



**UNIVERSIDAD DE CHILE**

Facultad de Economía y Negocios

# The Economic Lives of the Slums in Latin America: A First Approach

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Advisor:

PAUL J. GERTLER

Student:

RAIMUNDO UNDURRAGA R.

Review Board:

DAVID BRAVO  
OSVALDO LARRAÑAGA  
PAUL J. GERTLER

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# The Economic Lives of the Slums in Latin America: A First Approach

Raimundo Undurraga R.

Master in Public Policy  
Universidad de Chile  
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## **Abstract**

The high level of informality of slum dwellers puts them in a “black box”, where policy makers cannot access with certainty information about the effectiveness of their actions. This paper examines the economic lives of slum dwellers in Latin America. Using case studies of El Salvador, Chile and Uruguay, we inspect the socioeconomic characteristics and opportunities of slum dwellers in comparison with the situations of the poor in each country. We found that while slum dwellers on average present poorer housing conditions than the poor, they are richer and have better job opportunities. However, the slum heterogeneity presented in terms of poverty and informality is a challenge for a more comprehensive, targeted and coordinated public policy for social inclusion.

Keywords: Slum dwellers, Poverty, Slum heterogeneity, Social exclusion

JEL Classification: I3, O17, O54

## I. Introduction

Poverty can be shocking in many manifestations, but perhaps the most evident is the shanty towns, shelters, informal settlements, ghettos, etc, known collectively as *slums*. In 2001, 924 million people, or 31.6% of the world's urban population, lived in slums<sup>1</sup>. This is an increase of more than 400% since the mid-1970s. Given the combination of rapid rural-to-urban and international migration, concentration of population growth among the least developed countries (LDCs), relatively constant urban poverty and inequality rates during the last 20 years, the lack of regularization of property rights and the absence of urban planning programs, if no firm and concrete action is taken during the next 20 years it is expected that the global number of urban slum dwellers increase to about 2 billion. Along with growing slum populations, there is mounting global concern, as demonstrated by Target 11 of the 7<sup>th</sup> Millennium Development Goal which aims to significantly improve the lives of at least 100 million slum dwellers by the year 2020.

While in Africa the proportion of these settlements is raising rapidly and in Asia they are increasing but at a lower rate, Latin America reached saturation levels of 80 per cent during the 1990s, with around 128 million people living in slums in 2001. Historically, given that they were not part of the "solvent demand" of lands like real estate agencies, the urban poor have had to elect between direct-free occupation or illegal market of lands in order to have a place to live. Following two decades of structural economic adjustment during the 1980s and 1990s as well as a systematic reformulation of the institutional and legal frameworks of land tenancy and urban regulation plans, the state has played a "facilitator role" for property developers and foreign investors instead of providing solutions for the slum populations in most Latin American countries (Clichevsky, 2006).

However, despite the multiple "faces of poverty" that can be observed in slums, the lack of information regarding each one constitutes a primary threat to advancing the fight against poverty. Historically, many land tenancy regularizations have been designed on the basis of land tenure information, discounting the importance that other key characteristics like human and economic development and social opportunities can play in alleviating poverty among slum dwellers. It is necessary to rationally define one instrument (one policy) for one problem, as regulation of land tenure indeed does with slum dwellers illegality problem. But it may be even more crucial to adequately target the eligible population in order to deliver an integral solution for a population that is excluded along many dimensions.

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<sup>1</sup> "The Challenge of Slums. Global Report of Human Settlements 2003". United Nations Human Settlements Programme. UN Habitat, 2003

There is a commonly accepted idea that the poorest of the poor are concentrated in slums, yet there is still little evidence on how poor slum dwellers really are. The available data sources and academic research are incomplete in many key ways. Although slums and poverty are closely related and mutually reinforcing, the relationship is not always direct or simple, especially given the heterogeneity of economic development and the different institutional, cultural and social frameworks that have given life to slums in each country and region.

This paper examines the economic lives of slum dwellers in Latin America. Using case studies of El Salvador, Chile and Uruguay, we inspect the socioeconomic characteristics and opportunities of slum dwellers in comparison with the situations of the poor in each country. This paper seeks to contribute to tackle the poverty by reducing the lack of information regarding who slum dwellers really are and how social policies could improve their lives. The vision of public policies for poverty alleviation in slums needs deeper knowledge about the characteristics of these groups. This information would not only be one more input for the instruments that are actually used to deal with this phenomenon, but also result in the better assignment of limited resources through refocusing, if necessary, the priorities and programs for economic development that already target the slum dwellers.

## **II. Data and Methodology**

An initial problem when analyzing the slum dwellers is the definition of a slum. Consequently, slums have not been yet incorporated into mainstream monitoring instruments, such as national population censuses, demographic and health surveys, and international survey instruments. These kinds of surveys usually provide proxies or related variables, such as “land tenancy”, “if the household live with dirt floors” or “if the household has access to electricity”, which are not sufficient to describe the wide set of characteristics that slum dwellers share. However, there is some international consensus about typical characteristics of these environments.

The UN Habitat has defined the slums as a physical and spatial manifestation urban or semi-urban poverty, particularly those neighborhoods where households have a significant lack of basic services like sanitation, access to safe water or electricity; neighborhoods with a high density of substandard housing, overcrowding, or illegal and inadequate building structures; neighborhoods with unhealthy living conditions and hazardous locations; and, irregular or informal settlements with insecure tenure (UNHabitat 2003).

The high heterogeneity of characteristics that can be found between slum dwellers turns difficult to group them under a unique definition. However, as with the informality, it is necessary to clearly define what kind of slums are we discussing from before starting the analysis. We considers

slum dwellers those households and individuals that live in groups of 10 or more households, located in private or public lands, who have at least 50% of their inhabitants living under irregular tenure conditions, and also 50% of them living at least with the lack of access to one of the following basic services: (i) Electricity; (ii) Safe Water; or (iii) Sewage Service.

Our discussion is informed by the household surveys listed in Table 1. For specific information about slums in El Salvador, we use baseline data from the Impact Evaluation of the Un Techo Para Mi Pais (UTPMP) housing program carried out in 2007 and 2008 in 72 slums at a national level. This is a housing program focused on slum dwellers that generally live in overcrowded, substandard housing conditions with a lack of access to basic services. In the case of Chile, we use the 2008 LILP Survey of Slums and Social Housing applied in 69 slums of Metropolitan Region of Chile which includes the capital, Santiago. The sample frame of that survey was built in base of *Catastro Nacional de Campamentos* of Un Techo Para Chile Foundation, which operate internationally as Un Techo Para Mi Pais, the same institution that helped to develop the sample frame of slums in El Salvador. The Chilean dataset was not collected with a specific focus on slum dwellers that have housing problems, but the data suggests that they in fact suffer from such problems and share precarious living conditions like those described previously. This is not surprising as indecent housing is perhaps the most homogeneous characteristic among the highly variable attributes that can be observed *intra* and *inter* slums. Finally, we use the 2008 Encuesta Continua de Hogares in Uruguay, a national household survey commonly utilized to measure poverty and for which this round included slum dwellers in its sample design, making it possible to discriminate whether a household is located in a slum.

In order to gather information about the poor, we use the following national socioeconomic surveys: 2008 Encuesta Nacional de Propositos Multiples in El Salvador, 2008 Encuesta Continua de Hogares in Uruguay and 2006 CASEN in Chile. For each respective country, the survey used in this study is the official instrument used by its government to measure poverty at the national level.

It is not usual to find household surveys and data that take into account informal sectors like slums. We chose these countries and databases because they provide precise information on slum dwellers and poor households, including information on where they physically live and how and where they participate in economic and social activities. While Latin America is a diverse region that include more than 20 countries, this paper intends to be a first approach to analyzing and comparing three: El Salvador from Central America, Uruguay from eastern South America and Chile from western South America. Each one also presents different patterns of economic development. In order to deepen knowledge and target the discussion, we furthermore revise the existing economic literature in order to complement our main findings.

We identified the “poor” as those below the National Poverty Line using the BNA methodology as adopted by each local National Institute of Statistics; in each of the three countries studied, the National Poverty Line is generally higher than international one<sup>2</sup>. Comparing the slum dwellers with the poor allows us to have a wider view of income and poverty in slums. A key issue related to these comparisons is that the Chilean and Salvadorian national data do not provide reliable information on whether or not poor people live in slums. Furthermore, Cepal adjusts the income of CASEN 2006 by national accounts, which increase the value of income and do not allow us to reliably compare income between slum dwellers and the poor in Chile. However, as we will see in next sections, that would reinforce our results.

Given the fact that many slum dwellers usually do not have an address and live in settlements without property rights, it is likely that national surveys do not capture such groups at all. Usually sample frames of social surveys are built based on last census. And even when censuses capture all population, it is not clear that slum dwellers are well represented in social surveys, specially when they composed a very little proportion of overall population. This constitutes not only an information gap regarding the slums themselves, but also a lack of information for many issues related with the informal world, from informal employment and credit markets to community-based health and social services.

Regardless, the assumption that the national surveys do not cover slum populations is still strong. Given that our analysis assumes this is true, the resulting differences should be conservative. In any case, observing data across all countries, it turns out that slum dwellers are statistically different from the poor in almost all variables presented, which in part supports our thesis that slum dwellers and the poor should not be confounded. However, we cannot totally exclude that our findings in El Salvador and Chile may be different with a better quality survey that allow us to identify whether or not poor people also live in slums.

Strategies for identifying and targeting these vulnerable populations are undoubtedly a major concern in public policy. But beyond the importance of counting the poor, following Duflo and Banerjee (2007), this paper describes what the differences between the lives of slum dwellers and the poor look like. In this sense, miscataloging some poor that live in slums should not significantly affect the averages and distributional statistics observed in the data, unless those poor households who indeed live in slums are very different than those who in fact do not live there.

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<sup>2</sup> The Basic Needs Approach (BNA) aims to measure absolute poverty. It attempts to define the absolute minimum resources necessary for long-term physical well-being, usually in terms of consumption goods. The poverty line is then defined as the amount of income required to satisfy those needs in terms of local prices.

