3	8,2	6,6	11,5
Capital-intensive industry	4,1	3,5	8,1	8,1
Construction	31,4	21,8	9,5	21,2
Trade and retail	13,0	25,0	19,3	30,9
Transport	6,3	6,0	10,1	6,1
Professional services	5,4	4,9	10,2	4,0
Public administration	5,4	3,5	11,0	4,1
Education and health	13,2	10,1	18,1	2,8
Domestic work	13,8	14,1	5,2	9,9
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.2. Profile of poverty dynamics in Bolivia (Plurinational State of), 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	41,7	61,6	28,5	22,5
Urban households (percentage)	58,3	38,4	71,5	77,5
Average age (years)	40,6	41,0	44,2	42,6
Male population (percentage)	82,9	79,4	76,3	57,8
Average household size (number of members)	4,7	5,1	3,9	4,5
Population below age of 12 in the household (average)	2,8	3,4	2,4	2,8
Home ownership (percentage)	55,7	68,6	63,0	57,0
Rooms (average)	2,5	2,5	2,6	2,4
People per room (average)	2,5	2,6	1,9	2,3
Precarious housing (percentage)	60,5	73,0	38,9	52,6
Household access to water (percentage)	74,6	65,3	84,5	83,5
Household connection to drainage (percentage)	47,1	25,1	52,8	43,8
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	10,5	9,3	11,6	8,8
Aged between 31 and 40	8,8	7,3	11,0	9,6
Aged between 41 and 50	9,0	6,4	9,9	4,6
Aged between 51 and 60	7,2	4,5	8,4	4,6
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	48,2	65,8	40,2	51,3
Secondary education (between 9 and 13 years of schooling)	29,9	27,5	33,0	37,6
Tertiary education (more than 13 years of schooling)	22,0	6,7	26,8	11,1
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	51,3	68,0	46,9	77,4
Secondary education (between 9 and 13 years of schooling)	28,9	24,5	24,2	18,2
Tertiary education (more than 13 years of schooling)	19,8	7,5	28,9	4,4
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	48,7	66,3	41,8	62,3
Secondary education (between 9 and 13 years of schooling)	29,7	26,9	30,9	29,4
Tertiary education (more than 13 years of schooling)	21,6	6,9	27,3	8,3
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	95,8	93,5	96,0	81,0
Employment situation				
Informal (percentage)	82,9	95,2	75,1	88,9
Employment by sector (percentage)				
Primary sector	…	…	…	…
Labour-intensive industry	…	…	…	…
Capital-intensive industry	…	…	…	…
Construction	…	…	…	…
Trade and retail	…	…	…	…
Transport	…	…	…	…
Professional services	…	…	…	…
Public administration	…	…	…	…
Education and health	…	…	…	…
Domestic work	…	…	…	…
Total	**…**	**…**	**…**	**…**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: Data on employment situation have been omitted since this information was not captured in the survey that was used.

Table A3.3. Profile of poverty dynamics in Chile, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	8,7	15,4	12,0	18,0
Urban households (percentage)	91,3	84,6	88,0	82,0
Average age (years)	41,8	40,4	46,6	38,3
Male population (percentage)	33,4	47,0	63,8	74,7
Average household size (number of members)	3,2	4,2	3,4	4,3
Population below age of 12 in the household (average)	1,6	2,3	1,5	2,3
Home ownership (percentage)	31,3	38,0	58,1	45,3
Rooms (average)	5,2	5,1	4,9	5,2
People per room (average)	0,7	0,9	0,8	0,9
Precarious housing (percentage)	8,5	7,7	4,1	5,2
Household access to water (percentage)	97,5	95,8	98,2	94,3
Household connection to drainage (percentage)	86,7	80,5	87,5	80,7
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	12,1	10,5	13,2	11,1
Aged between 31 and 40	10,2	10,1	12,6	9,7
Aged between 41 and 50	8,4	8,9	11,4	8,6
Aged between 51 and 60	7,8	8,1	10,4	7,0
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	36,3	41,8	25,3	42,7
Secondary education (between 9 and 13 years of schooling)	42,6	50,7	44,8	47,0
Tertiary education (more than 13 years of schooling)	21,1	7,4	29,9	10,3
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	39,3	39,9	27,1	31,6
Secondary education (between 9 and 13 years of schooling)	46,9	51,9	44,4	65,7
Tertiary education (more than 13 years of schooling)	13,8	8,2	28,5	2,7
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	38,4	40,8	25,9	39,9
Secondary education (between 9 and 13 years of schooling)	45,5	51,4	44,7	51,8
Tertiary education (more than 13 years of schooling)	16,2	7,8	29,4	8,4
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	81,0	97,1	97,6	96,7
Employment situation				
Informal (percentage)	83,3	68,5	36,1	46,5
Employment by sector (percentage)				
Primary sector	6,0	16,4	13,8	22,2
Labour-intensive industry	11,8	9,5	4,3	5,5
Capital-intensive industry	3,8	7,5	7,0	5,3
Construction	2,9	12,7	11,2	14,9
Trade and retail	42,8	23,1	19,9	21,1
Transport	1,5	7,3	9,6	11,5
Professional services	9,3	3,9	8,7	4,1
Public administration	0,2	2,3	5,5	1,3
Education and health	9,1	6,6	14,0	5,7
Domestic work	12,5	10,6	5,9	8,5
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.4. Profile of poverty dynamics in Colombia, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	25,3	40,5	19,3	29,6
Urban households (percentage)	74,7	59,5	80,7	70,4
Average age (years)	41,0	39,8	44,6	42,0
Male population (percentage)	67,5	65,9	67,8	73,8
Average household size (number of members)	3,7	4,6	3,4	4,7
Population below age of 12 in the household (average)	2,2	2,7	1,8	2,6
Home ownership (percentage)	25,9	30,0	40,5	44,3
Rooms (average)	3,0	2,9	3,3	3,1
People per room (average)	1,4	1,9	1,2	1,6
Precarious housing (percentage)	53,6	75,2	39,1	85,3
Household access to water (percentage)	89,5	83,8	92,5	87,4
Household connection to drainage (percentage)	69,9	54,1	78,6	55,9
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	8,1	7,3	10,3	5,3
Aged between 31 and 40	8,8	6,5	10,0	1,4
Aged between 41 and 50	6,3	5,1	8,8	2,2
Aged between 51 and 60	5,7	4,4	7,8	2,9
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	59,4	75,1	47,5	93,7
Secondary education (between 9 and 13 years of schooling)	31,4	21,9	30,1	6,3
Tertiary education (more than 13 years of schooling)	9,2	3,0	22,4	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	50,9	65,4	45,1	81,6
Secondary education (between 9 and 13 years of schooling)	40,6	27,9	29,0	12,0
Tertiary education (more than 13 years of schooling)	8,5	6,6	25,9	6,4
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	56,6	71,8	46,7	90,5
Secondary education (between 9 and 13 years of schooling)	34,4	24,0	29,7	7,8
Tertiary education (more than 13 years of schooling)	9,0	4,3	23,5	1,7
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	94,1	89,8	95,3	48,8
Employment situation				
Informal (percentage)	81,8	91,4	57,5	88,3
Employment by sector (percentage)				
Primary sector	25,8	41,0	18,2	52,5
Labour-intensive industry	7,7	4,4	5,8	1,3
Capital-intensive industry	4,0	3,4	5,9	0,0
Construction	11,3	7,0	7,0	8,4
Trade and retail	26,0	22,3	24,1	26,3
Transport	8,2	8,4	10,3	7,3
Professional services	5,1	4,2	9,3	2,0
Public administration	0,7	0,2	4,0	0,0
Education and health	8,4	6,3	13,1	0,5
Domestic work	2,8	2,8	2,4	1,7
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.5. Profile of poverty dynamics in Costa Rica, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	63,0	57,2	31,4	40,0
Urban households (percentage)	37,0	42,8	68,6	60,0
Average age (years)	40,8	39,8	45,8	39,4
Male population (percentage)	77,1	60,9	65,6	10,7
Average household size (number of members)	4,5	4,6	3,5	4,8
Population below age of 12 in the household (average)	2,4	2,5	1,7	1,8
Home ownership (percentage)	54,5	53,0	69,5	42,4
Rooms (average)	4,1	4,2	4,9	3,7
People per room (average)	1,2	1,2	0,8	1,3
Precarious housing (percentage)	5,3	6,1	2,3	0,9
Household access to water (percentage)	97,0	96,2	99,3	100,0
Household connection to drainage (percentage)	15,5	17,6	22,7	13,4
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	6,8	6,2	9,3	3,5
Aged between 31 and 40	6,8	5,6	9,3	4,5
Aged between 41 and 50	6,7	5,5	8,8	3,2
Aged between 51 and 60	6,2	5,3	8,6	2,5
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	74,9	86,2	53,9	100,0
Secondary education (between 9 and 13 years of schooling)	23,4	13,6	25,3	0,0
Tertiary education (more than 13 years of schooling)	1,8	0,1	20,9	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	65,8	83,0	53,2	86,6
Secondary education (between 9 and 13 years of schooling)	31,4	14,2	24,3	7,2
Tertiary education (more than 13 years of schooling)	2,8	2,8	22,5	6,2
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	72,8	84,9	53,6	88,0
Secondary education (between 9 and 13 years of schooling)	25,2	13,9	24,9	6,4
Tertiary education (more than 13 years of schooling)	2,0	1,2	21,4	5,5
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	93,2	90,3	96,3	59,3
Employment situation				
Informal (percentage)	45,6	59,7	23,5	34,9
Employment by sector (percentage)				
Primary sector	37,9	38,4	14,0	5,6
Labour-intensive industry	5,9	3,9	6,1	17,0
Capital-intensive industry	7,5	3,0	5,8	4,6
Construction	11,5	7,6	6,0	0,0
Trade and retail	12,5	17,0	21,1	24,6
Transport	8,9	6,6	9,7	0,0
Professional services	3,7	3,4	11,4	19,6
Public administration	2,9	0,8	7,1	0,0
Education and health	3,7	7,4	13,5	7,7
Domestic work	5,5	11,8	5,2	20,7
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.6. Profile of poverty dynamics in Ecuador, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	36,4	45,4	28,0	41,1
Urban households (percentage)	63,6	54,6	72,0	58,9
Average age (years)	41,0	39,7	44,7	41,4
Male population (percentage)	79,6	74,1	75,5	42,7
Average household size (number of members)	4,8	5,1	3,9	4,4
Population below age of 12 in the household (average)	2,8	3,3	2,2	2,9
Home ownership (percentage)	62,5	57,8	65,8	54,6
Rooms (average)	5,0	4,7	5,3	4,9
People per room (average)	1,0	1,1	0,8	0,9
Precarious housing (percentage)	24,1	33,4	15,7	28,7
Household access to water (percentage)	88,5	84,4	93,9	94,2
Household connection to drainage (percentage)	43,2	40,8	66,4	61,2
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	8,6	7,9	10,4	8,9
Aged between 31 and 40	7,5	7,3	10,0	7,5
Aged between 41 and 50	7,4	6,8	9,7	5,1
Aged between 51 and 60	6,3	5,7	8,7	7,4
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	67,3	69,8	45,9	62,9
Secondary education (between 9 and 13 years of schooling)	25,8	26,3	32,8	34,1
Tertiary education (more than 13 years of schooling)	7,0	3,9	21,3	3,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	57,2	64,9	48,2	73,2
Secondary education (between 9 and 13 years of schooling)	35,0	29,4	29,9	12,9
Tertiary education (more than 13 years of schooling)	7,8	5,7	21,9	13,9
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	65,2	68,5	46,5	68,8
Secondary education (between 9 and 13 years of schooling)	27,7	27,1	32,1	22,0
Tertiary education (more than 13 years of schooling)	7,1	4,4	21,5	9,2
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	92,0	93,7	95,6	98,8
Employment situation				
Informal (percentage)	68,0	79,6	56,3	54,8
Employment by sector (percentage)				
Primary sector	36,9	46,2	26,8	35,1
Labour-intensive industry	5,1	5,2	3,7	2,0
Capital-intensive industry	6,2	4,6	6,0	6,3
Construction	14,8	8,5	18,9	3,7
Trade and retail	23,4	22,2	13,4	45,9
Transport	5,1	5,6	11,1	6,4
Professional services	0,3	0,7	2,6	0,0
Public administration	0,9	0,8	3,0	0,0
Education and health	5,0	3,9	13,4	0,6
Domestic work	2,3	2,3	1,2	0,0
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.7. Profile of poverty dynamics in El Salvador, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	45,7	54,6	31,8	56,9
Urban households (percentage)	54,3	45,4	68,2	43,1
Average age (years)	39,6	39,4	44,7	41,0
Male population (percentage)	55,6	70,4	65,1	66,8
Average household size (number of members)	4,4	4,9	3,8	4,2
Population below age of 12 in the household (average)	2,4	2,8	2,1	2,3
Home ownership (percentage)	61,3	63,1	64,4	63,6
Rooms (average)	2,1	2,1	2,7	2,2
People per room (average)	2,7	3,1	1,8	2,5
Precarious housing (percentage)	44,0	50,7	26,4	38,5
Household access to water (percentage)	67,3	59,0	77,1	65,2
Household connection to drainage (percentage)	18,2	15,9	42,2	18,4
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	6,2	6,1	9,0	7,5
Aged between 31 and 40	5,4	5,2	8,4	3,7
Aged between 41 and 50	4,5	3,9	7,5	5,8
Aged between 51 and 60	5,0	3,4	6,2	5,1
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	71,1	75,0	49,5	64,0
Secondary education (between 9 and 13 years of schooling)	27,0	23,8	35,7	33,7
Tertiary education (more than 13 years of schooling)	1,9	1,2	14,9	2,2
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	79,8	83,2	63,7	69,3
Secondary education (between 9 and 13 years of schooling)	18,8	16,0	26,4	27,7
Tertiary education (more than 13 years of schooling)	1,4	0,8	9,9	3,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	75,0	77,5	54,4	65,8
Secondary education (between 9 and 13 years of schooling)	23,3	21,5	32,4	31,7
Tertiary education (more than 13 years of schooling)	1,7	1,1	13,1	2,5
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	81,2	78,4	87,7	82,1
Employment situation				
Informal (percentage)	70,6	73,6	58,6	72,0
Employment by sector (percentage)				
Primary sector	21,8	42,7	17,4	34,3
Labour-intensive industry	8,6	8,3	9,6	11,9
Capital-intensive industry	4,1	4,3	5,0	3,2
Construction	5,4	7,4	7,0	5,8
Trade and retail	27,9	16,6	26,4	22,3
Transport	8,8	3,8	6,0	2,5
Professional services	3,3	3,7	6,4	4,0
Public administration	3,3	1,9	6,6	7,6
Education and health	9,0	9,1	12,1	5,1
Domestic work	7,8	2,2	3,5	3,4
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.8. Profile of poverty dynamics in Guatemala, 2011-2014

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	41,1	64,1	42,4	54,0
Urban households (percentage)	58,9	35,9	57,6	46,0
Average age (years)	39,4	38,5	44,0	39,9
Male population (percentage)	82,3	81,8	78,8	80,0
Average household size (number of members)	5,3	6,0	4,9	5,1
Population below age of 12 in the household (average)	3,2	4,0	3,4	3,0
Home ownership (percentage)	67,9	76,2	75,3	81,5
Rooms (average)	1,9	1,8	2,4	2,1
People per room (average)	3,5	4,2	2,7	2,9
Precarious housing (percentage)	47,9	63,2	37,6	49,0
Household access to water (percentage)	77,9	64,7	78,0	72,7
Household connection to drainage (percentage)	43,2	22,8	47,3	42,2
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	5,8	4,1	7,3	6,2
Aged between 31 and 40	4,6	3,4	6,2	6,9
Aged between 41 and 50	4,1	2,7	5,6	3,8
Aged between 51 and 60	2,8	1,8	4,4	3,4
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	85,6	92,0	70,9	69,7
Secondary education (between 9 and 13 years of schooling)	13,9	7,5	21,4	24,7
Tertiary education (more than 13 years of schooling)	0,4	0,5	7,7	5,6
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	87,3	91,8	75,6	84,3
Secondary education (between 9 and 13 years of schooling)	12,7	7,7	18,8	15,7
Tertiary education (more than 13 years of schooling)	0,0	0,5	5,6	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	86,0	92,0	71,9	72,6
Secondary education (between 9 and 13 years of schooling)	13,7	7,5	20,8	22,9
Tertiary education (more than 13 years of schooling)	0,3	0,5	7,3	4,5
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	84,5	69,9	79,9	85,8
Employment situation				
Informal (percentage)	76,0	91,8	77,5	76,8
Employment by sector (percentage)				
Primary sector	26,2	59,7	33,2	36,9
Labour-intensive industry	14,5	7,2	8,3	8,6
Capital-intensive industry	3,3	2,9	3,6	3,1
Construction	13,9	8,3	7,9	6,4
Trade and retail	18,1	9,6	21,2	24,6
Transport	8,8	3,5	5,4	1,4
Professional services	1,2	1,1	4,7	1,6
Public administration	5,1	1,2	4,0	4,3
Education and health	3,5	3,5	8,4	8,4
Domestic work	5,5	3,1	3,3	4,6
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.9. Profile of poverty dynamics in Honduras, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	60,4	66,1	43,2	45,7
Urban households (percentage)	39,6	33,9	56,8	54,3
Average age (years)	40,2	40,6	45,0	42,4
Male population (percentage)	64,5	72,2	66,7	67,8
Average household size (number of members)	4,6	5,2	4,3	4,4
Population below age of 12 in the household (average)	2,4	3,0	2,6	2,4
Home ownership (percentage)	69,9	73,5	71,2	72,5
Rooms (average)	4,0	3,6	4,3	4,7
People per room (average)	1,4	1,9	1,3	1,1
Precarious housing (percentage)	3,6	8,5	4,1	5,3
Household access to water (percentage)	85,1	78,6	87,7	90,8
Household connection to drainage (percentage)	20,9	17,3	37,9	38,7
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	5,6	5,0	7,7	6,9
Aged between 31 and 40	6,2	4,8	7,2	6,5
Aged between 41 and 50	4,9	3,9	7,0	5,7
Aged between 51 and 60	5,2	3,4	5,6	5,1
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	81,3	91,4	70,3	75,7
Secondary education (between 9 and 13 years of schooling)	14,2	7,7	20,0	23,3
Tertiary education (more than 13 years of schooling)	4,5	0,9	9,7	1,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	75,5	87,3	67,7	84,9
Secondary education (between 9 and 13 years of schooling)	21,8	11,4	22,6	15,1
Tertiary education (more than 13 years of schooling)	2,7	1,4	9,7	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	79,1	90,2	69,5	78,7
Secondary education (between 9 and 13 years of schooling)	17,0	8,7	20,8	20,7
Tertiary education (more than 13 years of schooling)	3,8	1,1	9,7	0,7
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	86,2	77,8	87,0	88,3
Employment situation				
Informal (percentage)	91,9	98,4	90,6	93,2
Employment by sector (percentage)				
Primary sector	37,8	55,7	30,0	21,8
Labour-intensive industry	9,0	6,7	10,3	16,1
Capital-intensive industry	4,5	2,9	3,6	1,5
Construction	7,7	7,1	6,0	7,4
Trade and retail	21,4	14,6	23,3	23,0
Transport	3,7	3,3	5,8	9,2
Professional services	3,5	1,4	4,1	2,4
Public administration	1,9	1,0	3,5	3,1
Education and health	7,6	5,2	11,0	11,7
Domestic work	2,9	2,1	2,5	3,8
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.10. Profile of poverty dynamics in Mexico, 2012-2014