Table 1: Description of Data Sets

Country - Region	Group	Source	Year	Avg. Monthly Income Per Capita	Households (HHs) living below National Poverty Line	
					Number Surveyed	Percent of Total Surveyed HHs
Chile - RM	All Population	CASEN	2006	375	13,810	14.97%
Chile - RM	Poor	CASEN	2006	62	2,067	100.00%
Chile - RM	Slum Dwellers	LILP	2008	128	813	33.95%
El Salvador	All Population	EHPM	2008	270	16,674	37.09%
El Salvador	Poor	EHPM	2008	46	6,185	100.00%
El Salvador	Slum Dwellers	UTPMP	2007-08	64	1,078	78.76%
Uruguay - MVDO&CAN	All Population	ECH	2008	685	26,934	13.65%
Uruguay - MVDO&CAN	Poor Out of Slums	ECH	2008	174	2,842	100.00%
Uruguay - MVDO&CAN	Slum Dwellers	ECH	2008	274	1,590	52.64%

*Sources* : The CASEN 2006 Survey is documented in Mideplan (2006) and available at <<http://www.mideplan.cl/casen/index.html>>. The LILP 2008 is not a public data set, but can be obtained by contacting Lincoln Institute of Land Policy <<http://www.lincolnst.edu/>>. The EHPM 2008 is documented in Dygestic (2008) and available from <<http://www.digestyc.gob.sv/>>. The UTPMP 2007-08 Survey is being used to evaluate the impact of UTPMP Program and is forthcoming on <<http://www.povertyactionlab.org/evaluations/data>>. The ECH 2008 is documented in INE (2008) and is available from <<http://www.ine.gub.uy/microdatos/microdatosnew2008.asp#ech>>.

*Note 1* : The National Poverty Lines correspond to the oficial line built by the National Institute of Statistics of each country. In the case of Chile, the urban poverty line reached 47.099 chilean pesos per person per month in 2006. In order to get comparability with LILP 2008, that line was adjusted by inflation rate taken prices of December 2008. The same adjustment was applied to income of both LILP 2008 and CASEN 2006, which were collected in different periods. In terms of dollars of December 2008, a household was qualified as "poor" if monthly income per capita was below 82.37 dollars. In regards to El Salvador, the EHPM 2008 was collected from January to December 2008 and UTPMP from June 2007 to October 2008 by using two baselines. As Chilean case, in order to get comparability on times, the income of both surveys were adjusted by inflation rate taken prices of December 2008. Doing the same adjustment for urban and rural poverty lines they were 89.4 and 58.2 dollars per capita per month respectively. About Uruguay, both poor and slum dweller surveys were collected between January and December of 2008 so was not necessary to do price adjustments. The urban poverty line in terms of dollars was calculated per each month considering the changes on prices, which fluctuated between 213 and 235 dollars per capita per month. Notice that poverty line of Uruguay almost triple the Chilean and Salvadorian one. Since this paper compares poor and slum dwellers in and not between countries, this is not a problem.

*Note 2* : Means have been calculated without using expansion factor and all figures are in US dollars

The Table 1 also provides general information about these surveys and methods. First, a list of countries and data sources is described. Then, sample sizes as well as the number and proportion of households under National Poverty Lines are reported. The fraction of households with individuals living below the National Poverty Line in the surveys varies from around 14% in Montevideo and Canelones in Uruguay, to 15% in the Metropolitan Region of Chile and 37% in El Salvador. Also, if Montevidean – Uruguayan households who live outside of the slums have on average around US\$700 and Metropolitan - Chilean around US\$375, Salvadorians live on average with US\$270 dollars per capita a month. While these differences are not adjusted for local prices<sup>3</sup>, the PPP Gross National Income (GNI) per capita in 2007 denotes that, at least in terms of income, Chile and Uruguay are the most developed countries in Latin America with US\$12,330 and

<sup>3</sup> Also, given that questionnaires are not comparable on income sections between countries, the differences could be biased. For example, the National Institute of Statistics in Uruguay considers the value of have free access to health services for individual under 18 years old as income, irrespective if they indeed use it. This is not considered in Chilean and Salvadorian calculus of income. Since this paper does not examine the poor and slum dwellers between countries, this is not a problem to figure out our findings. We consider this strategy – instead to adjust income between countries we prioritize the income used to calculate poverty level in each country – because allow us to compare poor and slum dwellers given the specific social and economic context of each country. The strategies to overcome poverty in each country are different. Anyway, further information about the composition of income considered for each country can be found in Annexes.

US\$11,020 respectively, joint with Mexico (US\$13,910) and Brazil (US\$9,270)<sup>4</sup>. On the other hand, El Salvador constitutes one of the poorest countries in Latin America with a GNI per capita of only US\$5,640 in 2007, nearly that of emerging African economies like Morocco (US\$4,050), Jordan (US\$5,100) or Egypt (US\$5,370). More noticeable are the differences in poverty rates in slums, which are between 30% and 80%. What's more, when observing income it is clear that on average slum dwellers are richer than the poor. This key finding and others will be analyzed in more detail in the following sections.

### **III. The basics of Slum Dwellers and the Poor**

Like poor households, slum dwellers are numerous and live in overcrowded conditions. Walking down through typical slum of San Salvador, located in the center of the city and usually camouflaged by the bridges and publicity, it is common to see the heads of household and children sleeping together in the same room, usually a space also used as a living room, kitchen and cellar. This is a frequent picture of how slum dwellers live. Many of slum dweller households are composed by more than one nuclear family. Given the high informal conditions, this is not only a way to support each other but also a way to save the payment of basic services and renting. To have a familiar who live in a slum could be a safe place to take refuge in cycles with adverse economic conditions.

An average Salvadorian slum dweller lives in a household with 4.71 members, although this is not significantly larger than the household size of a poor Salvadorian. A similar situation can be observed in Chile and Uruguay<sup>5</sup> where poor households are even significantly larger than slum dweller ones. For instance, in Uruguay a non-poor household who live in a slum is composed on average of 2.5 members, while a poor household outside of the slums<sup>6</sup> and slum dweller households have on average 3.6 and 4.4 members, respectively. In Chile, whereas on average the household size of the non-poor is not that much larger than that of the poor, there is still a substantive difference between slum dwellers and the poor, with at least 0.6 members more living in the poor households. It seems that slum dweller households tend to be smaller than the poor in developing countries like Chile and Uruguay and larger in underdeveloped ones like El Salvador.

An interesting characteristic of slum dwellers is the relatively high level of community organization. Almost all slums have a board of directors which organize weekly meeting to discuss how to get the support of municipality and policy makers in order to obtain land titling or housing

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<sup>4</sup> The World Development Indicators 2009 ([www.worldbank.org](http://www.worldbank.org))

<sup>5</sup> When "Uruguay" or "Chile" is mentioned it means Montevideo and Canelones Departments and Metropolitan Region respectively. This is just to abbreviate the specific locations.

<sup>6</sup> Hereinafter just "poor"



solutions. On these meeting is also discussed how to assign the few community resources to multiple needs of the community, most of them obtained by donations of NGOs or churches. While this process is in the most times not so democratic, the women play a central role in the distribution of responsibilities between the slum dwellers. Usually a high percentage of community staffs are composed by women. They are who decide the agenda of main topics and lead the negotiations with the government institutions. They are basically who lead the communities, and as the leaders, they use to be more validated than males, not only by the community but also by the authorities. But many women of slums are mothers and also have to lead their households. They have the tricky challenge of organize the time at home and combine it with the time requires for community activities, in and out of the slums. The problem is that they not always count with a support at home and an important proportion of them is single mothers and constitutes one-parent-families. Also, they are also younger and with lower levels of education than the average population and some of them did not have a parent that showed them how to deal with a home and a community at the same time.

While in El Salvador poor and slum dweller households are headed by women in 30% and 22% of cases, respectively, in Uruguay both groups are headed by women in 37% of the time and in Chile the trend is reversed with 36% and 42% of households, respectively. The heads are significantly younger in slum dweller households than poor ones, ranging from 3 to 5 years difference. Only Uruguay presents similar figures, but in all three countries both the poor and slum dwellers' heads of household is younger than those of the non-poor. Should it have any relevance that head of households are younger in slums? Unfortunately, not all the datasets include information about residential history that would allow us to compare groups, but it is expected that given the risky nature of younger groups, they would be more mobile than older ones.

Boehm (1981) and Krumm (1984) have shown that tenure choice and mobility are indeed related. Specifically, households that anticipate a move are less likely to own (vs. rent) than is the case for households that are more geographically stable, a condition which is generally reached after a long series of moves. The mobility path prior to stabilization may take several years. Vernez (1974) studies the dynamics of mobility in Bogota, following slum dwellers during different periods of their lives. He demonstrates that while slum dwellers intend to first locate in central low-cost-housing, the social networks and the lower cost of housing at peripheries on one side and the job opportunities on the other side generate a permanent conflict of location.

Regarding education, the poor head of households present a systematically better performance than slum dwellers ones. In Chile, poor heads of household have on average 8.1 years of schooling compared with 7.1 for slum dweller heads. Observing literacy, in all cases heads of household in the slums present lower levels than poor ones. Whereas 59%, 95% and 89% of

household heads who live in slums in El Salvador, Uruguay and Chile are literate respectively, just 69%, 97% and 93% of poor heads of household are. All of these differences are significant.

That said, it is not strange that school enrollment is lower among children who live in slums. The enrollment rate for children between 5 and 12 years reaches universal levels of coverage and similar rates between groups, but for children between 13 and 18 years the differences are notable. While 84% of poor children in Chile go to school, only 78% of slum dwellers do. In Uruguay, 71% of children in this age range are enrolled compared with 66% in the slums. A more worrying situation presents itself in El Salvador, where the enrollment rate reaches 65% for the poor but only 54% for slum dwellers. It should not be unimportant that differences between poor and slum dwellers on enrollment rates grow as age and education level increase. Lamentably, there is no evidence that allow us to explore the causes of relatively high school desertion rates in slums.