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	29,6	39,7	19,2	25,3
Urban households (percentage)	70,4	60,3	80,8	74,7
Average age (years)	40,1	38,6	45,3	41,2
Male population (percentage)	62,5	79,4	76,9	69,6
Average household size (number of members)	3,3	4,9	3,9	4,3
Population below age of 12 in the household (average)	2,1	3,2	2,0	2,5
Home ownership (percentage)	30,4	58,8	70,4	55,1
Rooms (average)	4,3	4,0	4,9	4,2
People per room (average)	0,8	1,4	0,9	1,1
Precarious housing (percentage)	52,5	50,8	25,9	38,8
Household access to water (percentage)	90,2	82,3	92,8	87,9
Household connection to drainage (percentage)	49,0	33,3	64,1	42,3
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	7,5	7,6	10,4	9,3
Aged between 31 and 40	10,0	7,1	10,0	6,9
Aged between 41 and 50	7,1	6,4	9,6	6,3
Aged between 51 and 60	8,6	4,6	8,3	4,2
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	56,8	58,5	37,3	54,9
Secondary education (between 9 and 13 years of schooling)	33,7	38,7	41,6	42,5
Tertiary education (more than 13 years of schooling)	9,6	2,8	21,1	2,6
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	24,8	59,9	43,5	72,2
Secondary education (between 9 and 13 years of schooling)	60,3	37,1	37,4	27,8
Tertiary education (more than 13 years of schooling)	14,9	3,1	19,2	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	44,7	58,8	38,7	60,1
Secondary education (between 9 and 13 years of schooling)	43,7	38,3	40,6	38,1
Tertiary education (more than 13 years of schooling)	11,6	2,9	20,7	1,8
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	86,2	91,1	94,7	89,5
Employment situation				
Informal (percentage)	86,2	85,0	56,0	74,5
Employment by sector (percentage)				
Primary sector	45,8	35,3	14,4	17,5
Labour-intensive industry	6,1	6,9	6,7	8,2
Capital-intensive industry	3,7	7,3	9,2	7,1
Construction	3,2	9,5	10,5	11,1
Trade and retail	22,6	22,8	25,6	27,7
Transport	8,7	5,3	7,0	7,8
Professional services	2,9	3,0	6,6	6,3
Public administration	0,0	2,2	5,8	0,9
Education and health	7,0	3,7	11,1	6,9
Domestic work	0,0	3,9	3,1	6,4
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.11. Profile of poverty dynamics in Panama, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	45,6	69,8	25,9	51,2
Urban households (percentage)	54,4	30,2	74,1	48,8
Average age (years)	41,7	40,2	45,4	41,9
Male population (percentage)	56,1	68,2	69,0	100,0
Average household size (number of members)	5,0	5,5	3,7	5,2
Population below age of 12 in the household (average)	2,8	3,4	2,1	2,3
Home ownership (percentage)	78,1	85,5	80,6	37,2
Rooms (average)	…	…	…	…
People per room (average)	…	…	…	…
Precarious housing (percentage)	…	…	…	…
Household access to water (percentage)	…	…	…	…
Household connection to drainage (percentage)	…	…	…	…
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	8,4	7,3	11,4	1,0
Aged between 31 and 40	8,4	6,6	11,2	11,0
Aged between 41 and 50	7,0	5,7	10,8	2,3
Aged between 51 and 60	6,1	5,2	10,2	0,5
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	68,2	76,8	34,9	82,1
Secondary education (between 9 and 13 years of schooling)	29,5	22,8	40,7	6,1
Tertiary education (more than 13 years of schooling)	2,3	0,4	24,4	11,8
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	60,7	63,0	28,1	…
Secondary education (between 9 and 13 years of schooling)	31,6	32,7	36,9	…
Tertiary education (more than 13 years of schooling)	7,8	4,3	34,9	…
Total	100,0	100,0	100,0	…
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	64,9	72,4	32,8	82,1
Secondary education (between 9 and 13 years of schooling)	30,4	25,9	39,5	6,1
Tertiary education (more than 13 years of schooling)	4,7	1,6	27,6	11,8
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	95,5	85,3	96,7	19,7
Employment situation				
Informal (percentage)	31,9	26,4	54,6	6,9
Employment by sector (percentage)				
Primary sector	32,2	60,7	13,0	28,5
Labour-intensive industry	6,5	4,8	2,9	13,9
Capital-intensive industry	3,0	2,0	5,2	27,3
Construction	8,1	7,1	14,2	3,9
Trade and retail	22,6	10,4	21,3	12,5
Transport	2,0	1,9	11,1	13,9
Professional services	2,4	3,0	8,6	0,0
Public administration	3,3	0,4	7,3	0,0
Education and health	8,6	4,2	13,6	0,0
Domestic work	11,3	5,6	2,8	0,0
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: Data on some housing characteristics have been omitted since this information was not captured in the survey that was used.

Table A3.12. Profile of poverty dynamics in Paraguay, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	61,0	69,4	37,2	21,4
Urban households (percentage)	39,0	30,6	62,8	78,6
Average age (years)	39,2	40,8	45,1	40,0
Male population (percentage)	78,8	65,7	70,2	31,3
Average household size (number of members)	4,8	5,0	4,0	5,6
Population below age of 12 in the household (average)	3,0	3,1	2,2	4,0
Home ownership (percentage)	65,4	75,8	78,0	54,8
Rooms (average)	2,7	2,3	3,4	2,9
People per room (average)	2,2	2,5	1,5	2,2
Precarious housing (percentage)	0,0	4,3	0,7	0,0
Household access to water (percentage)	71,1	73,7	91,3	92,7
Household connection to drainage (percentage)	3,5	2,3	9,9	5,8
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	7,0	6,5	10,9	10,9
Aged between 31 and 40	5,9	5,8	9,9	8,1
Aged between 41 and 50	5,5	5,3	8,8	8,1
Aged between 51 and 60	4,0	4,3	7,6	4,7
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	84,6	83,2	51,7	84,1
Secondary education (between 9 and 13 years of schooling)	15,4	16,6	28,7	15,9
Tertiary education (more than 13 years of schooling)	0,0	0,2	19,6	0,0
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	72,0	86,8	53,6	50,9
Secondary education (between 9 and 13 years of schooling)	28,0	10,9	24,4	32,5
Tertiary education (more than 13 years of schooling)	0,0	2,2	22,0	16,6
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	81,9	84,4	52,3	61,3
Secondary education (between 9 and 13 years of schooling)	18,1	14,7	27,4	27,3
Tertiary education (more than 13 years of schooling)	0,0	0,9	20,3	11,4
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	97,0	89,0	95,7	97,6
Employment situation				
Informal (percentage)	93,3	97,4	73,7	90,8
Employment by sector (percentage)				
Primary sector	…	…	…	…
Labour-intensive industry	…	…	…	…
Capital-intensive industry	…	…	…	…
Construction	…	…	…	…
Trade and retail	…	…	…	…
Transport	…	…	…	…
Professional services	…	…	…	…
Public administration	…	…	…	…
Education and health	…	…	…	…
Domestic work	…	…	…	…
Total	**…**	**…**	**…**	**…**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: Data on employment situation have been omitted since this information was not captured in the survey that was used.

Table A3.13. Profile of poverty dynamics in Peru, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	44,7	64,3	20,1	17,9
Urban households (percentage)	55,3	35,7	79,9	82,1
Average age (years)	44,8	41,2	46,9	35,8
Male population (percentage)	74,5	83,9	74,4	80,6
Average household size (number of members)	4,7	5,1	4,0	4,7
Population below age of 12 in the household (average)	2,7	3,1	2,2	2,5
Home ownership (percentage)	63,0	73,4	66,3	44,1
Rooms (average)	3,0	2,8	3,4	2,6
People per room (average)	2,0	2,3	1,4	2,2
Precarious housing (percentage)	20,5	23,6	14,4	24,1
Household access to water (percentage)	72,8	57,9	84,0	76,3
Household connection to drainage (percentage)	48,7	27,6	70,9	64,3
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	7,5	8,1	11,0	8,7
Aged between 31 and 40	8,9	7,2	10,5	8,0
Aged between 41 and 50	8,0	6,2	10,0	4,6
Aged between 51 and 60	4,9	4,9	8,9	10,1
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	60,0	66,7	33,0	60,0
Secondary education (between 9 and 13 years of schooling)	23,4	28,7	40,8	35,9
Tertiary education (more than 13 years of schooling)	16,6	4,6	26,3	4,1
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	59,6	69,2	42,5	52,2
Secondary education (between 9 and 13 years of schooling)	24,2	24,6	31,9	39,6
Tertiary education (more than 13 years of schooling)	16,3	6,2	25,6	8,3
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	59,9	67,1	35,4	58,4
Secondary education (between 9 and 13 years of schooling)	23,6	28,1	38,5	36,6
Tertiary education (more than 13 years of schooling)	16,5	4,8	26,1	4,9
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	93,0	90,5	95,5	92,1
Employment situation				
Informal (percentage)	69,9	79,3	42,1	77,9
Employment by sector (percentage)				
Primary sector	50,5	73,4	26,5	27,9
Labour-intensive industry	5,1	2,8	5,5	9,7
Capital-intensive industry	1,8	1,4	4,6	1,1
Construction	5,2	4,1	9,2	10,3
Trade and retail	13,0	7,8	20,6	35,0
Transport	5,0	5,1	10,0	6,5
Professional services	3,5	0,9	4,9	0,0
Public administration	3,3	1,6	5,7	2,2
Education and health	9,3	2,4	11,1	6,4
Domestic work	3,2	0,6	1,8	0,8
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.14. Profile of poverty dynamics in the Dominican Republic, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	34,1	38,8	31,3	23,5
Urban households (percentage)	65,9	61,2	68,7	76,5
Average age (years)	40,3	39,2	44,7	40,5
Male population (percentage)	70,2	63,0	68,1	58,5
Average household size (number of members)	4,2	4,7	3,5	4,3
Population below age of 12 in the household (average)	2,1	2,7	1,8	2,5
Home ownership (percentage)	50,0	49,0	57,6	58,8
Rooms (average)	3,0	2,9	3,4	3,0
People per room (average)	1,5	1,7	1,1	1,7
Precarious housing (percentage)	28,2	28,8	16,7	10,1
Household access to water (percentage)	65,2	58,7	75,0	61,8
Household connection to drainage (percentage)	17,9	14,8	25,6	14,9
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	7,9	8,2	10,2	7,6
Aged between 31 and 40	6,8	7,3	9,5	7,2
Aged between 41 and 50	7,1	6,4	8,7	5,6
Aged between 51 and 60	4,7	5,3	7,5	3,9
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	73,8	67,0	53,0	69,9
Secondary education (between 9 and 13 years of schooling)	22,2	28,3	28,7	12,5
Tertiary education (more than 13 years of schooling)	4,0	4,8	18,3	17,6
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	56,1	57,9	49,8	56,1
Secondary education (between 9 and 13 years of schooling)	33,9	34,9	29,3	24,8
Tertiary education (more than 13 years of schooling)	9,9	7,2	20,9	19,1
Total	100,0	100,0	100,0	100,0
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	68,5	63,6	52,0	64,2
Secondary education (between 9 and 13 years of schooling)	25,7	30,7	28,9	17,6
Tertiary education (more than 13 years of schooling)	5,8	5,7	19,1	18,2
Total	100,0	100,0	100,0	100,0
Literacy rate (percentage)	89,0	86,6	91,4	68,2
Employment situation				
Informal (percentage)	33,0	31,2	17,5	19,3
Employment by sector (percentage)				
Primary sector	22,0	24,5	14,5	9,9
Labour-intensive industry	8,1	5,7	5,0	2,2
Capital-intensive industry	4,4	3,8	5,3	2,6
Construction	7,4	8,5	8,7	8,3
Trade and retail	29,5	21,1	25,4	18,8
Transport	8,1	9,6	10,5	0,0
Professional services	1,3	2,9	6,1	0,0
Public administration	1,9	4,8	5,5	25,8
Education and health	14,0	10,5	13,7	20,4
Domestic work	3,4	8,5	5,3	11,9
Total	**100,0**	**100,0**	**100,0**	**100,0**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.

Table A3.15. Profile of poverty dynamics in Uruguay, 2013-2015

Indicator	Population that escaped poverty	Population that remained poor	Population that remained out of poverty	Population that fell into poverty
Socioeconomic and dwelling characteristics				
Distribution of the population according to area of residence (percentage)				
Rural households (percentage)	…	…	…	…
Urban households (percentage)	…	…	…	…
Average age (years)	38,4	38,5	45,3	…
Male population (percentage)	48,4	46,1	62,3	…
Average household size (number of members)	4,7	5,0	3,1	…
Population below age of 12 in the household (average)	2,5	2,8	1,4	…
Home ownership (percentage)	15,1	13,6	50,4	…
Rooms (average)	3,0	2,9	3,5	…
People per room (average)	1,8	2,0	1,0	…
Precarious housing (percentage)	4,7	3,8	0,6	…
Household access to water (percentage)	99,5	98,1	99,7	…
Household connection to drainage (percentage)	33,9	29,2	63,0	…
Educational characteristics				
Years of schooling according to age group (average)				
Aged between 21 and 30	7,5	7,1	10,9	…
Aged between 31 and 40	7,2	7,0	10,6	…
Aged between 41 and 50	6,8	6,8	10,1	…
Aged between 51 and 60	6,3	6,4	9,6	
Distribution of educational attainment among adult males (percentage)				
Primary education (up to 8 years of schooling)	70,1	79,1	40,0	…
Secondary education (between 9 and 13 years of schooling)	29,3	19,9	41,6	…
Tertiary education (more than 13 years of schooling)	0,6	1,0	18,4	…
Total	100,0	100,0	100,0	…
Distribution of educational attainment among adult females (percentage)				
Primary education (up to 8 years of schooling)	75,5	78,8	34,1	…
Secondary education (between 9 and 13 years of schooling)	23,6	20,1	38,5	…
Tertiary education (more than 13 years of schooling)	0,9	1,0	27,4	…
Total	100,0	100,0	100,0	…
Distribution of educational attainment among heads of households (percentage)				
Primary education (up to 8 years of schooling)	72,9	79,0	37,8	…
Secondary education (between 9 and 13 years of schooling)	26,4	20,0	40,4	…
Tertiary education (more than 13 years of schooling)	0,8	1,0	21,8	…
Total	100,0	100,0	100,0	…
Literacy rate (percentage)	97,3	97,5	99,2	…
Employment situation				
Informal (percentage)	54,4	66,2	20,8	…
Employment by sector (percentage)				
Primary sector	10,8	13,5	6,3	…
Labour-intensive industry	5,5	8,1	6,4	…
Capital-intensive industry	7,2	4,8	6,2	…
Construction	9,4	11,7	8,1	…
Trade and retail	26,4	21,8	20,5	…
Transport	7,6	3,5	8,7	…
Professional services	3,9	9,1	10,0	…
Public administration	4,7	1,4	8,5	…
Education and health	8,5	10,0	19,4	…
Domestic work	16,0	16,1	5,8	…
Total	**100,0**	**100,0**	**100,0**	**…**

Source: Based on estimates produced by CEDLAS, obtained from SEDLAC (CEDLAS and the World Bank), provided for this study.
Note: Data on the population that fell into poverty have been omitted since this information was not captured in the survey that was used.

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2004	2014	2015
	Total population 38,7 million	Total population 43,0 million	Total population 43,4 million

2004
- 1,4%
- US$ 50
- 31,4%
- US$ 10
- 36,2%
- US$ 4
- 14,0%
- 17,0%

2014
- 1,9%
- 48,7%
- 36,5%
- 7,4%
- 5,5%

2015
- 1,9%
- 51,2%
- 35,0%
- 7,4%
- 4,5%

Urban population	Total percentage	Urban population	Total percentage	Urban population	Total percentage

Remainder (more than US$50 per day) **Middle class** (US$10 to US$50 per day) **Vulnerability** (US$4 to US$10 per day) **Moderate poverty** (US$2,5 to US$4 per day) **Extreme poverty** (US$0 to US$2,5 per day) = 100 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day) Vulnerability (US$4 to US$10 per day) Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio
- 2,5%
- 3,3%
- 1,5%

Female-headed households
- 35,1%
- 38,4%
- 45,2%

Education

Men with tertiary education
- 7,8%
- 10,6%

Women with tertiary education
- 10,5%
- 16,7%

School attendance of children aged 6 to 12
- 99,4%
- 99,4%
- 99,1%
- 34,0%
- 44,8%

Labour market

Workers in the informal sector

Women employed

Men employed
- 93,6%
- 87,5%
- 75,0%
- 76,4%
- 69,6%
- 33,3%
- 30,8%
- 47,3%
- 53,3%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2002	2013	2015

Total population 8,8 million | Total population 10,4 million | Total population 10,7 million

2002: 1,0% — 2013: 1,3% — 2015: 0,9%

US$ 50

2002: 13,2% — 2013: 31,6% — 2015: 31,7%

US$ 10

2002: 30,4% — 2013: 39,9% — 2015: 40,9%

US$ 4

2002: 19,6% / 35,8% — 2013: 12,7% / 14,4% — 2015: 13,0% / 13,5%

Rural population	Urban population	Total percentage

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

⬤ = 30 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day) Vulnerability (US$4 to US$10 per day) Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio: 2,5% / 3,4% / 1,7%

Female-headed households

Proportion of people in rural areas: 16,8% / 26,7% / 24,9% / 23,9% / 26,4% / 61,0%

Education

Men with tertiary education: 6,3% / 4,9%

Women with tertiary education: 15,1% / 17,0%

School attendance of children aged 6 to 12: 97,7% / 97,4% / 96,1% / 38,4% / 38,2%

Labour market

Workers in the informal sector: 90,6% / 78,8%

Women employed: 95,4% / 94,9% / 94,6%

Men employed: 71,6% / 69,1% / 64,6% / 52,1%

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2003	2013	2015

2003 — Total population 181,8 million

2,3%

US$ 50

22,0%

US$ 10

32,8%

US$ 4

16,1%

26,7%

2013 — Total population 204,3 million

4,0%

41,1%

35,1%

10,4%

9,4%

2015 — Total population 206 million

3,6%

40,3%

36,0%

10,9%

9,2%

Rural population	**Urban population**	Total percentage

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

= one million

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio — 2,0% / 2,9% / 1,4%

Female-headed households

Proportion of people in rural areas — 10,0% / 16,2% / 29,0%

37,9% / 39,6% / 43,1%

Education

Men with tertiary education — 3,0% / 1,7% / 15,4%

Women with tertiary education — 4,8% / 2,5% / 22,9%

School attendance of children aged 6 to 12 — 99,6% / 98,9% / 98,3%

Labour market

Workers in the informal sector — 81,7%

Women employed

Men employed — 92,6% / 86,3% / 75,4%

76,9%

58,6% / 41,3%

54,9% / 39,0%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2000	2013	2015
	Total population 15,5 million	Total population 17,6 million	Total population 17,9 million