#### **IV. The housing and land tenancy problems of slum dwellers**

A typical image of slum dwellers is that they have very poor housing conditions, in houses located in risky places. Recycled materials for roofs and walls combined with lack of access to sanitary and sewage services are archetypal representations of the slums. The figure of head of households filling a pot with water that after putting 15 minutes over fire they use to take a bath by part is paradigmatic. Or the slums dwellers gathered around a trash fire waiting that the cold decrease, or hear that a slum has been burned are also platitudes of slums. Because talking about the slums means talking about the risks of living under precarious conditions of housing. The slums dwellers share a lack of protection to many risks from changes of temperatures, rain or landslides, to live constantly in fear of being evicted. However, it seems that slum dwellers have developed special skills to overcome such environmental conditions. It appears to be something behind the lack of housing quality that constitutes a stronger motivation for them to live there.

There are systematic differences between poor and slum dwellers on types of materials used in all countries. And definitely, slum dwellers lack solid materials in comparison with the poor. In El Salvador, more than 90% of slum dwellers live with dirt floors, between weak walls, and under roofs made of waste material, cardboard, straw, adobe or palm. This is double the number of poor who live under these conditions. A similar situation can be observed in Chile, where 87% of slum dwellers live in homes with dirt floors, 64% with weak walls and 72% with weak roofs compared with 25%, 16% and 18% of the poor whose homes have the same characteristics, respectively. While Montevideo presents a narrower contrast between groups, the differences are still significant with 40% of slum dwellers living with dirt floors, 8% with weak walls and 44% with weak roofs compared with 24%, 2% and 23% of the poor out living with similar housing conditions.

In regards to basics services, the picture does not change drastically. In El Salvador, only 25% of slum dwellers have access to safe water inside their house compared with 54% of the poor. In the Metropolitan Region of Chile, these figures reach 70% and 97% per group, respectively. And in Uruguay, while the situation is the opposite – the poor have less access than slum dwellers – the figures indicate that in general almost all poor and slum dwellers have access to safe water inside their homes, which would imply that the problem has been solved for both groups. In terms of access to a toilet, in El Salvador only 68% of slum dwellers have a bathroom inside the house and only 55% of them have private access to it compare with 92% and 76% of the poor, respectively. In Montevideo the situation is still more advantageous for poor than slum dwellers, although both groups again are very near to universal private access.

On access to sewage service, in El Salvador less than 1% of slum dwellers have a connection to sewage service compared with 64% of the poor. In Chile, less than 8% of slum dwellers compared with 70% of the poor having any connection to a general sewage network. However, the situation in Montevideo is again the opposite with slum dwellers in a better position than the poor, although differences are small in magnitude and do not exceed 7% between groups, with both have sewage access rates over 50%.

Electricity is almost universal in Chile and Uruguay for both slum dwellers and the poor. However, in El Salvador, while 81% of the poor have access to electricity, only 41% of slum dwellers have it. The same is found with the access to garbage service. While almost 30% of the poor have access to any trash removal service, this is available for only 8% of slum dwellers. The lack of a space with sufficient conditions and lack of security and resources needed to by a kitchen to cook hygienically also characterizes the living conditions of slum dwellers. While 80% of slum dwellers in El Salvador cook with firewood, only 50% of the poor do so.

But should low quality housing and access to basic services serve as obstacles to the economic and social development of slum dwellers? Despite the common belief that housing has an indispensable role to play in improving health and welfare, there is surprisingly little evidence about the causal effects of housing programs on the welfare of beneficiary populations. Many cross-sectional observational studies have shown strong associations between poor quality housing and indicators of poor health (Thomson et al. 2001). Such studies find that common features of substandard housing, including lack of drinking water, poor waste disposal and insufficient food storage, is associated the prevalence of infections diseases and respiratory infections (Fonseca et al. 1996; Murtagh et al. 1993). On the policy side, similar observational evidence shows that children from low-income families that received housing subsidies experienced faster growth relative to children whose families maintained on a subsidy waiting list (Meyers et al. 1995). Few studies have focused on other aspects of housing and health.

Since this body of evidence is predominantly non-experimental and often lacking rigorous scientific methodologies, it remains open to criticism. The notable exceptions include Katz et al. (2001) who examine the impact of neighborhood changes for low income families in housing projects in the United States. Those families receiving vouchers saw significant health improvements relative to the control group. Additionally, Cattaneo et al. (2006) determine that replacing dirt floors with cement floors in Mexico has a significant impact on children's health. In particular, having a cement floor reduced parasitic infestations by 20.7%, diarrhea by 17.9%, and anemia by 20.5% and increased cognitive development by 8.7%. While studies like these provide an important first step towards understanding the causal linkages between housing improvements and health and welfare, there continues to be a large gap in the evidence for housing interventions for the poor in less developed countries.

But if housing conditions constitute a break between slum dwellers and the poor, maybe the most important difference is land tenancy. In El Salvador, around 60% of the poor are owners of land whereas 48% of slum dwellers pertain to this category<sup>7</sup>. And the situation in Chile and Uruguay is even more disparate. Only 7% and 4% of slum dwellers are owners of lands in RM and Montevideo compared with 46% and 40%, respectively, of the poor in these areas. Secure property rights are considered a key determinant of economic development (North and Thomas, 1973; North, 1981; De Long and Shleifer, 1993; Acemoglu, Johnson, and Robinson, 2001; Johnson, McMillan and Woodruff, 2002; inter alia). The main argument is that individuals under-invest if another person can seize the fruits of their investments (Demsetz 1967, Alchian et al, 1973).

Using a natural experiment in Argentina, Shargrotsky et al. demonstrate that entitled families substantially increase housing investment, reduce household size, and enhance the education of children. In addition to poor housing conditions, slum dwellers suffer lack of land tenancy which would also be an obstacle for economic and social development and may be the most important reason that would explain the extremely poor housing conditions. Field (2007), using data of Peruvian largest titling program targeted at urban squatters in the developing world, suggests that titling results in a substantial increase in labor hours, a shift in labor supply away from work at home to work in the outside market, and substitution of adult for child labor.

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<sup>7</sup> Given the revolutionary 1980 "Basic Law of Agrarian Reform" in El Salvador, which aimed to enhance the distribution of lands between rich and poor sectors, it is not a surprise to observe such high level of slum dweller households as owner of the lands where they live. While many campaigns like "Chambita Medidor" in the nineties and early 2000 and others led by INSTA (Salvadorian Institute of Agrarian Transformation) have institutionalized the delivery of land titles, the dynamic inconsistencies and extremely informal land policy of Salvadorian government during the last 30 years turns difficult to get reliable data on how many titles has been delivered. Many households were beneficiaries of land titling programs but still do not receive the title that guarantees that they are the owners. Further information can be found at <http://www.ista.gob.sv>

It is not surprising to learn that poor households who live in slums have lower level of housing conditions than non-poor slum dwellers, which would mean that income would have some effect over housing quality. However, it is interesting to note that while non-poor slum dwellers tend to narrow differences with the poor who live outside of the slums, these differences still persist systematically across the countries. The question is why the people who live in slums, although they have more income, live in worse housing conditions than the poor.

## **V. The paradox of lower housing quality but higher income**

Like many poor people who live in the peripheries of Santiago, Chile, Mrs. Rosa Verdugo wakes up very early in the morning after a rainy winter night. It was not easy for her to sleep with the sound of water dripping on the floor all the night. She takes her work clothes and tools and starts walking with her son to the bus station near the slum, after which she continue to the center of the city to work as a nanny in Providencia, a prosperous community near downtown Santiago. After an hour and a half trip, she comes back to the slum at night. We met at a community organization to discuss the new steps around subsidies for housing solutions. The community feels the support of the NGO in getting housing solutions, but at the end of the day, they understand that the success depends on them.

On a daily basis, the poor people who actually live in the slums probably have similar labor experience to Mrs Verdugo. Some of them also need housing solutions in order to get independency from the extended family. They could not have problems with quality of housing material, but still live in overcrowded conditions and need their own space. This poverty can appear explicitly by low quality of housing or implicitly by overcrowding of extended families. However, on average, slum dwellers seem to be richer than the poor who live in the slums. Graphics 1 to 3 present the income distribution for both the poor and slum dwellers by country. In El Salvador, while the poor live on average with US\$46 per capita, the slums dwellers live with almost US\$20 more per capita. The Chilean and Uruguayan cases are even more surprising. In the first case, poor people live with US\$56 per capita per month while slum dwellers with more than double this amount<sup>89</sup>, and in the second one slum dwellers live with US\$100 more per capita than the poor, whose monthly income reaches around US\$157 per capita.

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<sup>8</sup> As we discussed in section II, given that income in CASEN 2006 is adjusted or positively weighted by CEPAL National Accounts calculus, the income is higher than the original one, which implies that these differences would be higher than what final data shows, reinforcing the idea that the slum dwellers are richer than the poor. More information about "National Accounts Adjustment" can be found at [www.eclac.org](http://www.eclac.org).

<sup>9</sup> Please note that if social surveys really include slum dwellers in their sample frames, then poor who live out of slums would be on average poorer than slum dwellers. This would again reinforce our results of that slum dwellers are richer than the poor.

But despite the possible influence of outliers on mean income among slum dwellers, poverty rates in slums are consistent with these figures. In Chile, 40% of slum dwellers are poor, a situation shared by 53% and 79% of Uruguayan and Salvadorian slum dwellers, respectively. Then, slum dwellers would be indeed richer than the poor across countries, and this is statistically significant in all cases. However, performing Smirnov-Kolmogorov test of equality of distributions demonstrates that while distributions are statistically different across countries, in all cases these differences could be explained by observations located on the right side of the distributions. This means that the poorest of the poor would not be different than the poorest of the slums, but the richest of the slums would be significantly richer than richest of the poor.

Moreover, if now we compare poor people with the poor who live in slums, it seems that the latter are poorer. This is testable by observing means between groups, although distributions are relatively similar. The graphics 4 to 6 present evidence on this. For instance, in El Salvador poor slum dwellers live on average with US\$36 per capita per month, US\$10 less than the poor. These differences reach US\$9 in Uruguay and US\$6 in Chile's Metropolitan Region in favor of the poor. But while these numbers are significantly different from zero, they appear to be negligible in terms of absolute magnitude.