	2000	2013	2015
Remainder (more than US$50 per day)	3,9%	6,5%	5,4%
Middle class (US$10 to US$50 per day)	32,2%	50,9%	51,3%
Vulnerability (US$4 to US$10 per day)	40,9%	35,8%	35,5%
Moderate poverty (US$2,5 to US$4 per day)	14,1%	4,8%	5,0%
Extreme poverty (US$0 to US$2,5 per day)	8,9%	2,0%	2,9%

Rural population	Urban population	Total percentage

Remainder (more than US$50 per day)
Middle class (US$10 to US$50 per day)
Vulnerability (US$4 to US$10 per day)
Moderate poverty (US$2,5 to US$4 per day)
Extreme poverty (US$0 to US$2,5 per day)
= 100 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)   Vulnerability (US$4 to US$10 per day)   Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio   2,1%   2,1%   1,6%
Female-headed households
Proportion of people in rural areas   10,7%   15,7%   18,3%   37,8%   49,7%   41,8%

Education

Men with tertiary education   9,5%   10,4%
Women with tertiary education   8,8%   11,3%
School attendance of children aged 6 to 12   99,6%   99,4%   99,3%   32,9%   31,9%

Labour market

Workers in the informal sector
Women employed
Men employed   90,8%   83,1%   71,4%   63,8%   27,1%   33,0%   49,8%   60,2%   40,9%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2003	2013	2015

2003 — Total population 41,9 million

- 1,6%
- US$ 50
- 17,2%
- US$ 10
- 36,1%
- US$ 4
- 19,1%
- 26,0%

2013 — Total population 47,3 million

- 2,3%
- 29,3%
- 37,7%
- 15,6%
- 15,2%

2015 — Total population 48,2 million

- 2,2%
- 30,4%
- 39,2%
- 14,5%
- 13,7%

Rural population	**Urban population**	Total percentage

Legend:
- **Remainder** (more than US$50 per day)
- **Middle class** (US$10 to US$50 per day)
- **Vulnerability** (US$4 to US$10 per day)
- **Moderate poverty** (US$2,5 to US$4 per day)
- **Extreme poverty** (US$0 to US$2,5 per day)
- = 100 thousand

Characteristics of population, 2015

- **Middle class** (US$10 to US$50 per day)
- **Vulnerability** (US$4 to US$10 per day)
- **Poverty** (US$0 to US$4 per day)

Demographic

- Economic dependency ratio: 2,0% / 2,7% / 1,5%
- Female-headed households
- Proportion of people in rural areas: 8,6% / 21,7% / 42,4% / 34,2% / 37,1% / 34,5%

Education

- Men with tertiary education: 2,1% / 6,5%
- Women with tertiary education: 2,3% / 7,7%
- School attendance of children aged 6 to 12: 97,7% / 97,4% / 95,7% / 30,2% / 34,1%

Labour market

- Workers in the informal sector: 89,1% / 79,5%
- Women employed
- Men employed: 93,0% / 91,5% / 85,3% / 64,7% / 44,9% / 67,5% / 40,0%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

2003	2013	2015

Total population 4,1 million
Total population 4,7 million
Total population 4,8 million

2003: 2,0% — 2013: 5,0% — 2015: 5,3%

US$ 50

2003: 31,3% — 2013: 47,0% — 2015: 47,9%

US$ 10

2003: 40,2% — 2013: 35,9% — 2015: 35,4%

US$ 4

2003: 12,9% / 13,5% — 2013: 7,6% / 4,6% — 2015: 6,9% / 4,5%

Rural population	**Urban population**	Total percentage	**Rural population**	**Urban population**	Total percentage	**Rural population**	**Urban population**	Total percentage

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

= 10 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Poverty (US$0 to US$4 per day)

Economic dependency ratio: 20,1% / 2,6% / 1,6%

Female-headed households

Proportion of people in rural areas: 20,0% / 34,2% / 43,6% / 35,8% / 39,8% / 36,1%

Men with tertiary education: 3,2% / 1,0%

Women with tertiary education: 3,2% / 2,9%

School attendance of children aged 6 to 12: 99,5% / 98,8% / 98,3% / 22,2% / 27,3%

Workers in the informal sector

Women employed

Men employed: 93,2% / 86,0% / 25,2% / 69,8% / 73,2% / 69,6% / 32,7% / 41,7% / 50,2%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2003	**2014**	**2015**

Total population 13,3 million

Total population 15,9 million

Total population 16,1 million

US$ 50

1,1%

1,3%

1,3%

14,4%

29,8%

29,8%

US$ 10

33,1%

45,3%

44,8%

US$ 4

20,1%

14,2%

13,7%

31,3%

9,3%

10,4%

Rural population	**Urban population**	Total percentage	**Rural population**	**Urban population**	Total percentage	**Rural population**	**Urban population**	Total percentage

Remainder
(more than US$50 per day)

Middle class
(US$10 to US$50 per day)

Vulnerability
(US$4 to US$10 per day)

Moderate poverty
(US$2,5 to US$4 per day)

Extreme poverty
(US$0 to US$2,5 per day)

= 40 thousand

Characteristics of population, 2015

Middle class
(US$10 to US$50 per day)

Vulnerability
(US$4 to US$10 per day)

Poverty
(US$0 to US$4 per day)

Demographic

Economic dependency ratio — 2,3% / 2,8% / 1,7%

Female-headed households

Proportion of people in rural areas

21,8%
26,4%
27,8% 28,0%
31,5%
47,1%

Education

Men with tertiary education — 6,1% / 11,5%

Women with tertiary education — 6,7% / 13,8%

School attendance of children aged 6 to 12 — 99,5% / 98,8% / 98,6%

42,4%
36,6%

Labour market

Workers in the informal sector

Women employed

Men employed — 95,5% / 95,1% / 90,4%

84,8%
77,1%
64,5%
55,8%
48,6%
41,7%

Source in page 96

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Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2004	**2013**	**2015**

2004 — Total population 6 million

0,5%

US$ 50

18,9%

US$ 10

39,7%

US$ 4

19,1%

21,8%

2013 — Total population 6,1 million

0,5%

19,9%

47,8%

19,1%

12,7%

2015 — Total population 6,3 million

0,5%

21,4%

49,7%

18,4%

10,0%

Rural population	**Urban population**	Total percentage

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

= 30 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio — 2,2% / 3,1% / 1,6%

Female-headed households

Proportion of people in rural areas — 16,4%

33,5% / 30,9%

58,5%

38,2% / 36,3%

Education

Men with tertiary education — 1,4% / 7,0%

Women with tertiary education — 1,0% / 7,1%

School attendance of children aged 6 to 12 — 98,7% / 97,1% / 93,4%

33,2%

35,1%

Labour market

Workers in the informal sector

Women employed

Men employed — 93,4% / 90,0% / 84,3

77,6% / 77,8%

62,4%

37,4%

36,5%

57,0%

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

2000	2011	2014
Total population 11,2 million	Total population 15 million	Total population 16 million

2000

0,9%

US$ 50

12,3%

US$ 10

30,5%

US$ 4

22,0%

34,3%

| **Rural population** | **Urban population** | Total percentage |

2011

0,5%

9,0%

27,4%

22,0%

41,1%

| **Rural population** | **Urban population** | Total percentage |

2014

0,4%

9,3%

30,5%

22,9%

36,9%

| **Rural population** | **Urban population** | Total percentage |

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

= 40 thousand

Characteristics of population, 2014

Middle class (US$10 to US$50 per day) · Vulnerability (US$4 to US$10 per day) · Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio — 2,3% / 3,5% / 1,7%

Female-headed households

Proportion of people in rural areas — 17,3% / 19,5% / 23,2% / 25,7% / 62,4% / 37,9%

Education

Men with tertiary education — 3,6% / 0,4%

Women with tertiary education — 4,4% / 0,3%

School attendance of children aged 6 to 12 — 96,8% / 92,0% / 82,8% / 23,7% / 28,2%

Labour market

Workers in the informal sector

Women employed

Men employed — 96,5% / 95,1% / 95,1% / 77,1% / 74,9% / 36,9% / 33,8% / 57,5% / 55,5%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

2003

Total population 6,6 million

0,6%

US$ 50

10,5%

US$ 10

24,5%

US$ 4

16,5%

47,9%

| Rural population | Urban population | Total percentage |

2013

Total population 7,8 million

0,5%

10,9%

29,2%

19,7%

39,6%

| Rural population | Urban population | Total percentage |

2015

Total population 9 million

0,2%

10,8%

30,8%

19,2%

39,0%

| Rural population | Urban population | Total percentage |

Remainder (more than US$50 per day)
Middle class (US$10 to US$50 per day)
Vulnerability (US$4 to US$10 per day)
Moderate poverty (US$2,5 to US$4 per day)
Extreme poverty (US$0 to US$2,5 per day)
= 40 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)
Vulnerability (US$4 to US$10 per day)
Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio — 1,8% / 2,1% / 1,5%

Female-headed households

Proportion of people in rural areas

20,8%

59,9%

35,8%

33,5%

36,2% 35,0%

Education

Men with tertiary education — 2,0% / 6,2%

Women with tertiary education — 1,9% / 7,0%

School attendance of children aged 6 to 12 — 95,1% / 94,2% / 89,7%

35,9% 33,9%

Labour market

Workers in the informal sector

Women employed

Men employed — 94,2% / 91,7% / 91,2%

78,8%

76,0%

30,7%

59,6% 39,2%

52,1%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group

	2002	2012	2014
	Total population 103,9 million	Total population 122,1 million	Total population 125,4 million

	2002	2012	2014
Remainder (more than US$50 per day)	1,9%	2,0%	1,6%
US$ 50 — Middle class	22,5%	27,2%	25,2%
US$ 10 — Vulnerability	38,8%	43,1%	45,7%
US$ 4 — Moderate poverty	17,3%	16,2%	15,8%
Extreme poverty	19,5%	11,4%	11,7%

Rural population	**Urban population**	Total percentage

Legend:
- Remainder (more than US$50 per day)
- Middle class (US$10 to US$50 per day)
- Vulnerability (US$4 to US$10 per day)
- Moderate poverty (US$2,5 to US$4 per day)
- Extreme poverty (US$0 to US$2,5 per day)
- = 200 thousand

Characteristics of population, 2014

Middle class (US$10 to US$50 per day) — Vulnerability (US$4 to US$10 per day) — Poverty (US$0 to US$4 per day)

Demographic

- Economic dependency ratio: 2,2% / 2,5% / 1,7%
- Female-headed households: 10,5% / 20,6% / 23,9% / 26,3% / 28,6% / 39,2%
- Proportion of people in rural areas

Education

- Men with tertiary education: 3,1% / 9,8%
- Women with tertiary education: 2,7% / 9,3%
- School attendance of children aged 6 to 12: 99,9% / 99,1% / 97,7% / 35,7% / 37,7%

Labour market

- Workers in the informal sector: 93,7% / 92,6% / 85,7% / 29,0%
- Women employed: 69,6% / 54,4% / 43,1% / 48,5%
- Men employed: 66,8%

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
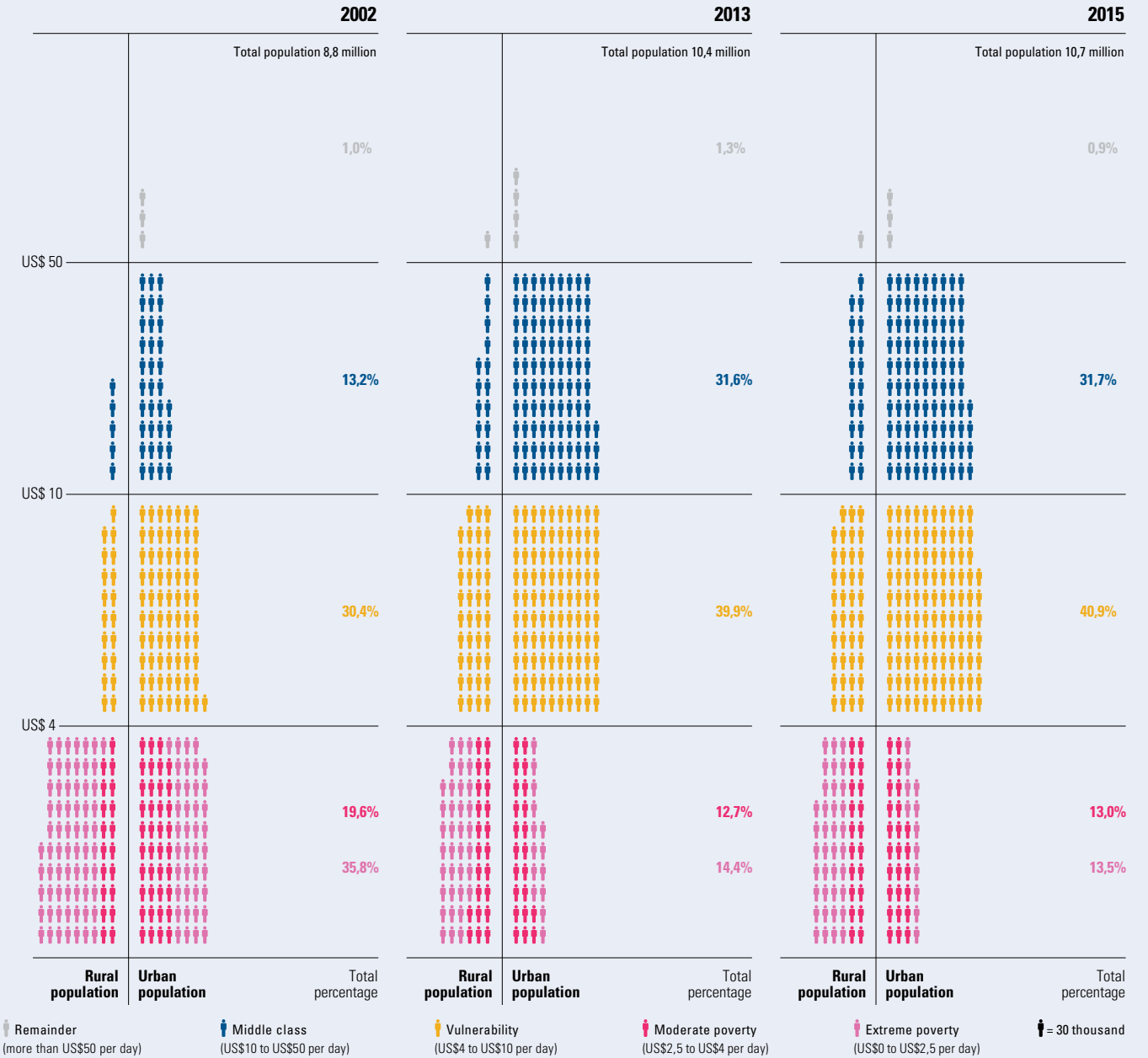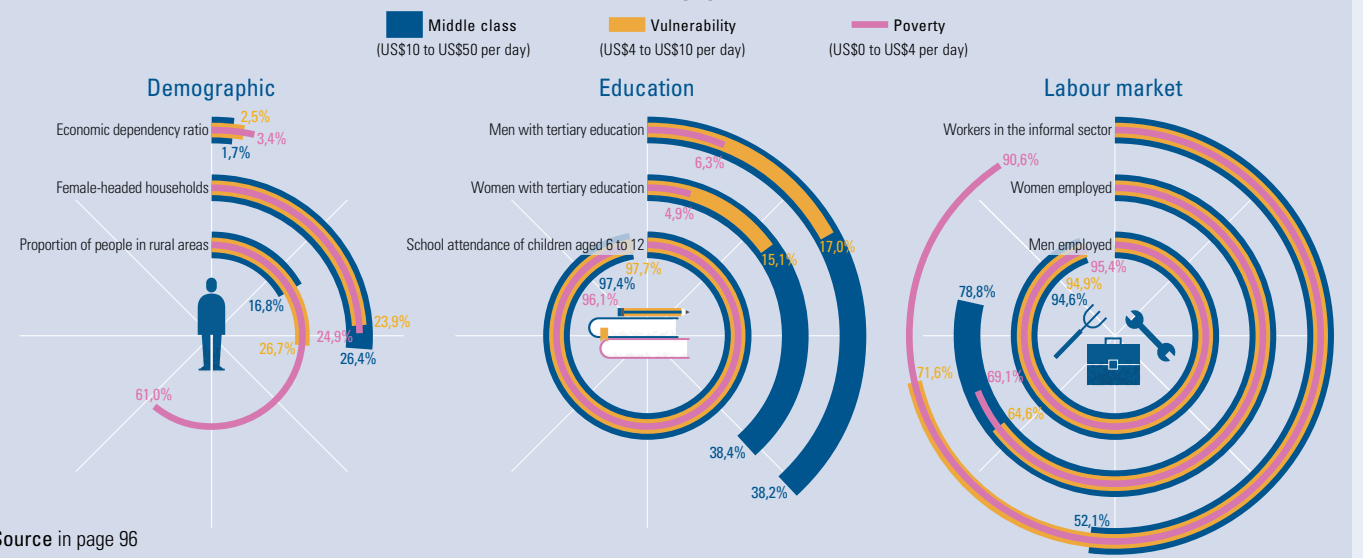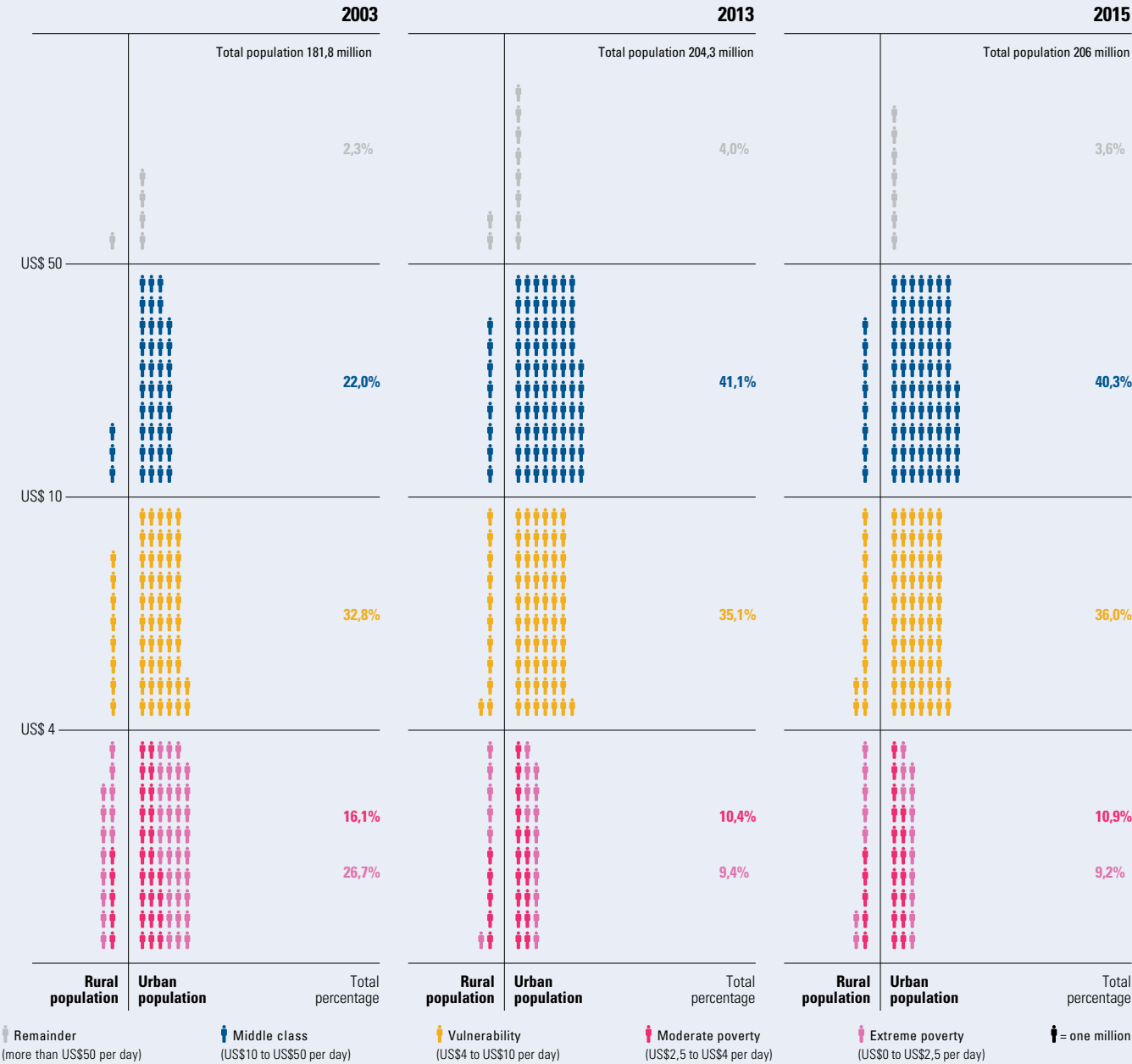
	2001	2009	2014
	Total population 5,2 million	Total population 5,7 million	Total population 6 million

US$ 50

2001: 0,5% · 8,3% · 26,7% · 20,8% · 43,7%
2009: 0,4% · 8,8% · 32,5% · 22,2% · 36,2%
2014: 1,0% · 17,3% · 43,7% · 20,3% · 17,7%

US$ 10

US$ 4

Rural population	Urban population	Total percentage

Legend:
- Remainder (more than US$50 per day)
- Middle class (US$10 to US$50 per day)
- Vulnerability (US$4 to US$10 per day)
- Moderate poverty (US$2,5 to US$4 per day)
- Extreme poverty (US$0 to US$2,5 per day)
- = 20 thousand

Characteristics of population, 2014

Middle class (US$10 to US$50 per day) · Vulnerability (US$4 to US$10 per day) · Poverty (US$0 to US$4 per day)

Demographic

- Economic dependency ratio: 2,5% / 3,5% / 1,8%
- Female-headed households
- Proportion of people in rural areas
- 19,8%
- 38,7%
- 35,9%
- 58,8%
- 28,7%
- 39,4%

Education

- Men with tertiary education: 2,4% / 8,9%
- Women with tertiary education: 2,8% / 13,1%
- School attendance of children aged 6 to 12: 97,1% / 93,1% / 90,0%
- 31,0%
- 36,8%

Labour market

- Workers in the informal sector: 91,7% / 93,1%
- Women employed: 87,5%
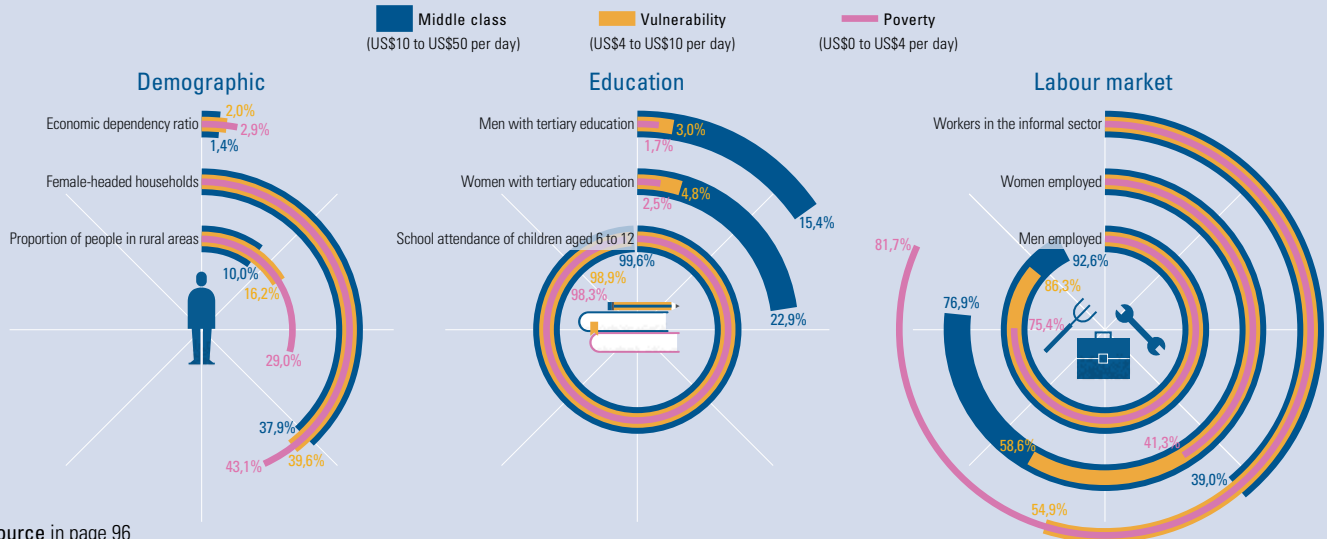- Men employed: 93,4% / 91,7% / 90,8%
- 76,3%
- 63,5%
- 42,1%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
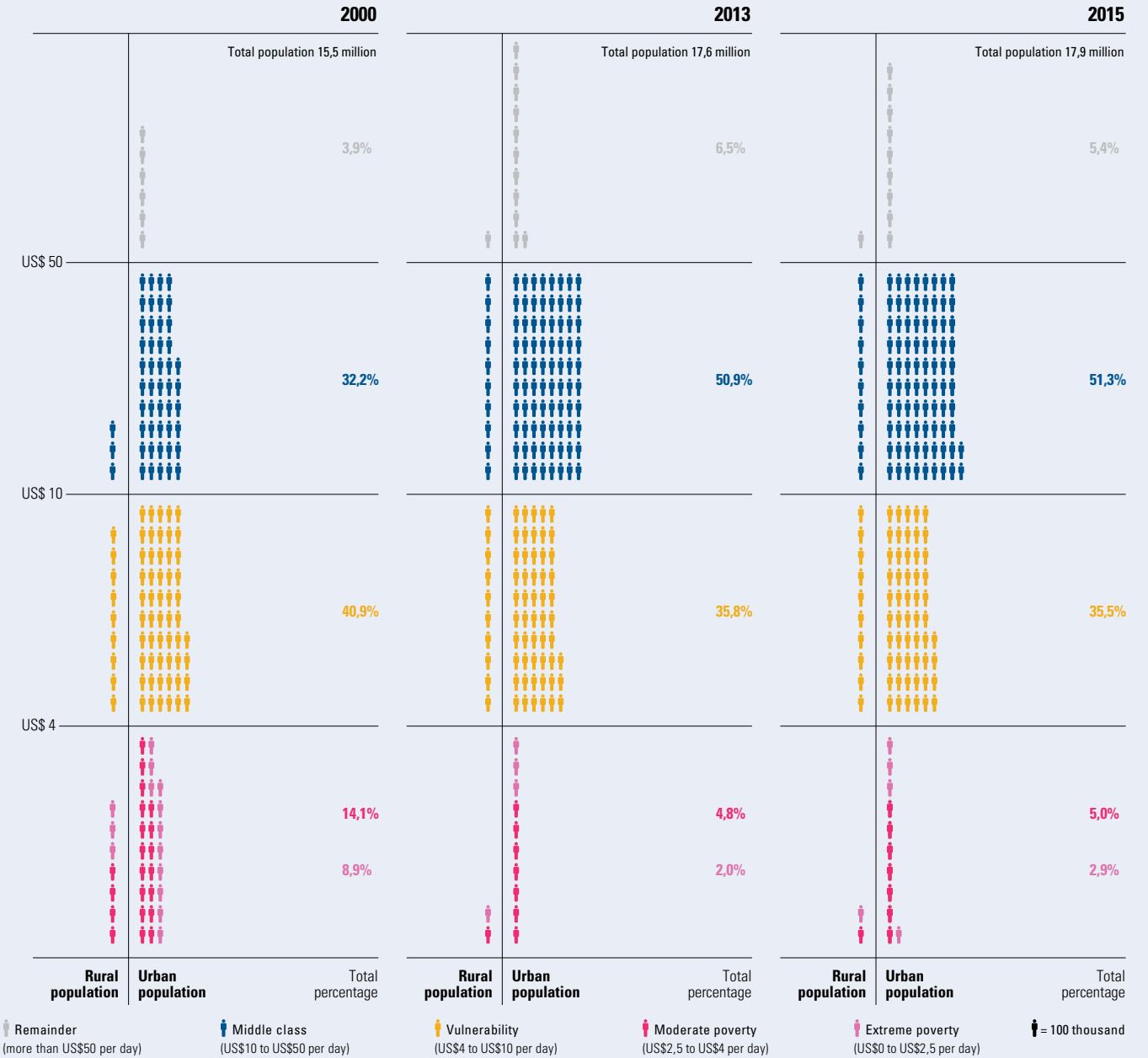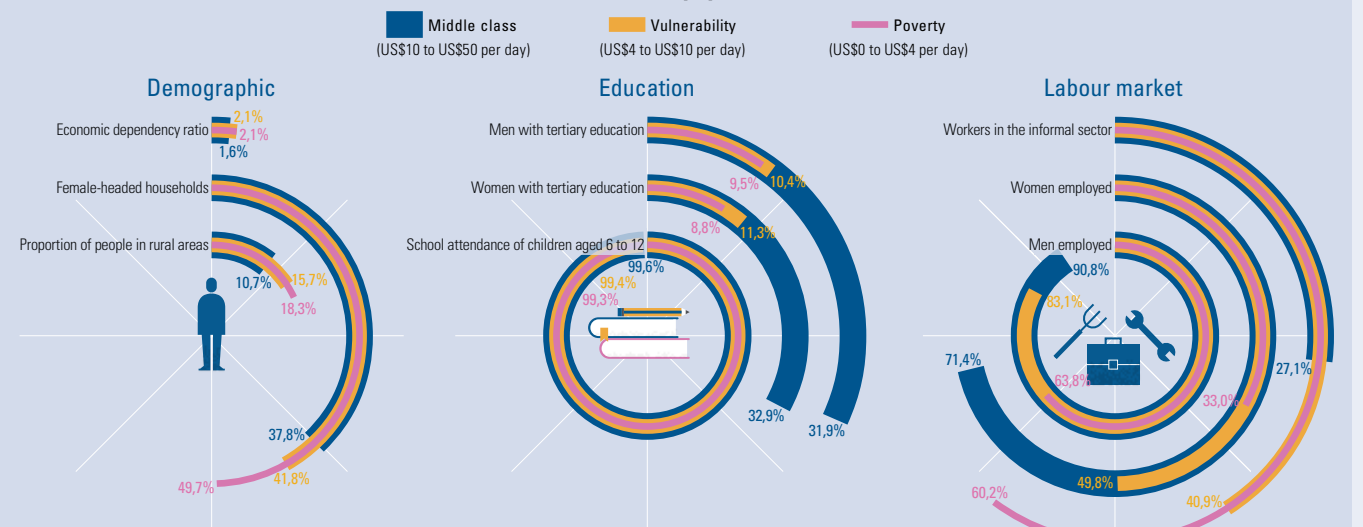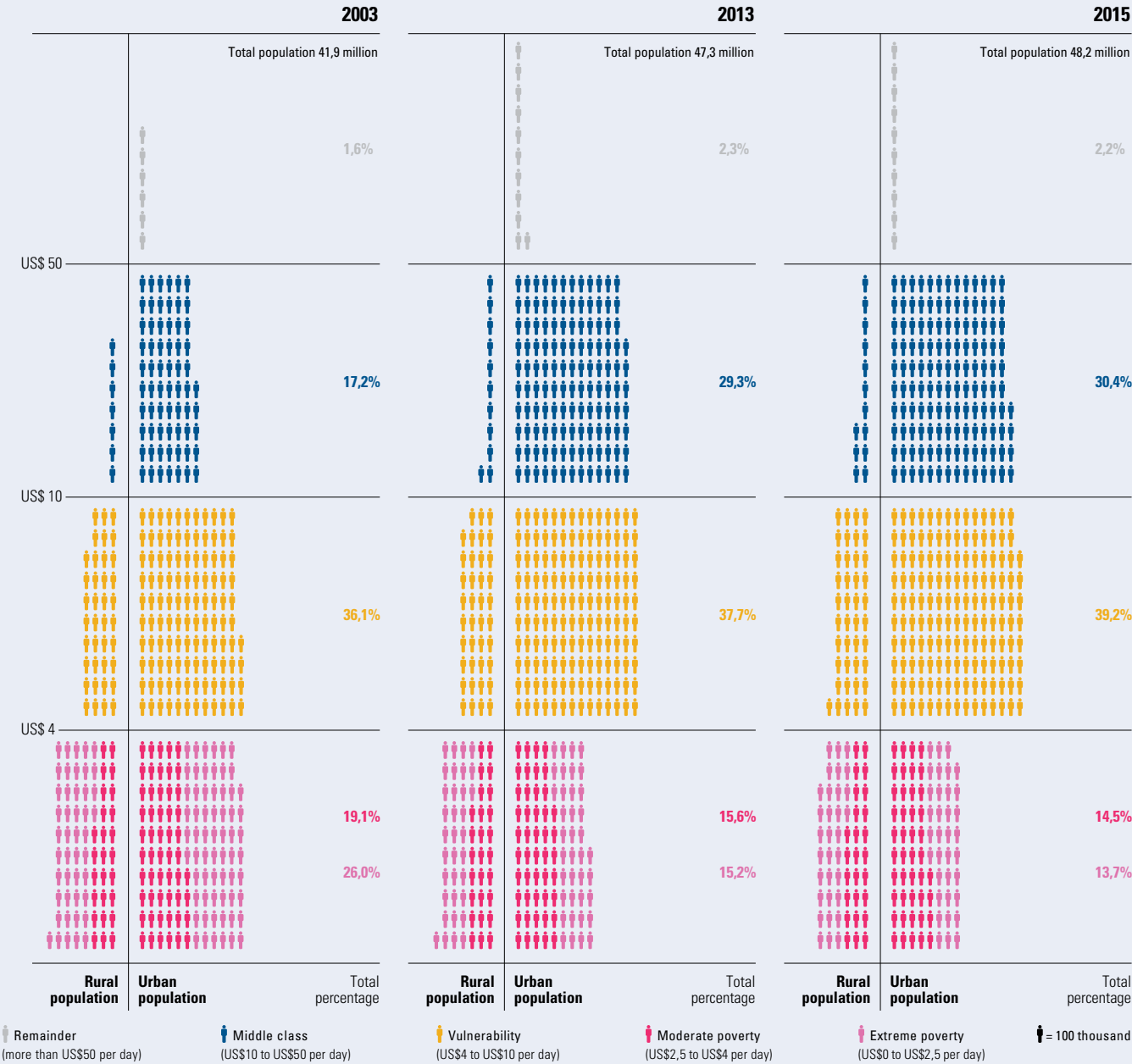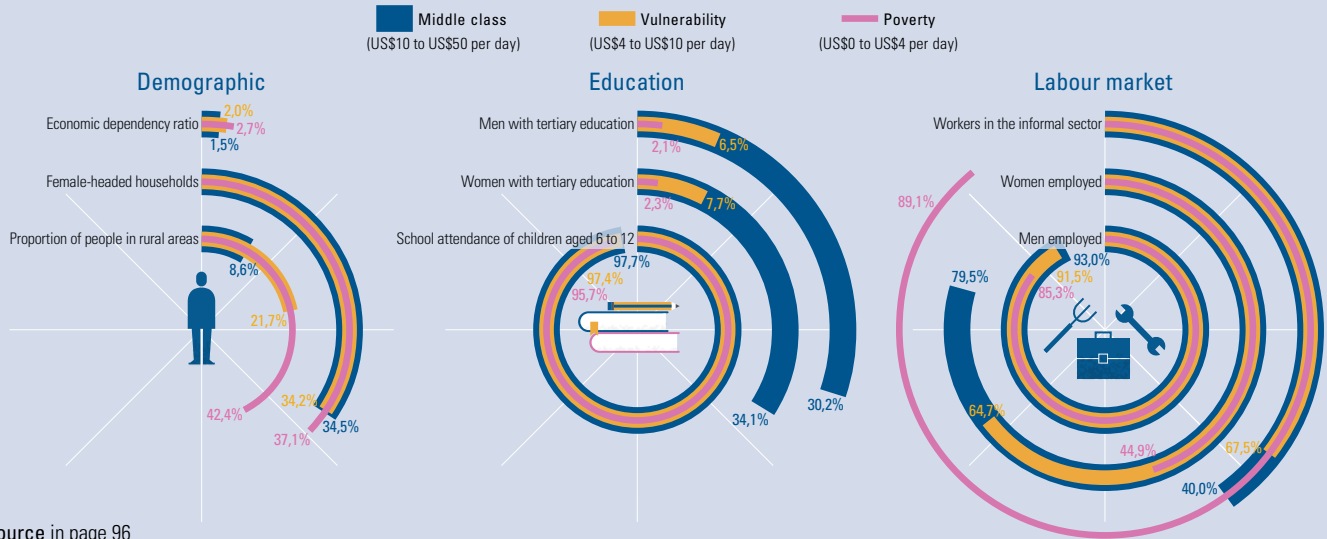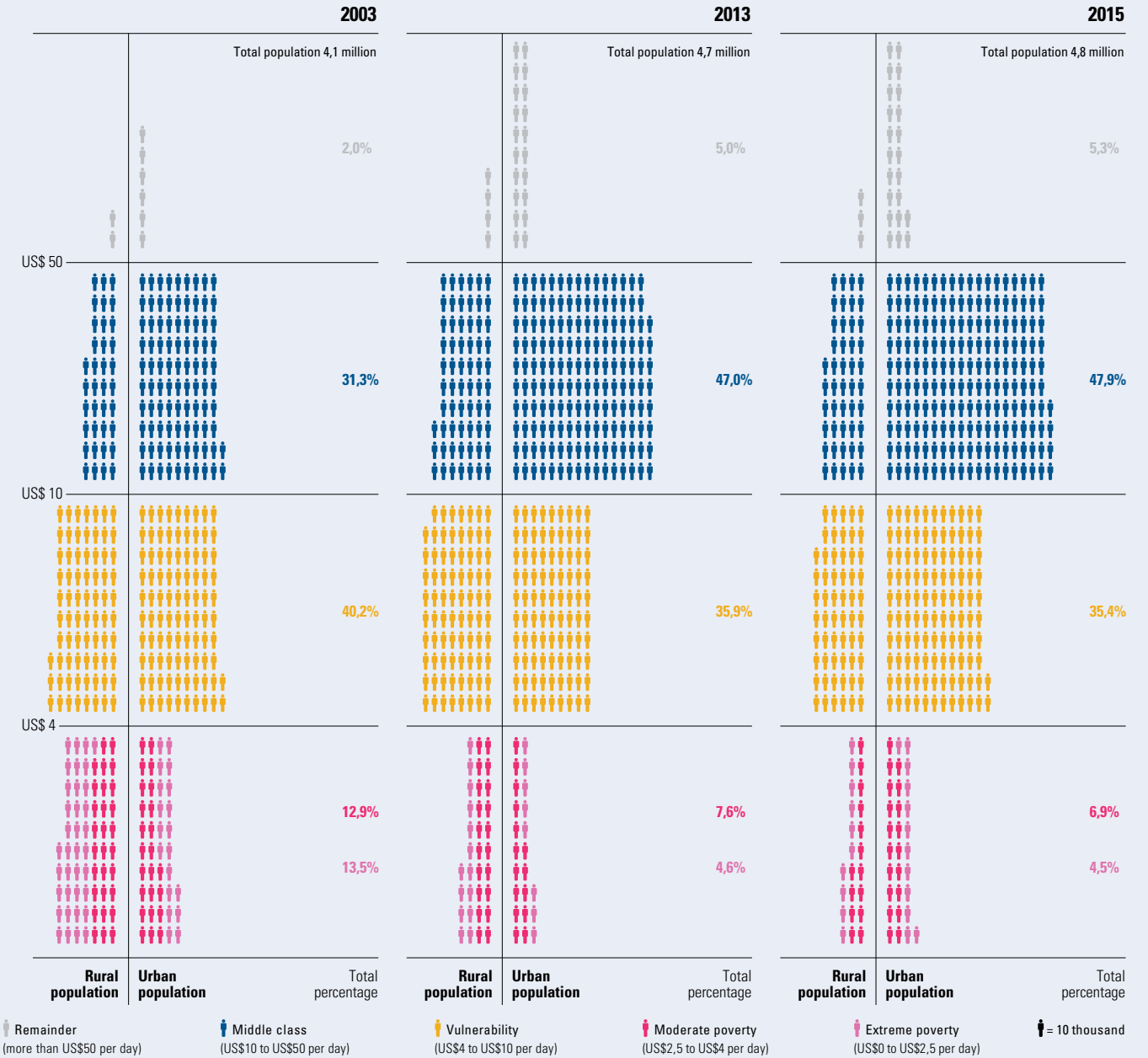
	2001	2013	2015