However, it is not easy to understand why slum dwellers, being richer than the poor, tend to consume less on average. Unfortunately, the surveys between groups are not comparable in terms of questions regarding household goods. Nonetheless, comparing ownership of a T.V. or refrigerator, goods which could be considered basic in modern societies, presents systematic and significant differences in favor of the poor across countries. In El Salvador, only 9% of slum dwellers have a refrigerator compared with 32% of the poor. In Uruguay and Chile, these figures reach 84% and 72% for slum dwellers in comparison to 88% and 82% for the poor, respectively. For T.V.s, while 68% and 92% of the poor in El Salvador and Uruguay have one inside the home, only 39% and 89% of slum dwellers have a T.V., respectively.

It is important to note the magnitudes of the differences. In El Salvador these differences between groups are higher than in Chile and Uruguay. However, there is no evidence about why some groups who are richer than others would tend to consume less. In some cases, this could be attributed to cultural factors. But given the context of insecurity in the slums, a more credible hypothesis could be that the lack of security operates as a constraint for slum dwellers to acquire more goods, even if they would like to do so. This would be even more important in El Salvador, where *maras* and tribal groups generally dominate the excluded sectors like slums, contributing to an unsafe environment. In any case, it cannot be ruled out that this behavior can be explained by lack of safety inside the houses as a result of poor building materials. In this sense, slum dwellers

would be avoiding consumption of durable goods in order to evade the probable thefts. At this point, it would be useful have access to information about consumption of other goods like food, clothes and health in order to elaborate a more consistent and specific hypothesis about consumption of primary and secondary goods or food and non-food goods.

## **VI. The labor opportunities, the job specialization, and the dilemma of localization**

With even poorer housing conditions and lower levels of education, why would slum dwellers be richer than the poor? The different prospects for labor opportunities could inform this discussion. The slum dwellers on average earn more than the poor. Considering the wages of their primary (or first) job, Salvadorian slum dwellers earn on average US\$142 per month compared with US\$132 for the poor. These differences persist in Chile and Uruguay, reaching US\$66 and US\$67, respectively. While in these countries' differences are larger amongst males than females, in El Salvador we do not find differences for males but we do for females.

Add to this the fact that the employment rates in poor sectors are significantly lower than in the slums. Considering those between 16 and 64 years of age in Uruguay, the employment rate reaches 58% for the poor and 65% in the slums. In Chile, 61% of slum dwellers are employed compared with just 39% of the poor. In El Salvador, there are not significant differences in waged employment rates between groups, but disaggregating by gender we find that poor males are less frequently employed than males from the slums. Given that males earn on average more than females, it is understandable that on average poor workers earn less than slum dwellers in El Salvador.

These differences by gender are systematic in the other cases. In Uruguay, both male and female slum dwellers earn significantly more than poor ones and are also significantly more likely to be employed. The same situation can be observed in Chile, where differences in employment rate between males reaches 14%. Also, these differences tend to be greater for males than females, except in El Salvador where there are not significant differences in salaries between genders. Graphics 9 to 18 present evidence on the distributions of these differences.

All over the world, a substantial fraction of the poor act as entrepreneurs in the sense that they raise capital, carry out investment, and are the full residual claimants of the resulting earnings (Duflo and Banerjee, 2007). And if we disaggregate labor opportunities by type of work, we find that the slum dwellers are more likely to be self-employed than the poor. This is particularly important in the cases of Chile and El Salvador, where each have a difference of more than 11% between groups, which is explained by differences in self-employment rates among males rather than females. For wages, on average, independent workers who live in slums can earn more than

US\$35, US\$46 and US\$55 per month than the poor in El Salvador, Chile, and Uruguay, respectively. These differences are systematically significant by gender except in Chile where there slum dwellers and poor women working independently tend to earn statistically similar wages.

For waged employment, the situation is ambiguous. For instance, in El Salvador the poor are significantly more likely to be employed in waged employments than the slum dwellers – a difference of around 13%. However, this situation is the contrary to the cases of Uruguay and Chile where differences in employment rates reach 6% and 14% respectively in favor of slum dwellers over the poor. And again, the wages follow a vague pattern. It is the case of dependent workers in El Salvador that the poor earn on average US\$10 more per month than slum dwellers, a difference that is significant for males but not for females. But, on the other hand, Chile and Uruguay present again systematic differences in wages between dependent workers who live in slums and the poor.

These differences in salaries have different impacts on income disparities depending on the proportion of workers who are dependent or independent by group. While in Uruguay and Chile most poor and slum dwellers work as dependent workers, the contrary is true in El Salvador. Around 70% and 80% of workers are dependent in Chile and Uruguay, respectively. In El Salvador, while 64% of the working poor between 16 and 64 years old are dependent, in slums they only represent 41% of workers. Most slum dwellers work independently and observing the differences on wages between dependent and independent workers it is easy to see that the latter ones present larger differences in favor of slum dwellers than differences which favor the poor. This would explain in part why people who live in the slums are richer than the poor.

One could think that the informal living conditions of slum dwellers constitute an insurmountable constraint to the development of labor opportunities, especially in more developed countries where the informal sector starts being regulated. However, there is some evidence that indicates otherwise. Arnott (2008) shows that despite paying higher costs for informality, slum dwellers are willing to sacrifice good quality of housing for better location. Smolka (2003) argues that the preference of slum dwellers to live in illegal conditions could be influenced by better accessibility to health and education services, labor opportunities. The residential segregation would generate a *spatial mismatch* which forces the poor to live on the peripheries while labor opportunities are located on central areas of the cities (Kain 1968; Ihlanfeldt and Sjoquist, 1989).

Moreover, using LILP data for Chile's Metropolitan Region, Celhay (2009) shows that living in the slums increases the likelihood of participating in the labor market in comparison to living in social villages, which are typically inhabited by poor people who receive housing subsidies and are located in the peripheries of the city. Also, it demonstrates that the age of residence has a positive impact on the probability of being employed, which could be related with the social capital that slum



dwellers build over time in order to increase their labor market opportunities. This does not mean that slum dwellers live in neighborhoods with better prospects of welfare, but probably in places where labor demand fits their abilities.

Regarding this evidence, it would not be a revelation to find that slum dwellers earn more money and have higher rates of employment compared to the poor. People who live in slums are richer than the poor, yet suffer worse housing conditions. Again, slum dwellers seem willing to sacrifice better living conditions in order to have access to better opportunities for formal employment in city centers. This is not a strategic move by slum dwellers to receive more social benefits. Indeed, they generally do not receive significantly more support from the government than the poor, except in Uruguay where slum dwellers on average receive around US\$6 dollars more per month than the poor, which is still very small in magnitude and it is difficult to imagine that it has a large impact in terms of strategic behavior.

## **VII. Understanding the economic lives of the slum dwellers**

The data analyzed in the previous sections suggests that slum dwellers are not as poor as they initially appear to be in terms of income and labor opportunities. However, they still live in low quality housing, which has been empirically demonstrated by other research to constitute a constraint for the economic development of these groups. A logical conclusion could be that government and policy makers should concentrate their actions and programs on increasing access to quality housing opportunities for slum dwellers. But is it enough for these groups to just provide housing solutions? What does really mean to live in a slum?

Poverty of this type cannot be seen as a one-dimensional, observable fact that depends only on capabilities to produce income. There is a vast literature that argues that minimum welfare should be defined as a multi-dimensional problem (Alkire, S. and Foster, J. E. 2007; Bourguignon, F. and Chakravarty, S. 2003; and others). Income as a rough approximation of consumption capacity does not directly capture access to goods that cannot be purchased with personal income and that are mainly provided by the state (Larrañaga, 2007). This, for example, is the case with public education, public health and other publicly subsidized services that may not be available in the communities studied here even if they have disposable income. Where market prices of such services are unattainable for poor groups, even a significant increase in their income would not necessarily allow them to access these services.

The poverty as a multidimensional phenomenon manifests in slums not only through the housing quality problem, but rather via a greater problem: informality. Informality could carry large costs for people who live in slums. For example, without any property rights (even an address), it is

likely that slum dwellers' access to credit markets will be restricted. This would not only be a problem for those seeking entrepreneurship opportunities, but also a strong manifestation of social exclusion. It is not clear that someone who has more income and lives in the informal world has better opportunities than another with less income but property rights, a safe place to live, relatively good access to social networks and formal work opportunities, and subject to social benefits. Informality expands the problem of overcoming poverty, making it difficult to understand what difference additional income can make in a context of social exclusion.

There are no clear answers about why formation rate of slums continue positive over time – maybe the most important question of public policy behind the problem of slums - but even getting higher income and opportunities on there, tackle the poverty of these households starts by doing the economics an inclusive system of basic rights first. Some slum dwellers have demonstrated that is possible to overcome income poverty without property rights. Others have demonstrated that can be richer than the poor who live out of slums. The question is how to transform them in citizens with adequately property, social and human rights but permanently non poor.

The Latin American governments are aware of this problem, but the most of the public policies, laws and social programs implemented to date have been designed on the basis of subjective criteria and rarely using empirical evidence. It is thought that the problem of informality lies mainly in the lack of land tenancy. But again, there are just a few strong cases that demonstrate that the provision of land titles actually enhances the opportunities of slum dwellers. It is still necessary to learn about the impact of such interventions in context of informal land markets, which are the main mechanism for access to “property rights” in Latin America.

#### *What can social policy do for slum dwellers?*

There have been many different experiences of housing programs and policies throughout the region and, following Clichevsky (2006), there exist two major lines of interventions. A first approach concentrates on regularization of land tenancy by delivering land titles. During the last decade, in some countries of the region there has been wholesale tenure regularization and a large drop in the number of squatter households, which would reduce the number of slums by most definitions. Hernando de Soto (1987, 2003), an economist that has had a large influence on the regularization of land tenure policies in the region, postulates that the illegally occupied lands are a key source of capital that can be mobilized and used as a “bargaining chip” by the poor, either in the credit market or as a good to commercialize in the formal land market. He advocates for the application of mechanisms that allow the free commercialization of lands, including an instrument that formalizes an existing market and allows the new owners obtain all the potential benefits from

the tenancy of lands. The latter would increase the likelihood that slum dwellers can escape poverty and social exclusion.