Total population 3,1 million — 1,6%

Total population 3,8 million — 4,3%

Total population 4 million — 4,7%

US$ 50

22,6% | 41,1% | 45,4%

US$ 10

32,4% | 34,2% | 33,0%

US$ 4

14,7% / 28,7% | 10,5% / 9,9% | 8,3% / 8,6%

| **Rural population** | **Urban population** | Total percentage | **Rural population** | **Urban population** | Total percentage | **Rural population** | **Urban population** | Total percentage |

♟ Remainder (more than US$50 per day)

♟ Middle class (US$10 to US$50 per day)

♟ Vulnerability (US$4 to US$10 per day)

♟ Moderate poverty (US$2,5 to US$4 per day)

♟ Extreme poverty (US$0 to US$2,5 per day)

♟ = 10 thousand

Characteristics of population, 2015

■ Middle class (US$10 to US$50 per day) ■ Vulnerability (US$4 to US$10 per day) ■ Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio — 1,5% / 1,7% / 1,3%

Female-headed households

Proportion of people in rural areas

17,7%

71,5%

35,0% / 31,9%

33,9% / 32,8%

Education

Men with tertiary education — 3,2% / 7,0%

Women with tertiary education — 3,1% / 12,5%

School attendance of children aged 6 to 12 — 99,7% / 98,8% / 95,0%

29,3%

43,8%

Labour market

Workers in the informal sector

Women employed

Men employed — 95,8%

86,2%

76,9%
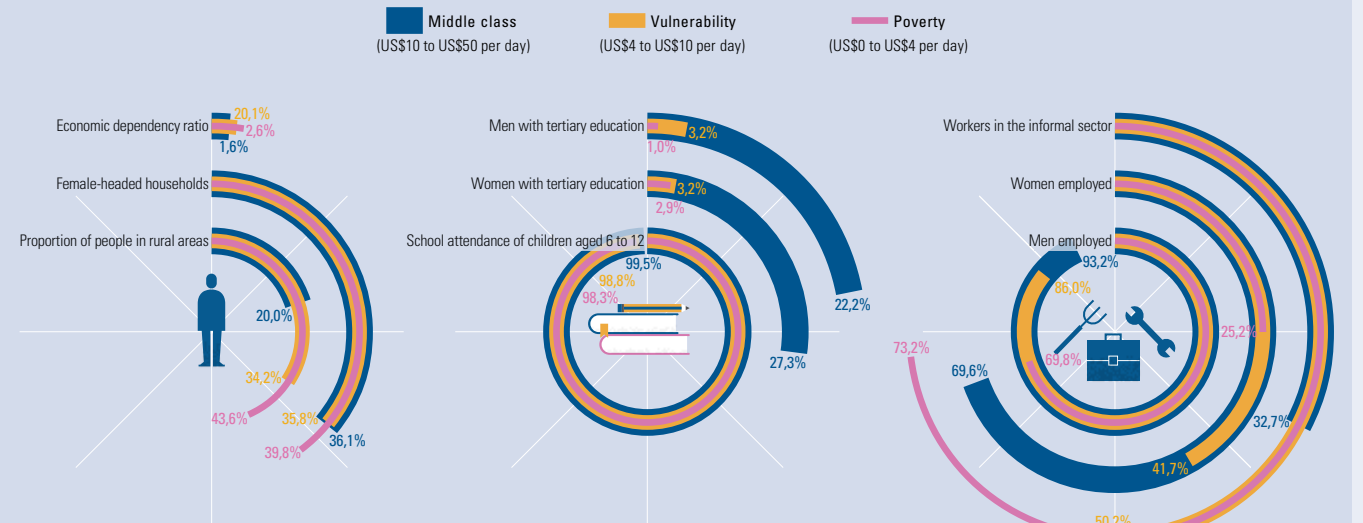
92,5% / 90,1%

27,5%

44,9%

46,2%

52,8%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
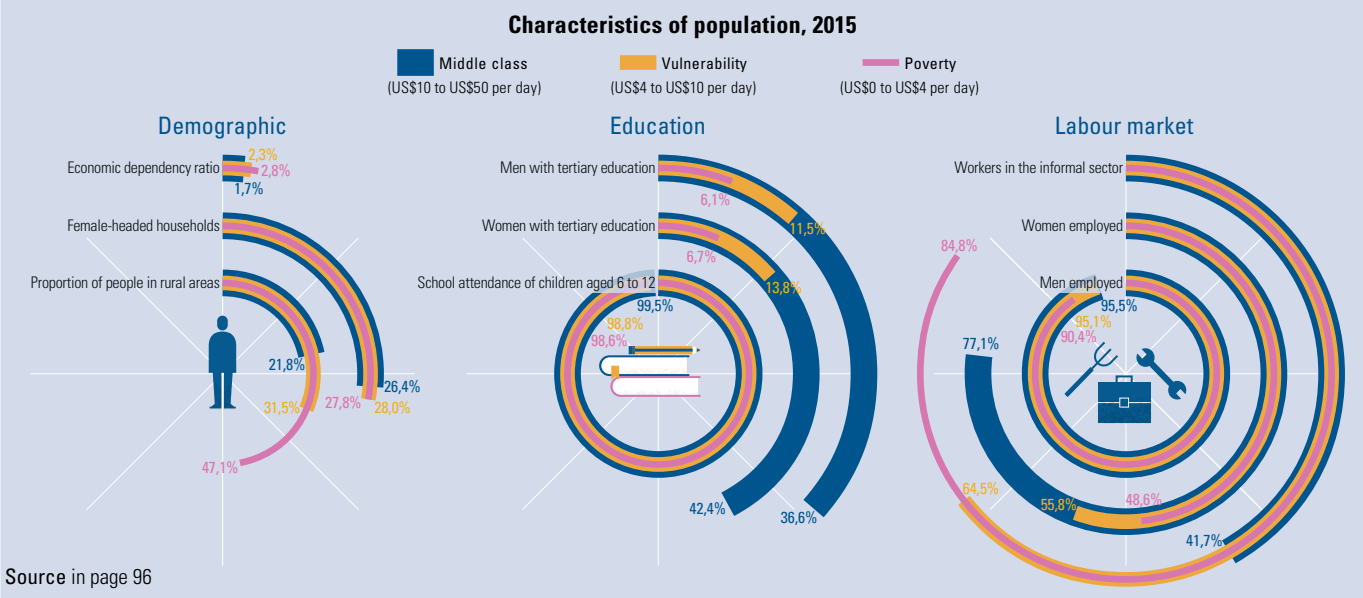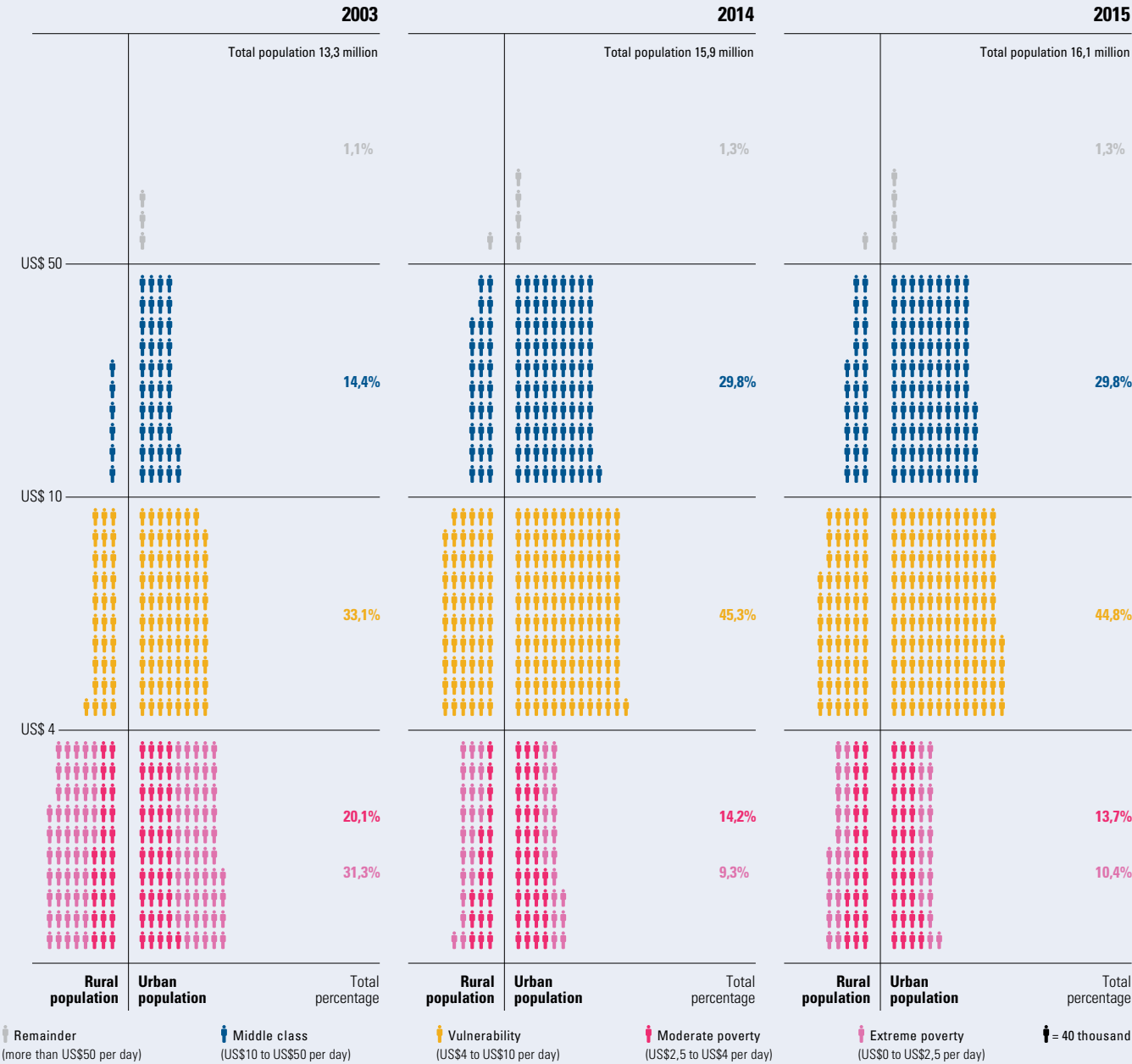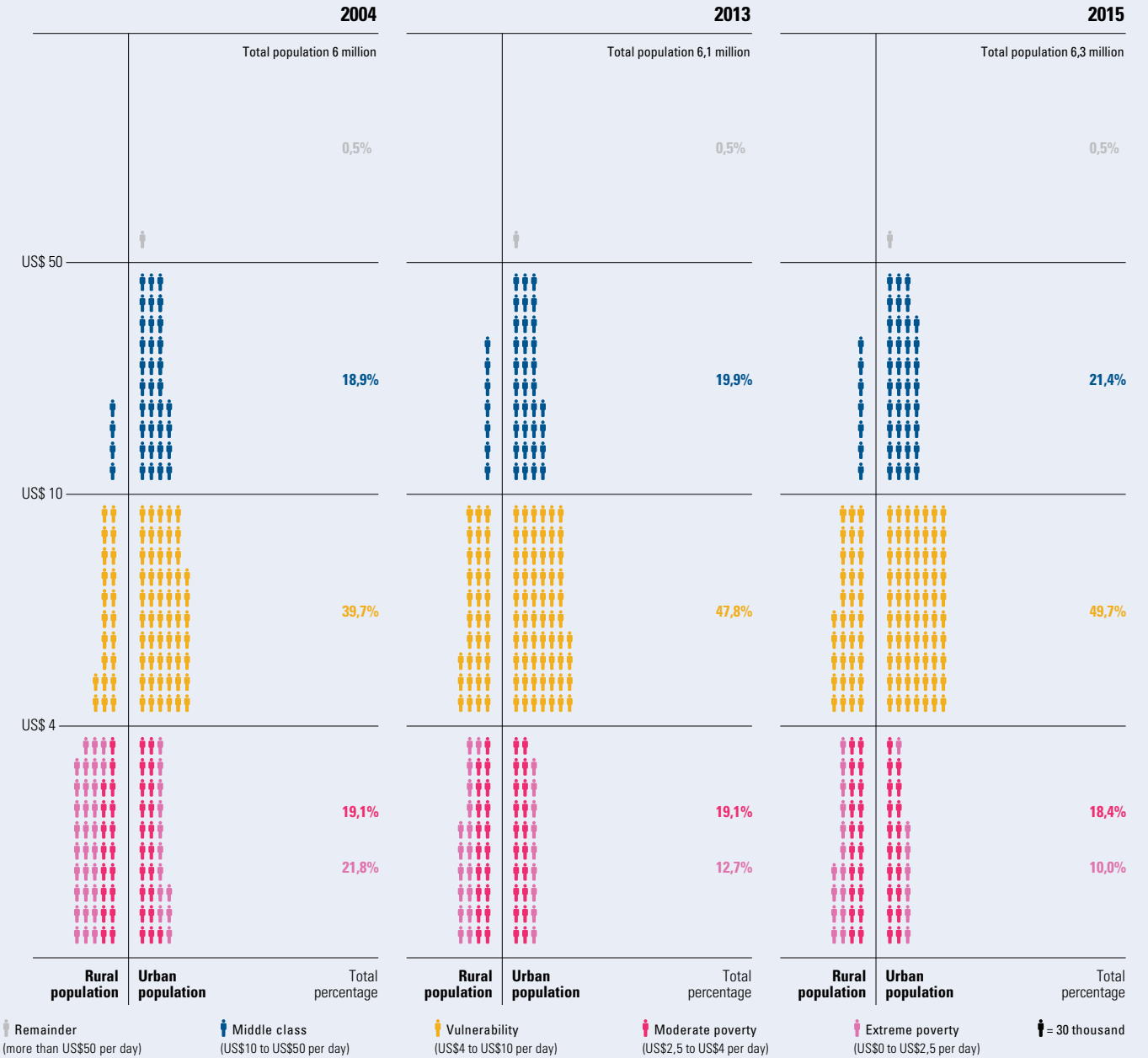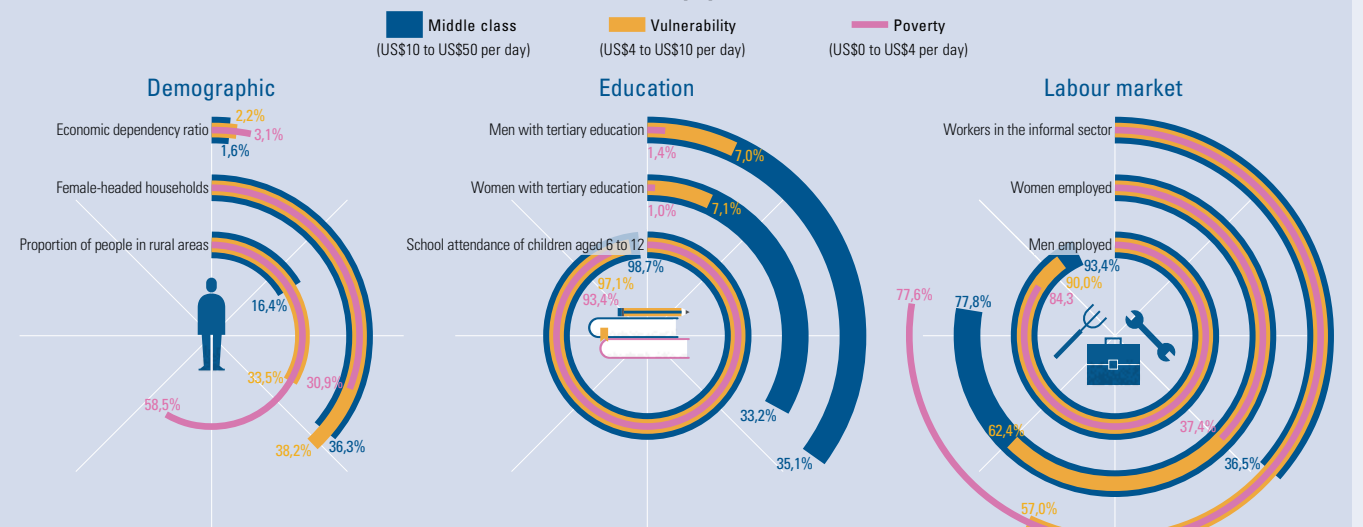
2004
Total population 5,8 million