However, it is not clear that poor people use the lands as an exchange good (Banerjee and Duflo, 2007; Varley, 2001). Moreover, De Soto does not question the nature of the legal system as a primary source of urban illegality. It seems that he supposes that there exists a natural, universal and non-historical definition of property rights, although the Latin American states have given different treatments to diverse forms of those rights and related social relationships (Clichevsky, 2006). While housing deficits still remain high and slums are prominent in most cities, there does not exist rigorous evidence about the impact such policies have had on the living arrangements of slum dwellers.

But more importantly, while these policies operate mainly in public spaces and are led by local government officials, most slum dwellers live as free occupants in private lands, obliging them to look for a solution in the informal land markets. When the governments provide a solution for these groups, just a small portion of them have access to it. Usually, owners of private, occupied lands offer unfeasible prices that prevent the government from providing a universal public policy, and even international loans from IDB and other foreign aid agencies, if they were getting better, have failed to solve the overall problem.

Another problem is the disconnection between urban policy and environmental issues. Usually patronage and commercial interests prevail over minimum environmental standards and the living conditions of the poor. It is common that governments prioritize the eviction of free occupants in order to sell those lands to foreign and local investors. The consequence of these actions is the relocation of these groups to places where minimum environmental standards are not guaranteed and where, in some cases, it is not possible to install sewage or water services given local levels of contamination. In other cases, there are conflicts between public urban land policies and local community priorities. It was the case of COFOPRI program in Peru, the government has received several complaints from some communities that refuse the idea of relocated persons occupying the scarce squares and areas designated for this new development (Kothari, 2004).

A second line of programs combines the regularization of land tenancy with infrastructure programs that enhance the environment of neighborhoods, providing them access to basic services like water, sewage and electricity, or safe and better access to city centers. Some of these initiatives are also complemented by social programs that target the lack of education, health, hygiene, job training programs, etc. in these communities. There are just a few examples of such interventions, and only a small portion of potential beneficiaries who live under informality have had any access to them. A notable exception is the Favela - Bairro Program implemented in Rio de

Janeiro, Brazil, which provided housing solutions to more than 500,000 inhabitants. However, not all of them have received land titles, evidence of a disconnection between integral and land regularization programs. Another example is the HABITAT program in Mexico which aims to enhance infrastructure and access to basic services in communities in marginalized urban zones, with the goal of connecting them to the opportunities that the city can offer (Clichevsky, 2006). The table below presents the distribution of 71 programs in 14 countries of Latin America by type of program and the type of informality that it seeks to regulate.

Table 2: Total Programs by Country, Type of Regularization and Informality that Legalize

Pais	Type of Program			Type of Informality that regulate			
	Total	Dominial	Integral	Public Occupation	Private Occupation	Illegal Market	Others
Argentina	3	1	2	x	x		
Bolivia	4	4	-	x	x		
Brasil	18	4	14	x	x		
Chile	7	2	5	x	x		
Colombia	6	3	3	x	x		
Costa Rica	1	-	1				
Ecuador	4	1	3	x	x		
Guatemala	6	3	3	x			
Mexico	5	2	3	x	x		x
Nicaragua	5	2	3	x			x
Paraguay	5	-	5				
Peru	2	1	1	x			
Uruguay	2	-	2				
Venezuela	3	1	2	x			
<b>Total</b>	<b>71</b>	<b>24</b>	<b>47</b>	<b>11</b>	<b>7</b>	<b>0</b>	<b>2</b>

Source: Clichevsky (2003)

Unfortunately, many experiences both in land regularization and integral programs have not been based on rigorous empirical information. Moreover, since the opinion of potential beneficiaries is generally avoided, the integrality of the programs it is understood as a package of programs that would overcome the lack of formality misunderstanding the real needs that people are seeking to cover (Clichevsky, 2006). It seems that governments are more aware about how to enhance the social conditions of slum dwellers than to stop the slum formation. The public policy question is not only how to formalize slum dwellers, but first how do the slums are formed. And this is not only a problem of political will. This is also a problem of lack of information.

Knowing how do slum dwellers live and think should be basic underpinnings for the design of these programs. Regrettably, the level of informality of slum dwellers puts them in a “black box”, where public policy makers cannot access with certainty information about the effectiveness of their actions. That is why slum dwellers have historically just been considered “landless”, although the data revised in previous sections demonstrate that there is much variance in the characteristics among those who share the slums. The slum dwellers are not poor, nor middle class. They are part

of the informal world that does not pertain to any known segment of the population maybe because they rarely even appear in social surveys.

*Case 1: The problem of integration in El Salvador*

In 571 slums that can be found in El Salvador<sup>10</sup>, 48% of slum dwellers are land owners and, considering only those who have available data for land tenancy status, 77% are poor. This is very high compared with 4% and 9% land ownership rates in Montevideo, Uruguay and Chile's Metropolitan Region, respectively, and 53% and 33% poverty rates in that order. The Salvadorian public and third-sector institutions have been developing regularization of land tenancy as well as integral programs that seek enhance the opportunities of slum dwellers. However, a first criticism is that the programs have not been institutionalized adequately, especially land titling programs.

While 1980 Agrarian Reform have had a tremendous influence on redistribution of property right between rich and poor groups during the last 30 years, the regularization of lands has historically been conducted by local governments and there is not an official program that targets this problem to the extent that social policy complements property rights. The regularization initiatives are commonly lead by municipalities which usually do not have enough resources to target the poorest populations and also do not know how to attract official central government programs to the slums. Moreover, while there are interesting housing programs like FONAVIPO<sup>11</sup>, development initiatives for enhanced infrastructure like FISDL<sup>12</sup>, and social programs like those implemented by MSPAS<sup>13</sup> seeking to provide better access to basic services like sewage, health and hygiene, they are not integrated into a common strategy and are not always coordinated even when implemented simultaneously.

For instance, it would be useful to know that non-poor slum dwellers have on average 1 less household member than poor ones. In addition, differences in average housing characteristics between poor and non-poor slum dwellers favor the latter group in terms of the quality of the floor (7 pp<sup>14</sup>), in number of rooms per capita (12 pp), access to electricity (15 pp), access to garbage services (8 pp) and the proportion of households who cook using firewood (19 pp). All of these differences are significant. However, there are not differences between groups in other categories, including access to sewage services, bathrooms, private bathrooms, or water nor the quality of material used to construct the walls and roofs. What is more, they do not present differences in rates of land tenancy.

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<sup>10</sup> Catastro Nacional de Asentamientos Informales, Un Techo Para Mi Pais El Salvador, 2008

<sup>11</sup> Fondo Nacional de Vivienda Popular.

<sup>12</sup> Fondo de Inversión Social de Desarrollo Local

<sup>13</sup> Ministerio de Salud Publica y Asistencia Social

<sup>14</sup> Percentage points

The integral programs should be important for enhancing the employment rates, especially for disadvantaged groups like the self-employed, whose employment rate is 9 pp lower on average compared to non-poor slum dwellers. Finally, for education it is important to note the differences in enrollment rates between poor and non-poor slum dwellers. While 56% of poor slum dwellers between 13 and 18 years old go to school, only 43% of non-poor do so. That could be explained by differences in labor participation of young adults. Furthermore, it cannot be ruled out that this explains some differences in income between groups. That is an area that this study has not been explored thoroughly although it urgently demands attention.

In summary, the 47,000 Salvadorian slum dweller households require not only more assistance for the regularization of land tenure and housing, but also coordinated environmental, social and human capital interventions that allow them to overcome such extreme levels of poverty. The latter should be focused on the education of young non-poor slum dwellers and labor opportunities for the poor who are self-employed<sup>15</sup>. Finally, even not knowing the level of social mobility of slum dwellers, it would be worthwhile to study the *intra* and *inter* economic and social patterns of those slum dwellers that have been successful on tackling the poverty inside their communities. It is likely that some of them present common characteristics that could be adopted by the poor in order to protect them from external shocks and income breaks to the extent that reduces their vulnerability. This is applicable not only to El Salvador but also to any other country where a proportion of slum dwellers still lives in slums.

	El Salvador			Montevideo & Canelones (UY)			R.M (Chile)		
	Non Poor	Poor	Total	Non Poor	Poor	Total	Non Poor	Poor	Total
Land Tenant or Free Occupant	5,368 (11.37%)	19,016 (40.29%)	24,384 (51.67%)	16,242 (44.41%)	18,831 (51.49%)	35,073 (95.90%)	3,382 (60.81%)	1,681 (30.22%)	5,063 (91.04%)
Land Owner	5,368 (11.37%)	17,435 (36.94%)	22,803 (48.32%)	982 (2.68%)	515 (1.40%)	1,497 (4.09%)	360 (6.47%)	138 (2.48%)	498 (8.95%)
Total	10,736 (22.75%)	36,451 (77.24%)	47,187 (100%)	17,224 (47.09%)	19,346 (52.90%)	36,570 (100%)	3,742 (67.29%)	1,819 (32.70%)	5,561 (100%)
Total of Slums			571 <sup>1</sup>			346 <sup>2</sup>			122 <sup>3</sup>

<sup>1</sup> Catastro Nacional de Asentamientos Informales El Salvador 2008 - UTPMP El Salvador

<sup>2</sup> Catastro Nacional de Asentamientos Informales Uruguay 2008 - UTPMP Uruguay

<sup>3</sup> Catastro Nacional de Campamentos Chile 2007 - Un Techo Para Chile

## Case 2: The problem of land tenancy and targeting in Montevideo and Canelones, Uruguay

<sup>15</sup>A complete proposal of an Integral Program can be found on "Propuesta para un Programa de Pobreza Urbana en El Salvador" (PNUD, 2009)

Data provided by UTPMP<sup>16</sup> indicates that in 2008 there were 566 settlements throughout Uruguay and 75% of them were located in the Montevideo and Canelones departments. According to 2008 ECH data, there are around 36,000 households living in slums in these departments and around 96% of them are not land owners and 53% live below the poverty line.