1,1%

US$ 50

18,7%

US$ 10

35,9%

US$ 4

19,9%

24,4%

| **Rural population** | **Urban population** | Total percentage |

2013
Total population 6,5 million

2,3%

38,1%

39,5%

11,9%

8,3%

| **Rural population** | **Urban population** | Total percentage |

2015
Total population 6,6 million

2,5%

37,9%

40,0%

10,8%

8,8%

| **Rural population** | **Urban population** | Total percentage |

Remainder (more than US$50 per day)

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Moderate poverty (US$2,5 to US$4 per day)

Extreme poverty (US$0 to US$2,5 per day)

= 20 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day)

Vulnerability (US$4 to US$10 per day)

Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio
2,3%
3,4%
1,7%

Female-headed households

Proportion of people in rural areas

26,2%

68,9%

40,4%

32,0%

31,6%

36,4%

Education

Men with tertiary education
0,7%
8,1%

Women with tertiary education
1,9%
9,5%

School attendance of children aged 6 to 12
99,8%
99,0%
98,3%

27,7%

38,7%

Labour market

Workers in the informal sector

Women employed

Men employed
95,8%
91,1%
84,1%

82,7%
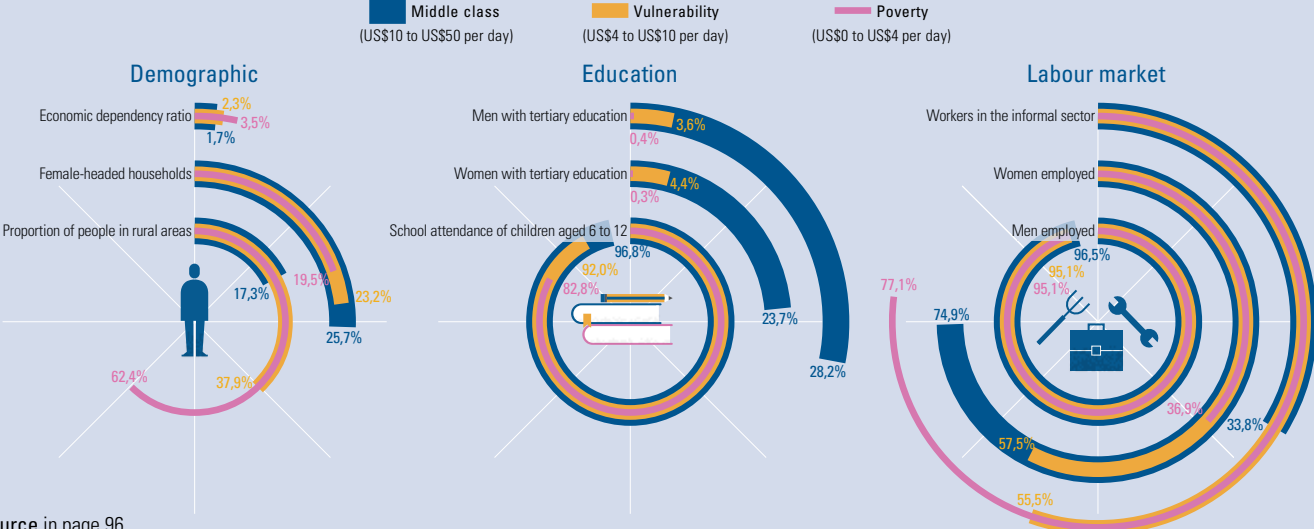
76,8%

32,6%

57,3%
51,2%

53,7%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
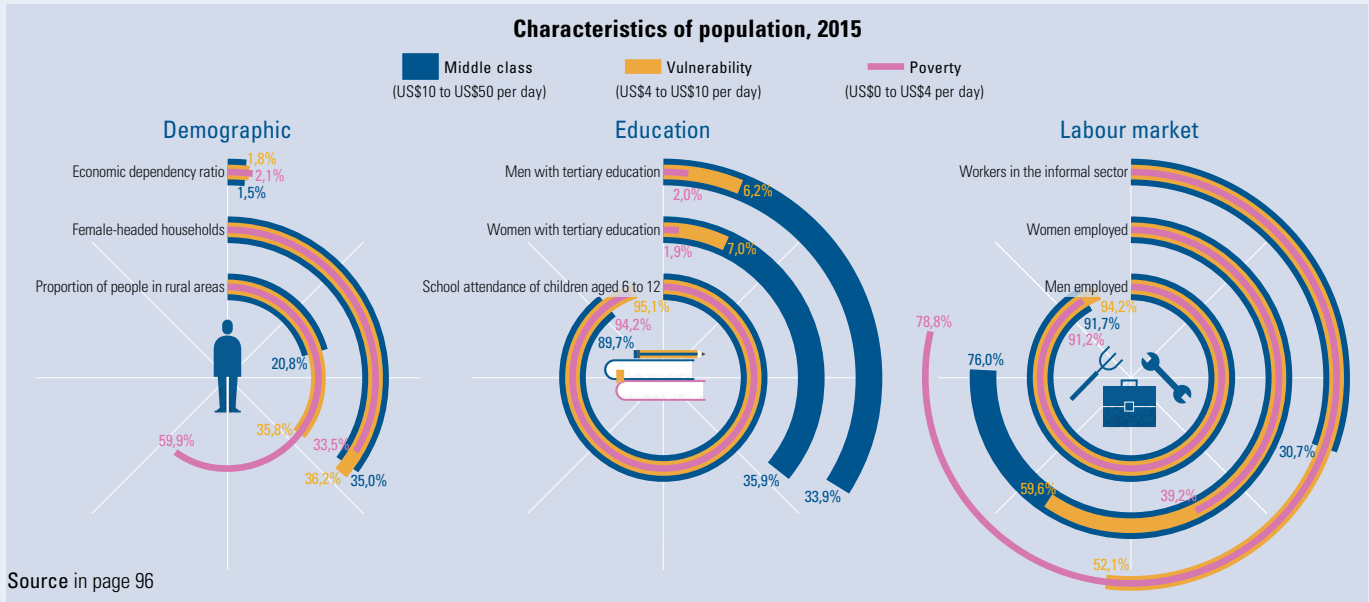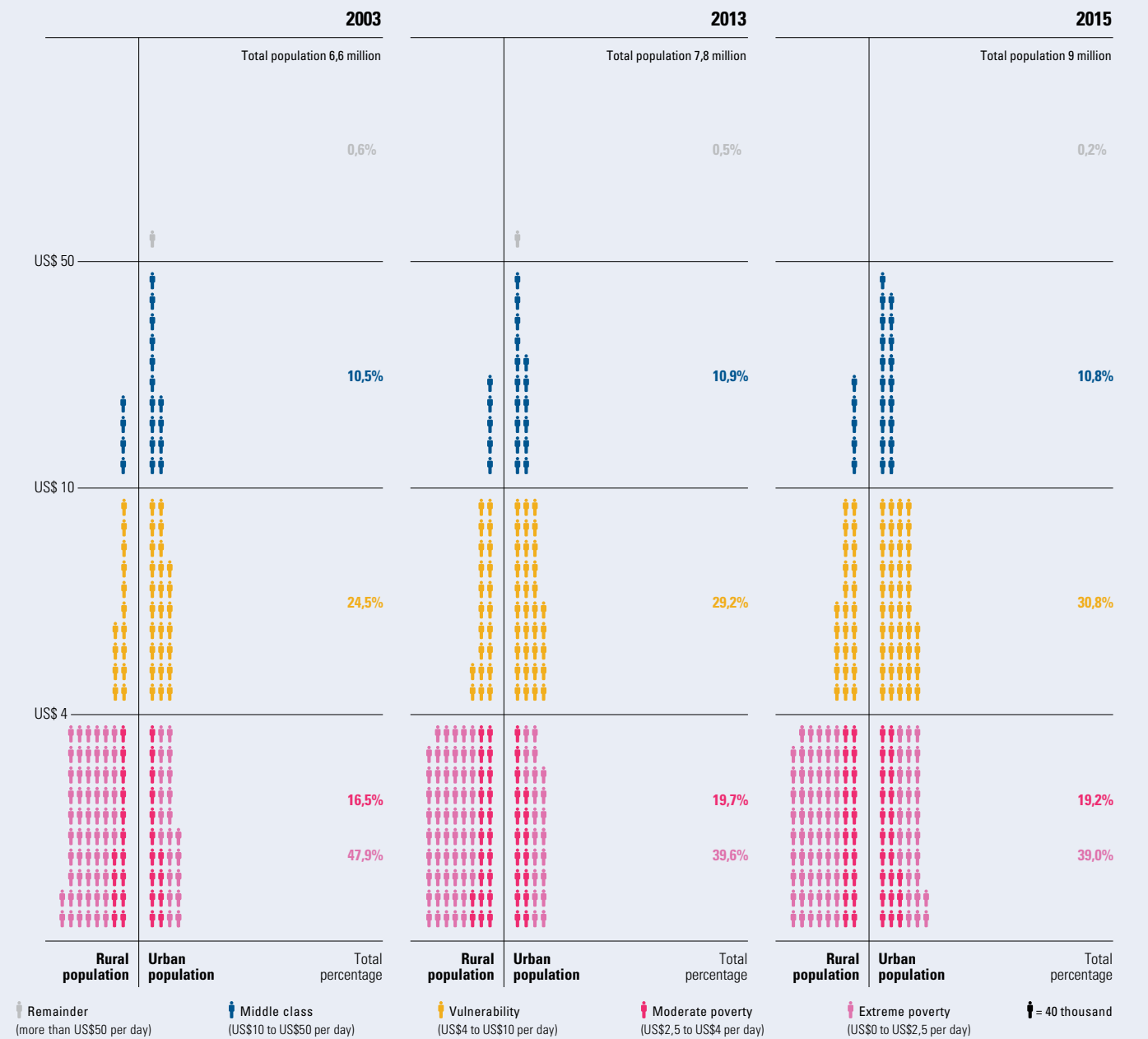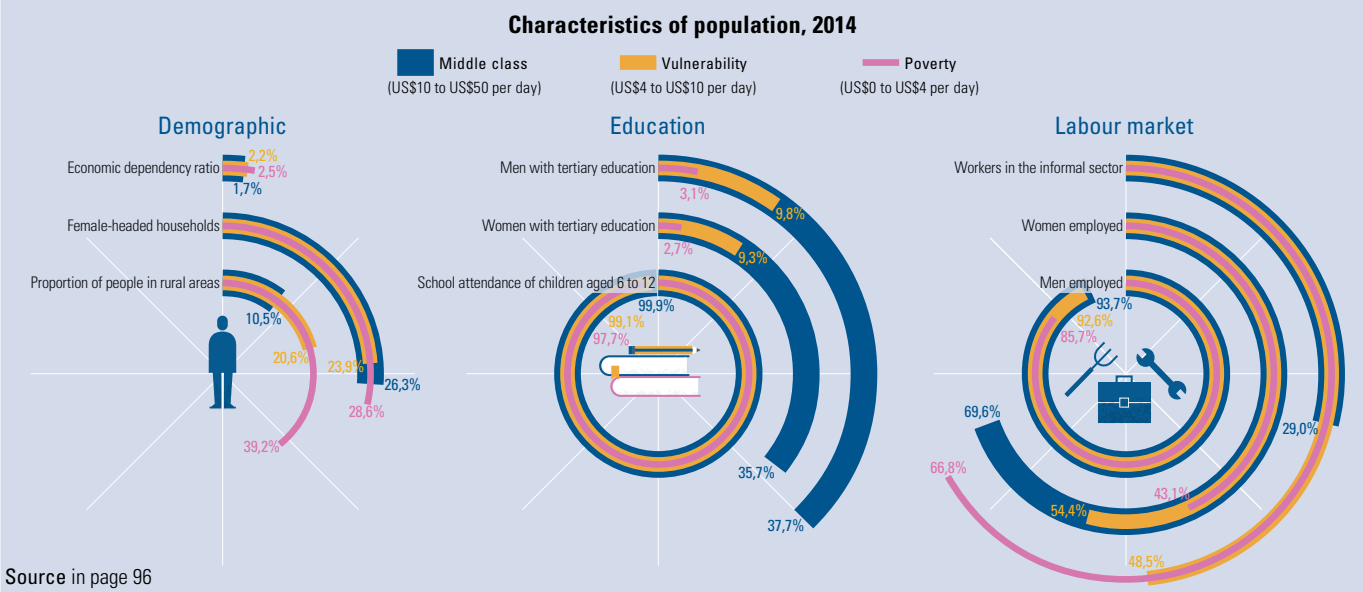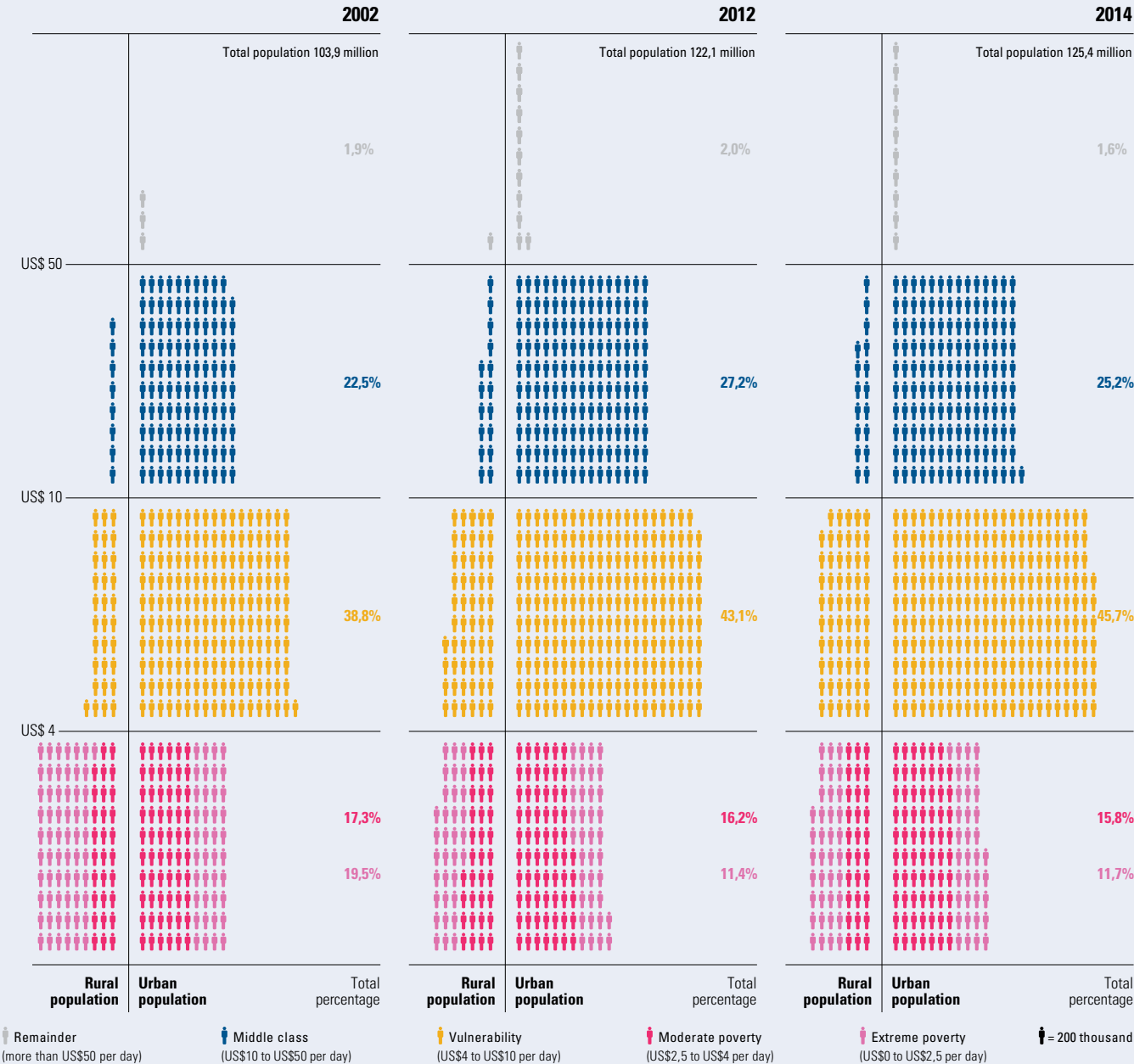
2004	2014	2015
Total population 27,4 million	Total population 31,0 million	Total population 31,4 million

2004
- 0,7%
- US$ 50
- 17,0%
- US$ 10
- 37,7%
- US$ 4
- 19,4%
- 25,2%

2014
- 1,5%
- 37,8%
- 40,6%
- 10,9%
- 9,2%

2015
- 1,6%
- 37,1%
- 42,0%
- 10,3%
- 9,0%

Rural population	Urban population	Total percentage	Rural population	Urban population	Total percentage	Rural population	Urban population	Total percentage

Remainder (more than US$50 per day)
Middle class (US$10 to US$50 per day)
Vulnerability (US$4 to US$10 per day)
Moderate poverty (US$2,5 to US$4 per day)
Extreme poverty (US$0 to US$2,5 per day)
= 100 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day) Vulnerability (US$4 to US$10 per day) Poverty (US$0 to US$4 per day)

Demographic

- Economic dependency ratio: 2,1% / 2,6% / 1,6%
- Female-headed households
- Proportion of people in rural areas: 5,3%
- 67,1%
- 20,8% / 27,7%
- 22,9%
- 30,0%

Education

- Men with tertiary education: 4,4%
- Women with tertiary education: 2,9% / 14,9% / 13,9%
- School attendance of children aged 6 to 12: 98,9% / 98,8% / 98,7%
- 39,4%
- 38,5%

Labour market

- Workers in the informal sector: 92,3%
- Women employed
- Men employed: 93,9% / 93,5% / 92,3%
- 79,3% / 79,4%
- 71,3%
- 69,9%
- 44,3%