The Uruguayan government has an institutionalized program focused specifically on the integration of informal settlements. The PIAI<sup>17</sup> is an integral program that combines the regularization of land tenancy with specific objectives like: (i) Providing basic infrastructure to the residents of slums in order to enhance access to the city and social integration; (ii) Promoting the investment in housing solutions; (iii) Stimulating the local communities to organize the slum dwellers in order to guarantee the sustainability of the programs and seek solutions via a down-top model; (iv) Providing social programs in education, health and job training that complement the enhancement of physical living conditions; and (v) Promoting actions that stem the growth of slums. In terms of design, the PIAI program is well oriented, providing integral assistance to slum dwellers and focusing on the problem of social exclusion as a whole instead of just the legalization of property rights.

As in El Salvador, the situation between poor and non-poor slum dwellers is totally unbalanced. The poor slum dwellers live in larger families than non-poor ones, with a difference of almost 2 members. While in terms of magnitude the poor slum dwellers present similar labor conditions as the non-poor ones, when observing education it is clear that the heads of household among poor slum dwellers have significantly lower levels of schooling and literacy. In housing, we find significant differences in favor of the non-poor in almost all key indicators, including number of rooms per capita (a difference of 0.63 rooms), quality of floor (20pp), quality of walls (8pp), quality of roof (30pp), access to bathroom (6pp), connection to sewage services (16pp) or access to land titling (3pp).

It would be useful to have more information about the potential implementation deficiencies of PIAI and its relationship and coordination with other programs in order to analyze in detail if the assumptions used when designing the program have been complied with in reality. Regardless, it seems important to focus the program on slum dwellers that do not have property rights – a very low proportion of them have land title - as well as the poor who demonstrate not only worse housing conditions, but also lower levels of education and more limited labor opportunities.

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<sup>16</sup> Catastro Nacional de Asentamientos Humanos 2008, UTPMP Uruguay

<sup>17</sup> Programa de Integración de Asentamientos Irregulares

If our hypothesis that social exclusion should be treated by integral programs is valid, integral programs like PIAI should provide success stories in the paper, but it is necessary to systematically evaluate what works and what does not in practice, ideally using instruments as specific as possible. It is not clear that just the provision of land titling or assisting slum dwellers through health, housing and education programs will result in successful development. As was mentioned, informality could well constitute a barrier that transcends the problems of money and labor opportunities.

*Case 3: The lack of land tenancy and inequality between poor and non poor slum dwellers in Metropolitan Region of Chile*

Data provided by UTPCH<sup>18</sup> indicates that in 2008 there were 533 settlements throughout Chile and 23% of them were located in Metropolitan Region. According to 2008 LILP data, there are around 5,500 households living in slums in this region, and around 91% of them are not land owners and 33% live below the poverty line. The Chilean government has an institutionalized program named FSV<sup>19</sup> which is focused specifically on integration of informal settlements, combining land titling with housing enhancement. The FSV I provides subsidies to buy a new or used house - without additional credit – to most vulnerable households; the FSV II provide subsidies to buy a new or used house - without additional credit – to less vulnerable households; and FSV III provide subsidies to build a new house in rural zones where people are already owners are living in vulnerable conditions.

Additionally, up until at least the last government legislating period – although now there is discussion of whether or not it will continue – there existed a Localization Subsidy that provided incentives to slum dwellers to locate their new houses on places with better access to urban services, where price of land is higher but with more surplus value. This subsidy was destined to buy a new plot of land and/or improve the condition of a given plot of land, and values fluctuated between US\$4,000 for plot improvements and US\$8,000 to buy a new plot, with both jointly no higher than US\$8,000 per household (MINVU). The system is lead by beneficiaries who have to contract a Social Real State Agent or EGIS that organizes the demand and design the projects.

Comparing the poor and non-poor who live in slums one finds that poor slum dwellers earn lower wages – around US\$120 less per month, on average - and are less likely to be employed than non-poor ones (22 pp). This is especially important in males and waged employment where this difference can reach 13 and 26 percentage points respectively. The poor slum dwellers live in

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<sup>18</sup> Catastro Nacional de Campamentos 2007, Un Techo Para Chile

<sup>19</sup> Fondo Solidario de Vivienda



larger families than non-poor ones, with a difference of almost 1 member. Also, 50% of head are women compared with 38% of the non-poor. Regarding to housing, it seems that income has an effect on housing quality. While 83%, 61% and 66% of non-poor slum households present dirt floor, weak walls and weak roofs respectively, these figures reach 95%, 72% and 88% for the poor slum dwellers. Finally, as was expected, non-poor slum households consume more refrigerators, computers and mobile phones than the poor by 17pp, 9pp and 13pp respectively.

The housing program applied by the Government in Chile constitutes a good example on addressing the problem of slums integrally. The subsidies on land titling, housing and location as a base of development are crucial. However, a key issue in Chile's Metropolitan Region is that in terms of geography most lands are private, implying a higher cost for the State to provide a solution to slum dwellers living there. It is not clear that localization subsidies will be enough to access a desirable location in the city, although it is a good starting point that should be strengthened over time.

Also, while the Chilean Social Protection System is a valuable and strong support for poor households on the lack of education and job opportunities, still there is no evidence that its programs are indeed having some effect on the social and economic development of slum communities that have been eradicated. These programs should focus on strength the human capital, especially of poor males and poor dependent worker slum dwellers. Finally, even being controversial to provide basic housing solution like transitional houses – also called *mediaguas* – in an economic context where better quality housing is accessible, if subsidies are not enough to cover the demands of slum dwellers – especially location – then these basic solutions still constitute a remedial way to survive to bad housing conditions, but keep better job opportunities.

## **VIII. Concluding Remarks**

There is a commonly accepted idea that the poorest of the poor are concentrated in slums, yet there is still little evidence on how poor slum dwellers really are. The available data sources and academic research are incomplete in many key ways. Although slums and poverty are closely related and mutually reinforcing, the relationship is not always direct or simple, especially given the heterogeneity of institutional, cultural and social frameworks that have given life to slums in each country and region.

While slum dwellers on average present poorer housing conditions than the poor, they are richer and have better job opportunities in Latin America. However, the poverty as a multidimensional phenomenon manifests in slums not only through the housing quality problem, but rather via a greater problem: informality. Informality expands the problem of overcoming poverty,

making it difficult to understand what difference additional income can make in a context of social exclusion.

Knowing how do slum dwellers live and think should be a basic underpinnings for the design of social programs that seek to overcome informality and poverty in slums. Regrettably, the high level of informality of slum dwellers puts them in a “black box”, where public policy makers cannot access with certainty information about the effectiveness of their actions. That is why slum dwellers have historically just been considered “landless”, although the data revised in previous sections demonstrate that there is much variance in the characteristics among them.

The slum dwellers are not poor, nor middle class. They are part of the informal world that does not pertain to any known segment of the population because they rarely even appear in social surveys. This is a challenge for a more comprehensive, targeted and coordinated public actions for social inclusion. It would be valuable to start generating specific data on the economic and social lives of the slum dwellers that also allow it to systematically evaluate the effectiveness of social programs for this population.

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## Annexes

Table 4: Differences of Means between groups

Variable	El Salvador <sup>a</sup>				Uruguay (Montevideo and Canelones Departments) <sup>c</sup>				Chile (Metropolitan Region) <sup>e</sup>			
	(1) Mean	(2) Mean	(3) Mean	Dif (2)-(3)	(1) Mean	(2) Mean	(3) Mean All	Dif (2)-(3)	(1) Mean	(2) Mean	(3) Mean All	Dif (2)-(3)
	Non Poor (EHPM 2008)	National Poor (EHPM 2008) <sup>b</sup>	Slums (UTPMP 2007-08)		Non Poor out of Slums (ECH 2008)	Poor Out of Slums (ECH 2008) <sup>d</sup>	Slums (ECH 2008)		Non Poor (ECH 2008)	Poor (ECH 2008) <sup>f</sup>	Slums (ECH 2008)	
<b>Income Indicators (HH)</b>												
Total Income PC	401,950 (6.894)	45,838 (0.467)	64,175 (6.806)	-18,337 (6.802)***	778,646 (58.485)	174,081 (0.849)	273,628 (7.513)	-99,547 (7.243)***	415,785 (11.868)	56,242 (0.547)	128,573 (5.850)	-72,331 (5.839)***
Wage Labor Income PC	91,969 (1.991)	25,308 (0.430)	25,888 (1.900)	-0,580 (2.014)	246,007 (16.827)	47,327 (1.145)	98,138 (3.925)	-50,811 (4.230)***	177,278 (5.115)	29,923 (0.782)	72,103 (4.784)	-42,180 (4.818)***
Self Labor Income PC	44,457 (1.501)	13,157 (0.277)	35,432 (6.342)	-22,274 (6.302)***	286,132 (28.012)	38,557 (2.005)	65,467 (3.476)	-26,910 (2.997)***	120,438 (6.318)	4,776 (0.384)	17,980 (1.777)	-13,204 (1.808)***
Private Transfers PC	256.19 (6.696)	6,300 (0.171)	0,777 (0.248)	5,523 (0.301)***	30,100 (3.616)	8,936 (0.291)	10,459 (0.744)	-1,523 (0.834)*	74,363 (3.322)	12,773 (0.438)	28,742 (1.646)	-15,969 (1.693)***
Govern Transfers PC	0,961 (0.118)	0,362 (0.042)	0,025 (0.018)	0,337 (0.047)***	106,706 (3.611)	72,374 (0.375)	78,328 (1.154)	-5,954 (1.233)***	14,844 (0.614)	6,434 (0.355)	6,813 (0.687)	-0,379 (0.769)
Retirement Pension PC	5,949 (0.440)	0,534 (0.010)	-	-	109,701 (7.244)	6,887 (0.812)	21,236 (2.427)	-14,349 (2.832)***	28,862 (1.092)	2,336 (0.281)	2,776 (0.439)	-0,440 (0.519)
% Tot Inc from Wage Work	0,457 (0.005)	0,511 (0.006)	0,458 (0.016)	0,053 (0.016)***	0,331 (0.002)	0,258 (0.007)	0,319 (0.007)	-0,061 (0.009)***	0,509 (0.003)	0,481 (0.011)	0,501 (0.018)	-0,019 (0.021)
% Tot Inc from Self Employment	0,194 (0.003)	0,316 (0.005)	0,517 (0.019)	-0,201 (0.019)***	0,309 (0.008)	0,218 (0.010)	0,222 (0.005)	-0,004 (0.009)	0,179 (0.003)	0,085 (0.006)	0,136 (0.011)	-0,051 (0.013)***
% Tot Inc from Private Transfer	0,324 (0.006)	0,154 (0.003)	0,024 (0.008)	0,130 (0.009)***	0,043 (0.002)	0,052 (0.001)	0,044 (0.002)	0,008 (0.003)***	0,160 (0.001)	0,270 (0.009)	0,263 (0.011)	0,007 (0.014)
% Tot Inc from Govern Transfer	0,004 (0.007)	0,009 (0.000)	0,000 (0.001)***	0,009	0,177 (0.007)	0,436 (0.002)	0,366 (0.006)	0,070 (0.006)***	0,057 (0.001)	0,127 (0.006)	0,083 (0.008)	0,044 (0.010)***
% Tot Inc from Retirement Pension Transfer	0,021 (0.001)	0,010 (0.001)	-	-	0,140 (0.003)	0,036 (0.004)	0,050 (0.003)	-0,014 (0.006)**	0,085 (0.002)	0,037 (0.004)	0,017 (0.003)	0,019 (0.005)***