Source in page 96

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
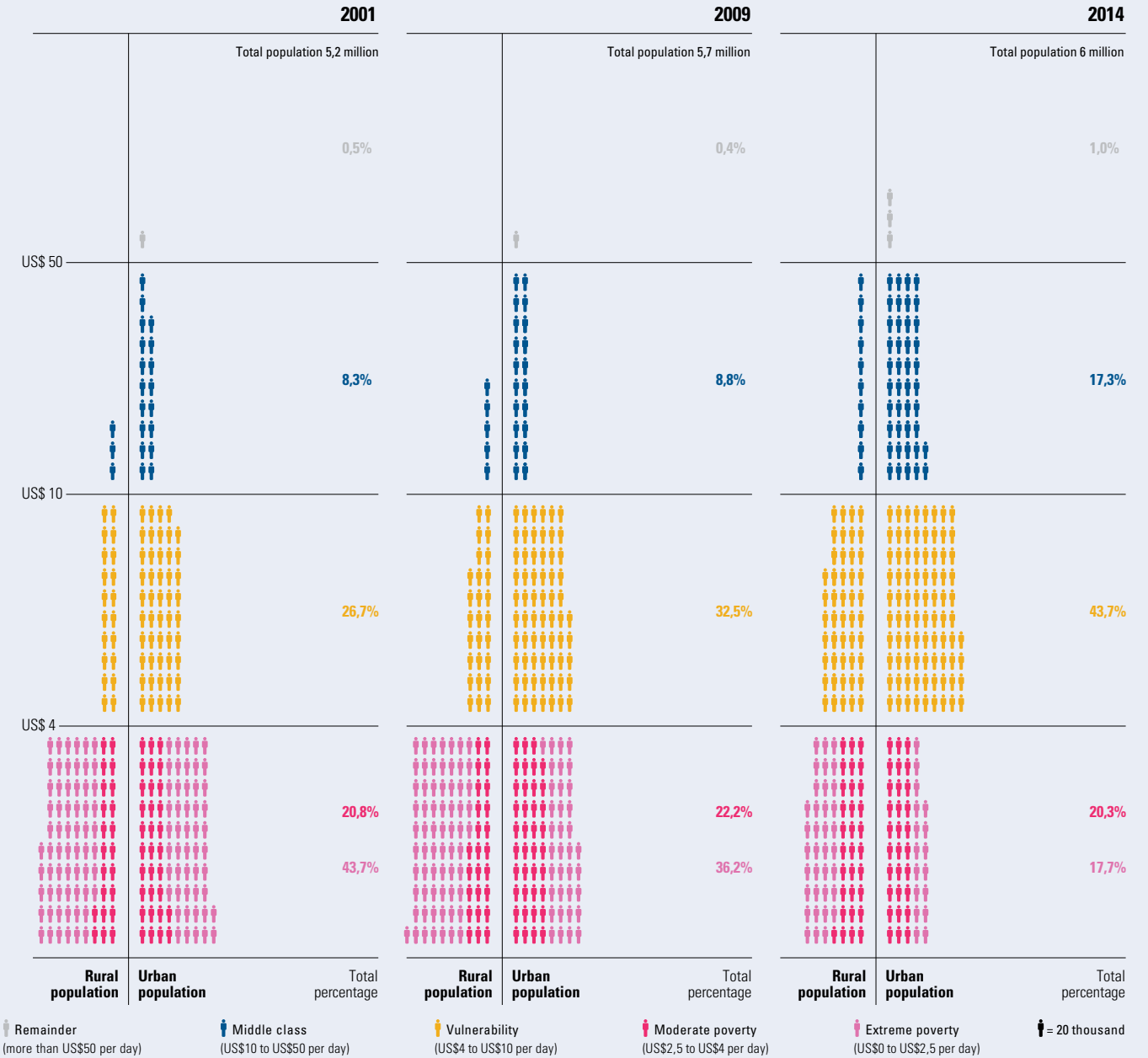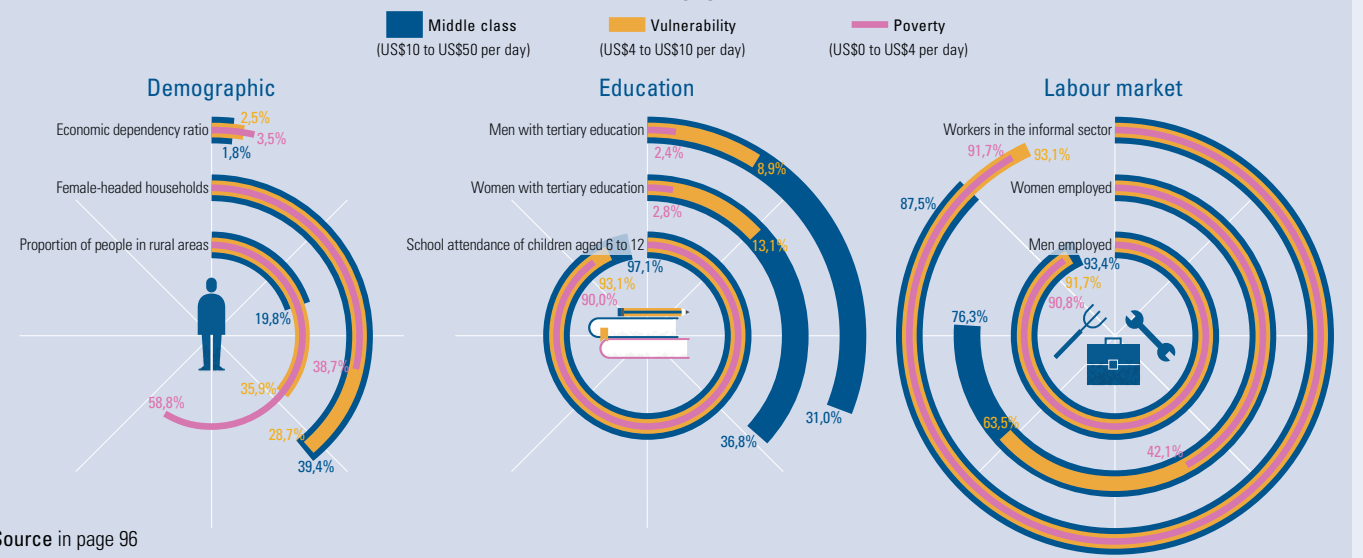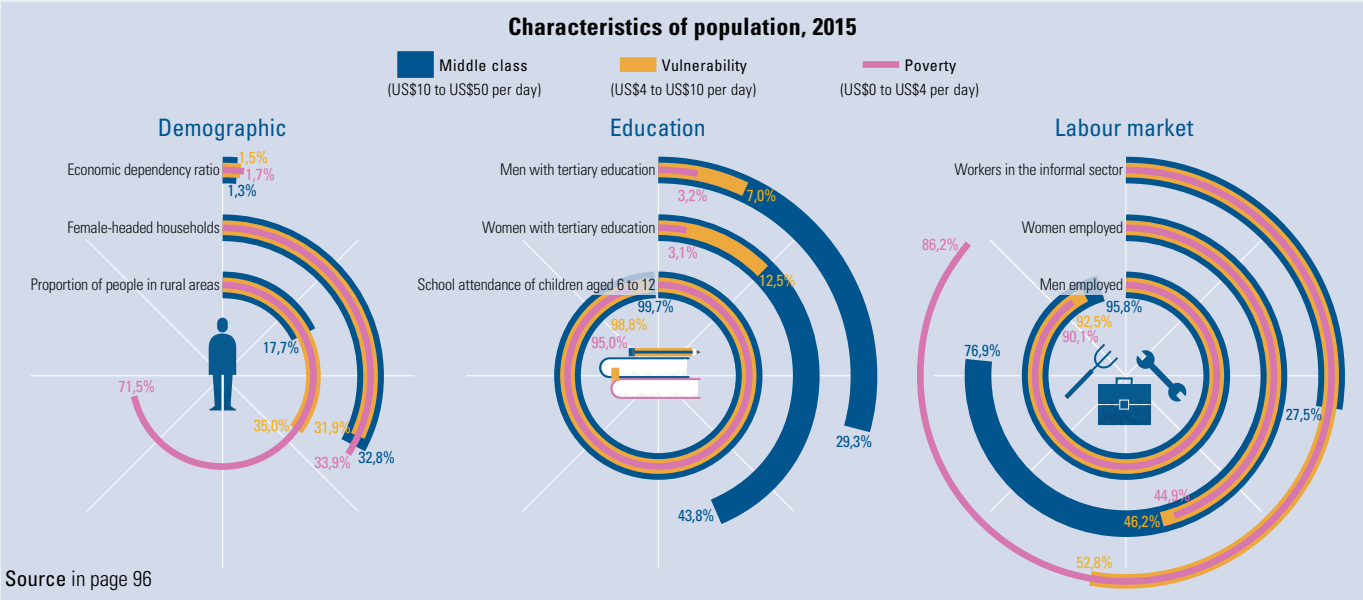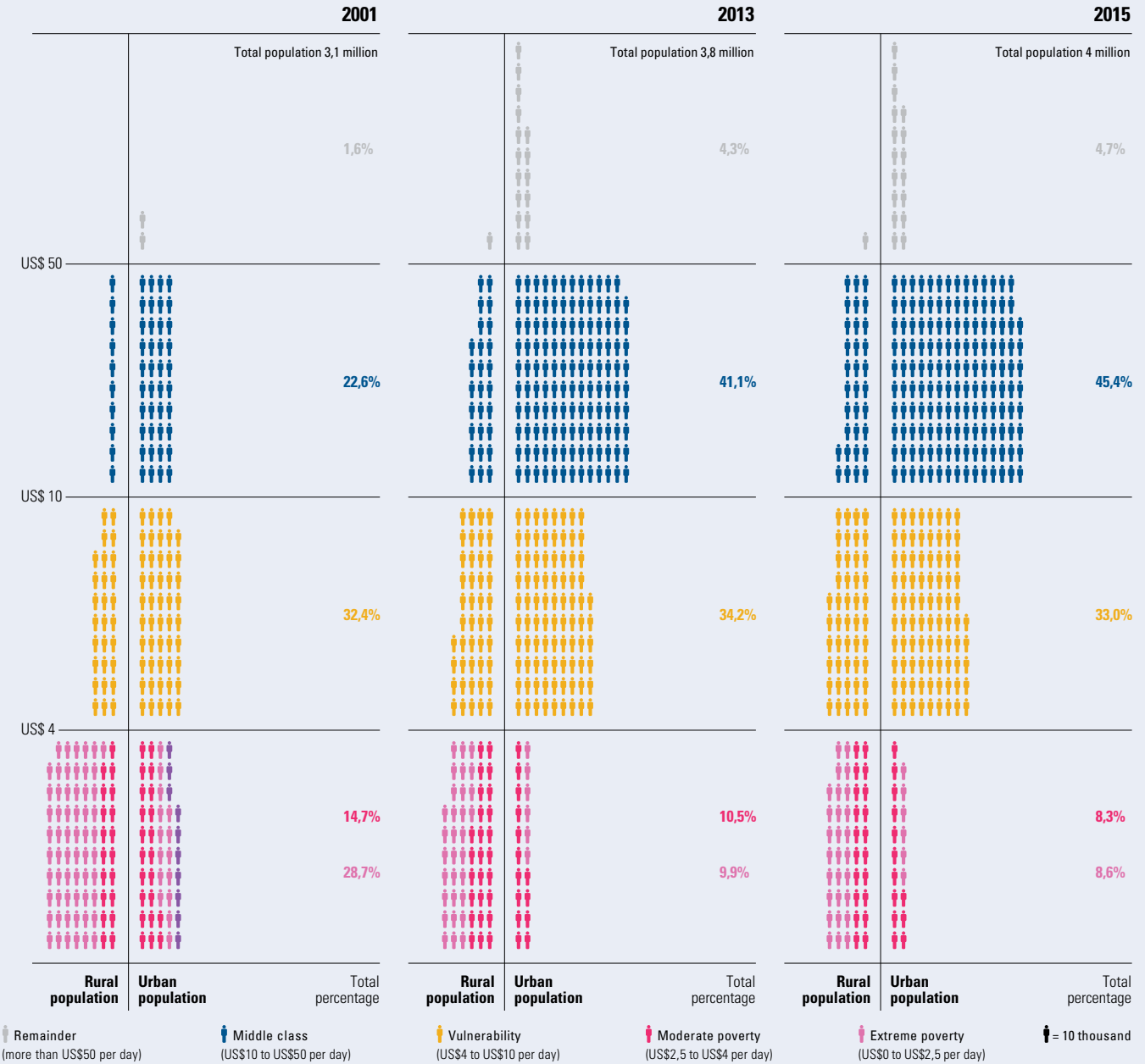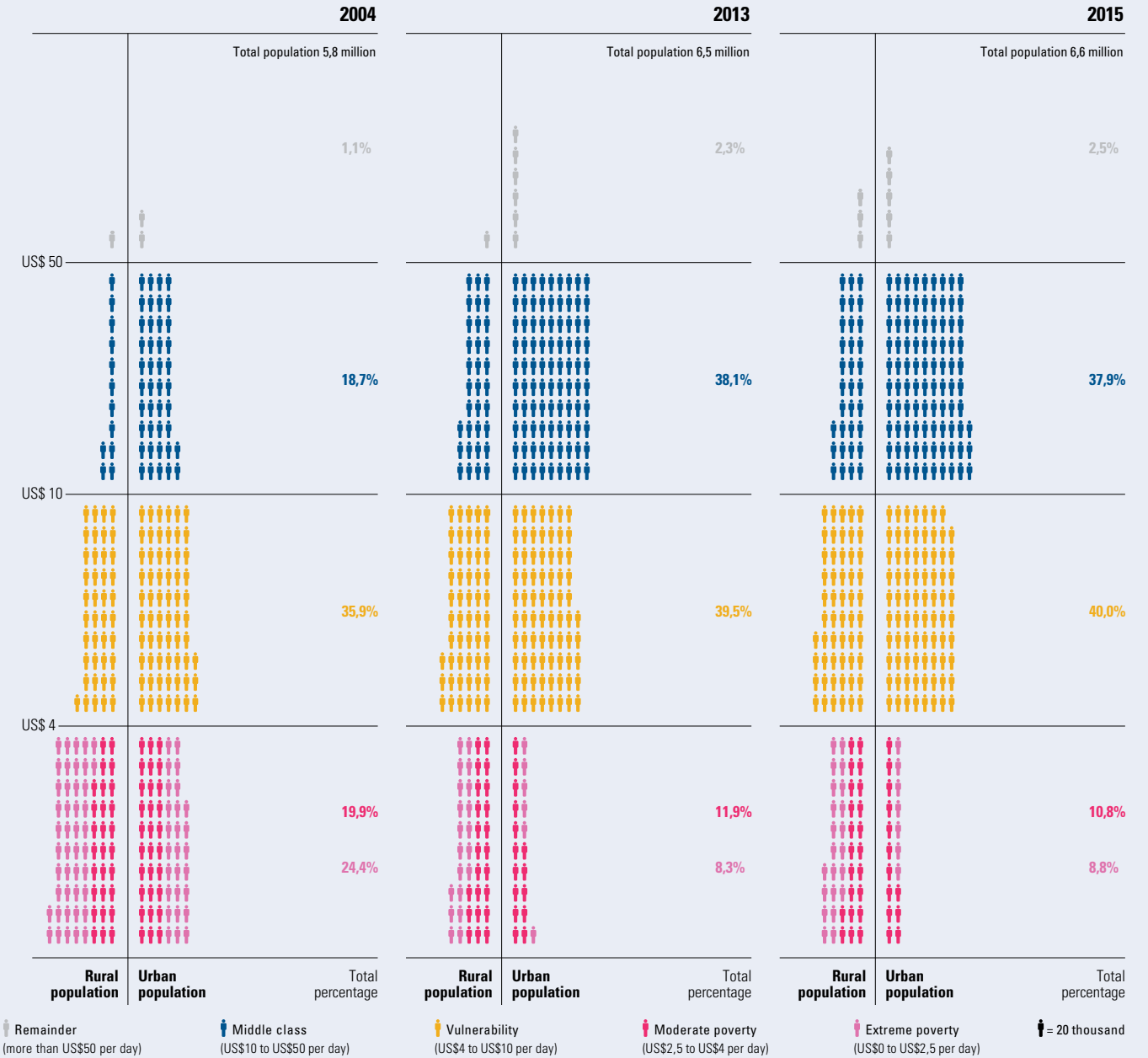
2003
Total population 9,1 million

1,4%

US$ 50

18,3%

US$ 10

38,6%

US$ 4

19,9%

21,8%

| Rural population | Urban population | Total percentage |

2013
Total population 10,3 million

0,9%

22,2%

43,8%

19,2%

13,9%

| Rural population | Urban population | Total percentage |

2015
Total population 10,5 million

0,8%

28,9%

45,3%

15,6%

9,4%

| Rural population | Urban population | Total percentage |

Remainder (more than US$50 per day) — Middle class (US$10 to US$50 per day) — Vulnerability (US$4 to US$10 per day) — Moderate poverty (US$2,5 to US$4 per day) — Extreme poverty (US$0 to US$2,5 per day) — ♟ = 20 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day) — Vulnerability (US$4 to US$10 per day) — Poverty (US$0 to US$4 per day)