<sup>a</sup> Table computed at household and individual level in El Salvador using Encuesta de Hogares de Propósitos Múltiples 2008 and UTPMP Impact Evaluation Data 2007 – 08 Sources. Standard errors clustered at Primary Sample Unit level shown in parentheses. The EHPM 2008 Data contain clusters (PSU: "segmento") and UTPMP 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household and individual level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 232 clusters (PSU: "segmento") and household who live in slums are contained in 147 clusters (PSU: "segmento").

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006

<sup>e</sup> Table computed at household and individual level in Region Metropolitana de Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 5: Differences of Means between groups

Variable	El Salvador <sup>a</sup>				Uruguay (Montevideo and Canelones Departments) <sup>c</sup>				Chile (Metropolitan Region) <sup>e</sup>			
	(1) Mean Non Poor (EHPM 2008)	(2) Mean National Poor (EHPM 2008) <sup>b</sup>	(3) Mean Slums (UTPMP 2007-08)	Dif (2)-(3)	(1) Mean Non Poor out of Slums (ECH 2008)	(2) Mean Poor Out of Slums (ECH 2008) <sup>d</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)	(1) Mean Non Poor (ECH 2008)	(2) Mean Poor (ECH 2008) <sup>f</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)
<b>Employment Indicators (IND)</b>												
Employment rate 16-64	0,656 (0.003)	0,545 (0.004)	0,526 (0.014)	0,019 (0.014)	0,741 (0.002)	0,584 (0.004)	0,647 (0.007)	-0,063 (0.007)***	0,649 (0.002)	0,394 (0.007)	0,609 (0.016)	-0,215 (0.018)***
Employment rate Male 16-64	0,370 (0.003)	0,349 (0.003)	0,374 (0.010)	-0,025 (0.011)**	0,387 (0.006)	0,337 (0.009)	0,388 (0.006)	-0,051 (0.010)***	0,388 (0.002)	0,253 (0.0069)	0,393 (0.008)	-0,141 (0.010)***
Employment rate Female 16-64	0,286 (0.003)	0,196 (0.003)	0,152 (0.013)	0,044 (0.013)***	0,354 (0.008)	0,247 (0.011)	0,260 (0.006)	-0,012 (0.011)	0,261 (0.002)	0,141 (0.005)	0,215 (0.012)	-0,074 (0.014)***
Wage employment rate 16-64	0,459 (0.003)	0,346 (0.004)	0,216 (0.014)	0,130 (0.015)***	0,561 (0.011)	0,404 (0.005)	0,467 (0.008)	-0,063 (0.009)***	0,511 (0.003)	0,322 (0.008)	0,463 (0.017)	-0,141 (0.019)***
Wage employment rate Male 16-64	0,278 (0.003)	0,243 (0.003)	0,187 (0.012)	0,056 (0.012)***	0,278 (0.002)	0,225 (0.008)	0,271 (0.007)	-0,046 (0.009)***	0,301 (0.002)	0,216 (0.006)	0,300 (0.011)	-0,084 (0.013)***
Wage employment rate Female 16-64	0,181 (0.002)	0,103 (0.002)	0,029 (0.006)	0,074 (0.006)***	0,283 (0.011)	0,178 (0.010)	0,196 (0.006)	-0,017 (0.012)	0,209 (0.002)	0,105 (0.005)	0,163 (0.013)	-0,058 (0.014)***
Self employment rate 16-64	0,197 (0.002)	0,199 (0.003)	0,308 (0.014)	-0,110 (0.014)***	0,180 (0.010)	0,181 (0.003)	0,180 (0.007)	0,000 (0.008)	0,138 (0.002)	0,072 (0.004)	0,146 (0.012)	-0,074 (0.013)***
Self employment rate Male 16-64	0,092 (0.001)	0,106 (0.003)	0,185 (0.015)	-0,079 (0.016)***	0,109 (0.007)	0,112 (0.003)	0,116 (0.004)	-0,005 (0.005)	0,086 (0.001)	0,036 (0.003)	0,093 (0.008)	-0,057 (0.009)***
Self employment rate Female 16-64	0,105 (0.002)	0,093 (0.002)	0,123 (0.008)	-0,030 (0.009)***	0,071 (0.003)	0,069 (0.002)	0,064 (0.004)	0,005 (0.005)	0,052 (0.001)	0,036 (0.003)	0,053 (0.005)	-0,017 (0.006)**
Wage rate 16-64 (1 <sup>st</sup> Job)	288,190 (5.233)	131,923 (1.270)	141,958 (4.475)	-10,034 (4.797)**	643,386 (32.360)	187,728 (2.534)	253,819 (6.532)	-66,091 (7.479)***	536,447 (16.630)	168,013 (2.485)	235,424 (10.013)	-67,411 (10.256)***
Wage rate Males 16-64 (1 <sup>st</sup> Job)	310,962 (6.307)	142,058 (1.627)	145,829 (5.853)	-3,771 (6.352)	778,071 (44.575)	230,312 (3.286)	304,915 (8.804)	-74,603 (9.701)***	614,293 (22.050)	188,200 (2.767)	262,130 (11.619)	-73,930 (11.877)***
Wage rate Females 16-64 (1 <sup>st</sup> Job)	258,734 (5.346)	113,807 (1.583)	135,256 (4.628)	-21,449 (4.842)***	496,821 (25.662)	126,154 (3.558)	176,903 (6.229)	-50,749 (5.893)***	419,033 (12.021)	131,036 (3.737)	186,252 (10.281)	-55,216 (10.887)***
Wage rate 16-64 (1st Job) - Dependent Workers	286,37 (4.942)	153,368 (1.367)	142,7698 (5.849)	10,5982 (6.095)*	574,8713 (22.445)	215,731 (2.438)	284,0907 (6.894)	-68,360 (7.341)***	418,5 (9.738)	173,5553 (2.712)	251,3309 (8.241)	-77,776 (8.629)***
Wage rate Males 16-64 (1st Job) - Dependent Workers	294,182 (5.064)	162,9535 (1.617)	145,3304 (6.780)	17,6231 (7.123)**	674,2416 (30.777)	265,3644 (2.766)	346,903 (9.774)	-81,539 (9.843)***	457,629 (11.733)	191,241 (2.918)	276,1751 (9.945)	-84,934 (10.307)***
Wage rate Females 16-64 (1st Job) - Dependent Workers	273,852 (6.068)	129,6416 (1.910)	129,7819 (11.305)	-0,1403 (11.248)	477,5068 (18.421)	147,0234 (4.446)	194,7813 (6.897)	-47,758 (6.262)***	361,524 (8.445)	135,6348 (4.015)	205,3567 (10.819)	-69,722 (11.484)***
Wage rate 16-64 (1st Job) - Independent Workers	305,166 (8.876)	106,36 (1.818)	140,9794 (4.376)	-34,6194 (4.739)***	878,353 (82.675)	142,9457 (3.458)	198,4309 (11.508)	-55,485 (12.564)***	981,997 (50.198)	138,8548 (6.478)	184,8771 (17.911)	-46,022 (18.960)**
Wage rate Males 16-64 (1st Job) - Independent Workers	375,063 (15.266)	109,3008 (2.552)	146,0368 (7.559)	-36,736 (8.088)***	1061,404 (99.230)	176,7597 (5.039)	229,4 (14.503)	-52,640 (16.410)***	1168,27 (67.584)	164,5965 (10.035)	217,1679 (23.848)	-52,571 (25.784)**
Wage rate Females 16-64 (1st Job) - Independent Workers	248,57 (7.495)	103,047 (2.293)	136,6833 (5.206)	-33,6363 (5.542)***	597,368 (67.197)	87,202 (2.471)	140,769 (13.426)	-53,567 (13.517)***	660,26 (38.929)	116,7217 (8.067)	126,3501 (12.972)	-9,628 (15.219)

<sup>a</sup> Table computed at household and individual level in El Salvador using Encuesta de Hogares de Propósitos Múltiples 2008 and UTPMP Impact Evaluation Data 2007 – 08 Sources. Standard errors clustered at Primary Sample Unit level shown in parentheses. The EHPM 2008 Data contain clusters (PSU: "segmento") and UTPMP 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household and individual level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 232 clusters (PSU: "segmento") and household who live in slums are contained in 147 clusters (PSU: "segmento").