Demographic

Economic dependency ratio
1,8%
2,4%
1,4%

Female-headed households

Proportion of people in rural areas

22,2%

33,9%
42,0%
34,4%
30,3%
38,9%

Education

Men with tertiary education
4,2%
9,9%

Women with tertiary education
6,7%
16,3%

School attendance of children aged 6 to 12
98,3%
97,5%
96,6%

29,7%

39,8%

Labour market

Workers in the informal sector

Women employed

Men employed
92,6%
86,3%
75,4%

76,9%

81,7%

41,3%

58,6%
54,9%
39,0%

Evolution of the income pyramid by area of residence (in percentages and in number of people) and profile of the population according to income group
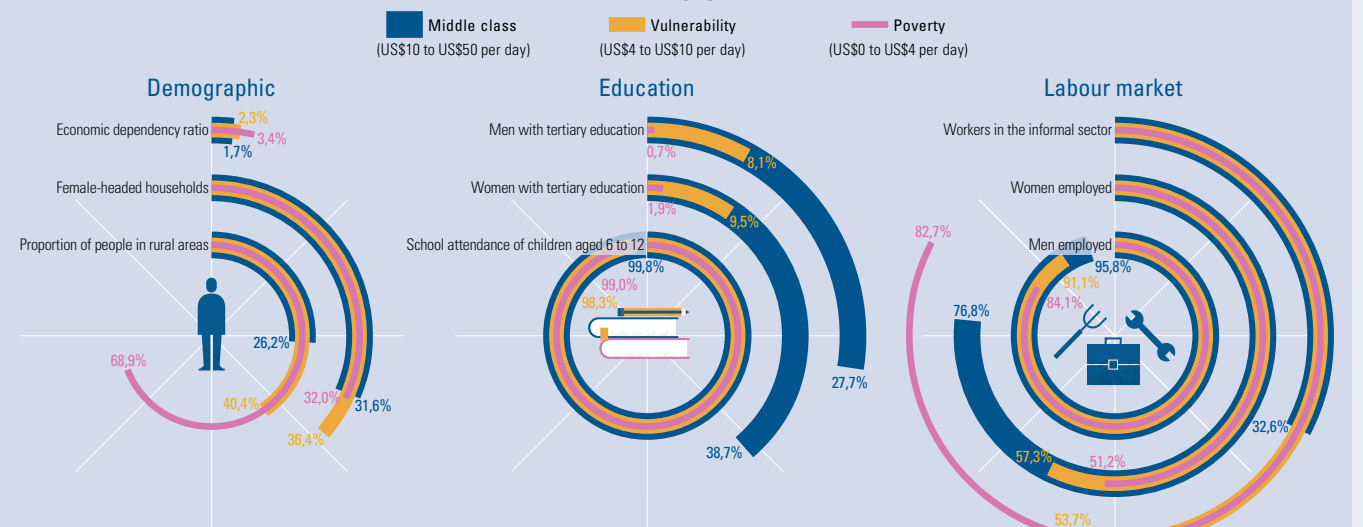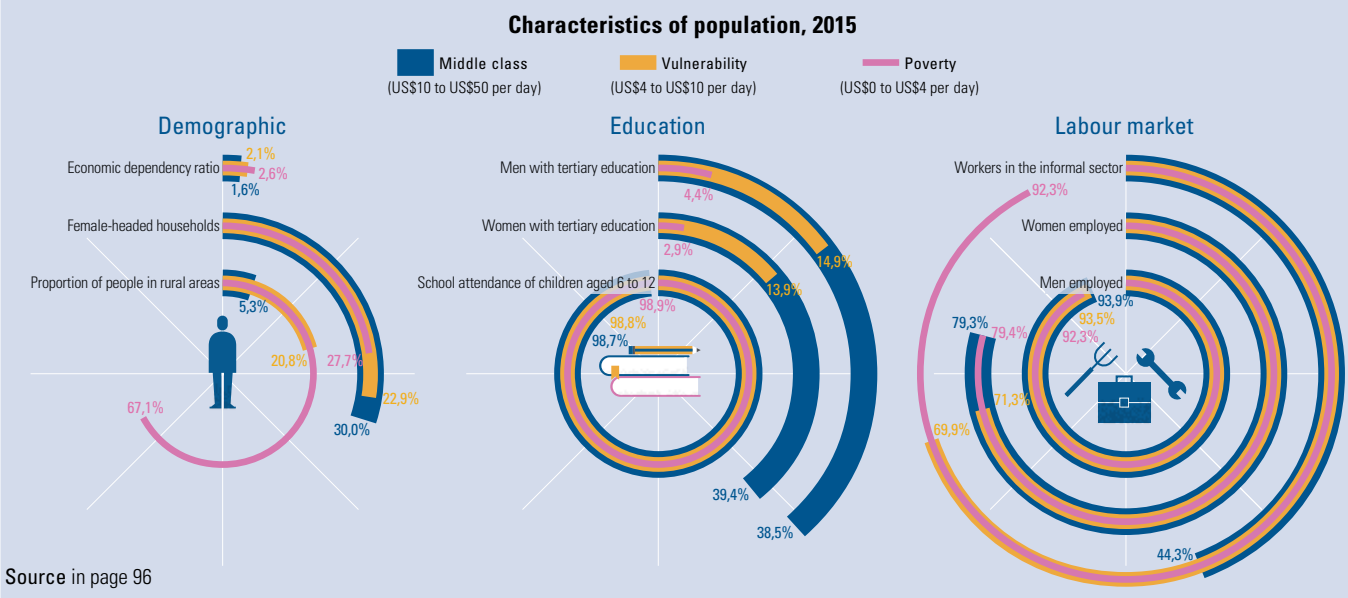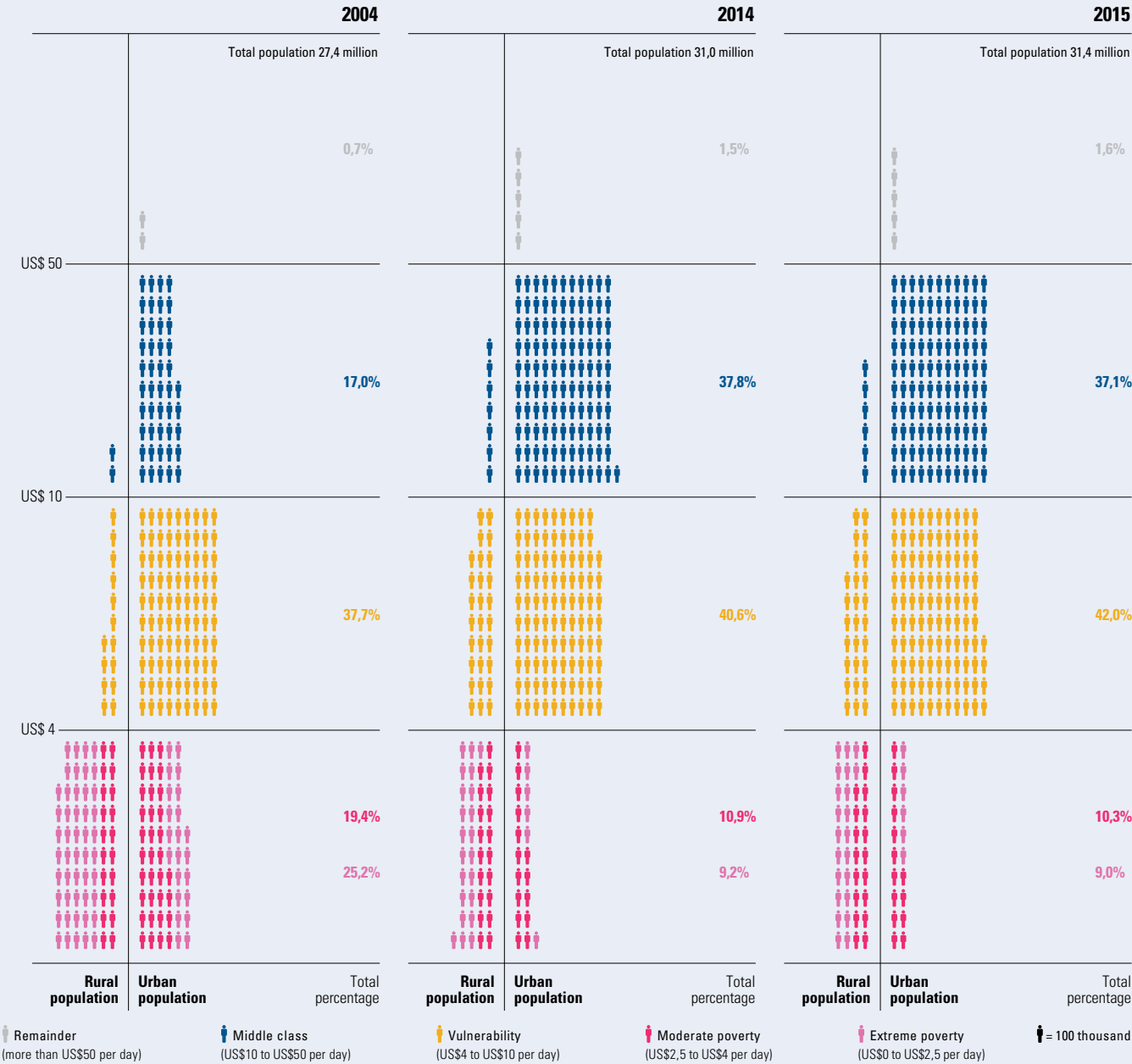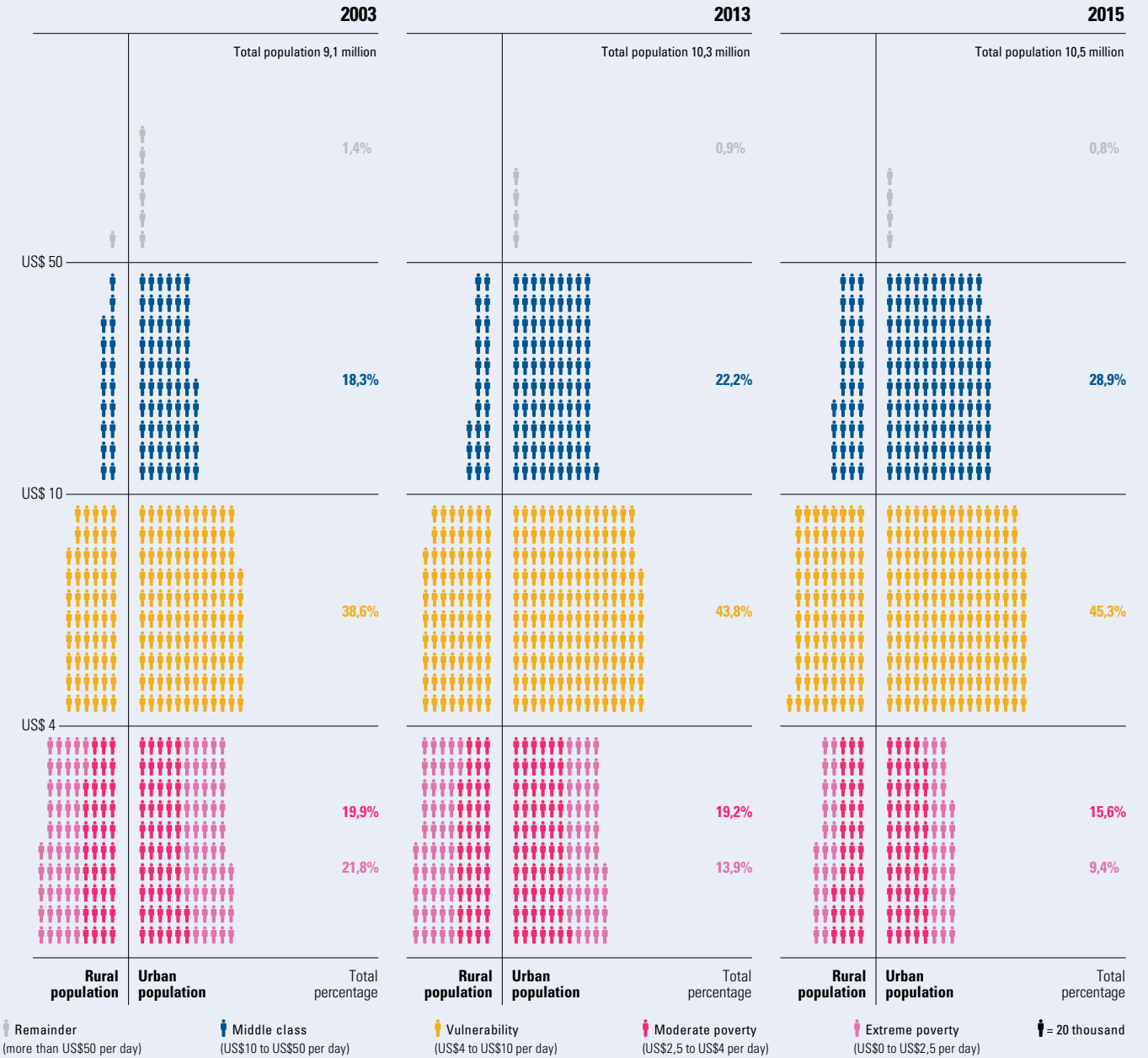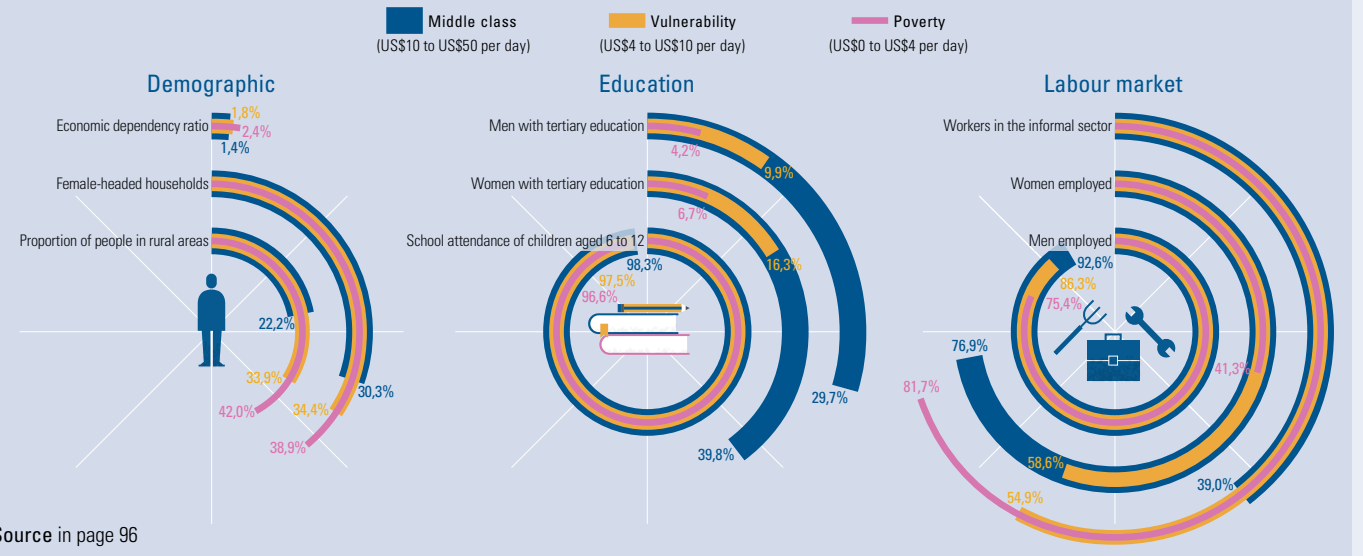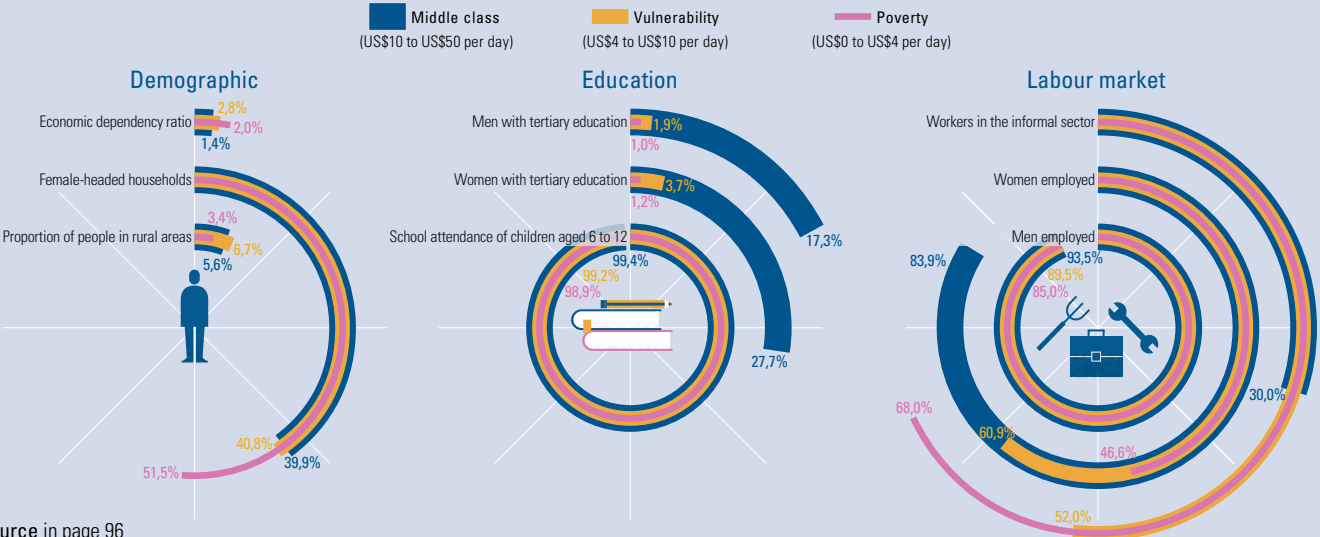
	2004	2014	2015

Total population 3,3 million — 2004
Total population 3,4 million — 2014
Total population 3,4 million — 2015

2004: 2,6%
2014: 3,9%
2015: 4,1%

US$ 50

2004: 42,6%
2014: 60,3%
2015: 60,5%

US$ 10

2004: 35,8%
2014: 28,9%
2015: 28,5%

US$ 4

2004: 10,7% / 8,3%
2014: 4,9% / 2,0%
2015: 4,9% / 1,9%

Rural population	**Urban population**	Total percentage

Remainder (more than US$50 per day)
Middle class (US$10 to US$50 per day)
Vulnerability (US$4 to US$10 per day)
Moderate poverty (US$2,5 to US$4 per day)
Extreme poverty (US$0 to US$2,5 per day)
= 10 thousand

Characteristics of population, 2015

Middle class (US$10 to US$50 per day) **Vulnerability** (US$4 to US$10 per day) **Poverty** (US$0 to US$4 per day)

Demographic

Economic dependency ratio: 2,8% / 2,0% / 1,4%
Female-headed households
Proportion of people in rural areas: 3,4% / 6,7% / 5,6%
40,8% / 39,9%
51,5%

Education

Men with tertiary education: 1,9% / 1,0%
Women with tertiary education: 3,7% / 1,2%
School attendance of children aged 6 to 12: 99,4% / 99,2% / 98,9%
17,3%
27,7%

Labour market

Workers in the informal sector
Women employed
Men employed: 93,5% / 89,5% / 85,0%
83,9%
68,0% / 60,9% / 46,6%
30,0%
52,0%

Source: Income pyramids by country

Prepared by the authors based on estimates of the proportion of the population corresponding to each income group by the CEDLAS from information obtained from SEDLAC (CEDLAS and the World Bank), provided for this study. Income groups are defined with daily per capita baselines and income ranges set in purchasing power dollars: population in a situation of poverty (less than US$4 per day), vulnerable population (between US$4 and US$10 per day), middle class (between US$10 and US$50 per day) and residual (over US$50 per day).

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS

In September 2015, the 193 Member States of the United Nations took a historic step with the approval of the 2030 Agenda for Sustainable Development. At the heart of this agenda lies a simple but radical imperative: the elimination of poverty in all its forms, while caring for and protecting the planet.

This universal and holistic agenda will have a specific application in each country, in line with the priorities established in national plans and policies. As a multidimensional agenda par excellence, the Regional Human Development Report for Latin America and the Caribbean 2016 can contribute to helping adapt this agenda to the specific circumstances of individual countries.

The Report describes three steps to avoid the fragmentation of the 2030 Agenda, which contains 17 goals and 169 targets.

The first involves using a multidimensional approach to develop the connections between indicators of well-being and the drivers of economic, social and environmental transformation. Secondly, constellations of Sustainable Development Goals (SDGs) must be built around the strategic objectives established by the authorities in each country to avoid piling global agendas on top of national ones. Thirdly, based on the examples in the Report, it is possible to conduct a microsimulation of the impacts of closing intersectoral and inter-territorial gaps for a set of targets, breaking the impact of these measures down by programme or population group.

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