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household and individual level in Region Metropolitana de Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 6: Differences of Means between groups

Variable	El Salvador <sup>a</sup>				Uruguay (Montevideo and Canelones Departments) <sup>c</sup>				Chile (Metropolitan Region) <sup>e</sup>			
	(1) Mean Non Poor (EHFM 2008)	(2) Mean National Poor (EHFM 2008) <sup>b</sup>	(3) Mean Slums (UTPMP 2007-08)	Dif (2)-(3)	(1) Mean Non Poor out of Slums (ECH 2008)	(2) Mean Poor Out of Slums (ECH 2008) <sup>d</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)	(1) Mean Non Poor (ECH 2008)	(2) Mean Poor (ECH 2008) <sup>f</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)
<b>Demographics</b>												
HH Size	3,779 (0.021)	4,660 (0.032)	4,719 (0.115)	-0,058 (0.118)	2,549 (0.028)	4,274 (0.091)	3,691 (0.053)	0,584 (0.118)***	3,714 (0.020)	4,534 (0.053)	3,909 (0.088)	0,625 (0.103)***
Female Head (%)	0,353 (0.004)	0,298 (0.006)	0,219 (0.015)	0,079 (0.017) ***	0,398 (0.023)	0,378 (0.038)	0,372 (0.013)	0,005 (0.039)	0,282 (0.004)	0,361 (0.013)	0,421 (0.031)	-0,060 (0.033)*
Age of Head	48,229 (0.204)	46,376 (0.221)	43,438 (1.048)	2,938 (1.059) ***	55,496 (0.151)	45,311 (0.213)	45,423 (0.352)	-0,112 (0.395)	52,149 (0.196)	46,801 (0.408)	41,876 (0.594)	4,925 (0.718)***
HH Head years of schooling	6,372 (0.096)	4,013 (0.058)	4,392 (0.176)	-0,378 (0.193) *	9,476 (0.550)	6,351 (0.190)	6,169 (0.099)	0,182 (0.140)	9,213 (0.068)	8,134 (0.100)	7,101 (0.175)	1,033 (0.201)***
% Literacy HH Head	0,803 (0.005)	0,696 (0.006)	0,593 (0.030)	0,103 (0.031)***	0,991 (0.002)	0,970 (0.003)	0,956 (0.005)	0,014 (0.005)***	0,957 (0.002)	0,931 (0.006)	0,893 (0.016)	0,038 (0.017)**
% kids 5-12 enrolled in school	0,922 (0.003)	0,834 (0.005)	0,929 (0.010)	-0,094 (0.011) ***	0,988 (0.001)	0,980 (0.002)	0,978 (0.003)	0,002 (0.004)	0,985 (0.001)	0,968 (0.005)	0,982 (0.005)	-0,014 (0.007)*
% kids 13-18 enrolled in school	0,724 (0.007)	0,652 (0.009)	0,540 (0.028)	0,112 (0.030) ***	0,875 (0.011)	0,707 (0.011)	0,661 (0.019)	0,046 (0.024)*	0,874 (0.005)	0,845 (0.011)	0,781 (0.025)	0,065 (0.028)**

<sup>a</sup> Table computed at household and individual level in El Salvador using Encuesta de Hogares de Propósitos Múltiples 2008 and UTPMP Impact Evaluation Data 2007 – 08 Sources. Standard errors clustered at Primary Sample Unit level show n in parentheses. The EHFM 2008 Data contain clusters (PSU: "segmento") and UTPMP 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household and individual level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level show n in parentheses. The ECH Data contain 232 clusters (PSU: "segmento") and household who live in slums are contained in 147 clusters (PSU: "segmento").

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household and individual level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level show n in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 53490.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.



Table 7: Differences of Means between groups

Variable	El Salvador <sup>a</sup>				Uruguay (Montevideo and Canelones Departments)				Chile (Metropolitan Region) <sup>e</sup>			
	(1) Mean Non Poor (EHPM 2008)	(2) Mean National Poor (EHPM 2008) <sup>b</sup>	(3) Mean Slums (UTPMP 2007-08)	Dif (2)-(3)	(1) Mean Non Poor out of Slums (ECH 2008)	(2) Mean Poor Out of Slums (ECH 2008) <sup>d</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)	(1) Mean Non Poor (ECH 2008)	(2) Mean Poor (ECH 2008) <sup>f</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)
<b>Housing</b>												
Rooms Per Capita	0.909 (0.009)	0.512 (0.006)	0.394 (0.017)	0.118 (0.018)***	1.737 (0.017)	0.836 (0.024)	0.977 (0.020)	-0.141 (0.039)***	-	-	-	-
% Dirt Floors	0.163 (0.005)	0.390 (0.010)	0.931 (0.017)	-0.541 (0.021)***	0.036 (0.011)	0.242 (0.010)	0.404 (0.017)	-0.162 (0.016)***	0.136 (0.006)	0.245 (0.015)	0.866 (0.025)	-0.621 (0.029)***
% Weak Walls	0.249 (0.007)	0.436 (0.009)	0.919 (0.037)	-0.483 (0.037)***	0.004 (0.000)	0.025 (0.002)	0.087 (0.009)	-0.063 (0.008)***	0.075 (0.004)	0.156 (0.011)	0.640 (0.032)	-0.485 (0.034)***
% Weak Roof	0.297 (0.007)	0.452 (0.010)	0.917 (0.021)	-0.465 (0.024)***	0.031 (0.008)	0.235 (0.008)	0.448 (0.019)	-0.212 (0.021)***	0.070 (0.003)	0.175 (0.012)	0.716 (0.032)	-0.542 (0.034)***
% Water inside house	0.700 (0.009)	0.544 (0.010)	0.249 (0.053)	0.295 (0.054)***	0.948 (0.036)	0.864 (0.061)	0.989 (0.004)	-0.125 (0.057)**	0.990 (0.000)	0.971 (0.005)	0.698 (0.051)	0.274 (0.051)***
% Access to toilet	0.967 (0.002)	0.922 (0.005)	0.680 (0.052)	0.241 (0.051)***	0.996 (0.001)	0.964 (0.005)	0.937 (0.007)	0.027 (0.009)***	-	-	-	-
% Access to private toilet	0.844 (0.005)	0.765 (0.007)	0.550 (0.057)	0.215 (0.057)***	0.976 (0.001)	0.922 (0.006)	0.895 (0.009)	0.027 (0.012)***	-	-	-	-
% Connected to sewerage	0.686 (0.015)	0.640 (0.019)	0.007 (0.003)	0.633 (0.019)***	0.703 (0.010)	0.543 (0.033)	0.604 (0.023)	-0.061 (0.025)**	0.824 (0.0129)	0.703 (0.021)	0.078 (0.028)	0.625 (0.035)***
% Electricity	0.928 (0.003)	0.810 (0.009)	0.416 (0.069)	0.394 (0.071)***	0.998 (0.000)	0.988 (0.003)	0.996 (0.001)	-0.008 (0.003)**	0.998 (0.000)	0.997 (0.001)	0.983 (0.004)	0.014 (0.005)***
% Garbage Service	0.489 (0.013)	0.288 (0.012)	0.083 (0.039)	0.205 (0.043)***	-	-	-	-	-	-	-	-
% Cook with wood	0.183 (0.006)	0.486 (0.012)	0.800 (0.046)	-0.314 (0.050)***	0.013 (0.008)	0.054 (0.023)	0.016 (0.004)	0.038 (0.020)*	-	-	-	-
% Land Tenancy	0.661 (0.005)	0.600 (0.007)	0.478 (0.060)	0.122 (0.059)**	0.620 (0.019)	0.401 (0.034)	0.042 (0.006)	0.359 (0.035)***	0.663 (0.006)	0.464 (0.016)	0.086 (0.019)	0.378 (0.025)***

<sup>a</sup> Table computed at household and individual level in El Salvador using Encuesta de Hogares de Propósitos Múltiples 2008 and UTPMP Impact Evaluation Data 2007 – 08 Sources. Standard errors clustered at Primary Sample Unit level shown in parentheses. The EHPM 2008 Data contain clusters (PSU: "segmento") and UTPMP 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household and individual level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 232 clusters (PSU: "segmento") and households who live in slums are contained in 147 clusters (PSU: "segmento").

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household and individual level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 8: Differences of Means between groups

Variable	El Salvador <sup>a</sup>				Uruguay (Montevideo and Canelones Departments) <sup>c</sup>				Chile (Metropolitan Region) <sup>e</sup>			
	(1) Mean Non Poor (EHPM 2008)	(2) Mean National Poor (EHPM 2008) <sup>b</sup>	(3) Mean Slums (UTPMP 2007-08)	Dif (2)-(3)	(1) Mean Non Poor out of Slums (ECH 2008)	(2) Mean Poor Out of Slums (ECH 2008) <sup>d</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)	(1) Mean Non Poor (ECH 2008)	(2) Mean Poor (ECH 2008) <sup>f</sup>	(3) Mean All Slums (ECH 2008)	Dif (2)-(3)
<b>Assets</b>												
% Refrigerators	0,658 (0.007)	0,328 (0.008)	0,094 (0.028)	0,234 (0.031) ***	0,979 (0.003)	0,879 (0.006)	0,846 (0.012)	0,033 (0.010) ***	0,940 (0.002)	0,818 (0.010)	0,723 (0.023)	0,095 (0.025) ***
% TV	0,864 (0.004)	0,678 (0.009)	0,393 (0.048)	0,286 (0.050) ***	0,972 (0.004)	0,920 (0.010)	0,894 (0.007)	0,026 (0.012) **	-	-	-	-
% Computer	-	-	-	-	-	-	-	-	0,387 (0.007)	0,138 (0.009)	0,132 (0.023)	0,006 (0.025)
% Mobile Phone	-	-	-	-	-	-	-	-	0,833 (0.004)	0,758 (0.012)	0,769 (0.020)	-0,011 (0.023)

<sup>a</sup> Table computed at household and individual level in El Salvador using Encuesta de Hogares de Propósitos Múltiples 2008 and UTPMP Impact Evaluation Data 2007 – 08 Sources. Standard errors clustered at Primary Sample Unit level shown in parentheses. The EHPM 2008 Data contain clusters (PSU: "segmento") and UTPMP 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household and individual level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 232 clusters (PSU: "segmento") and household who live in slums are contained in 147 clusters (PSU: "segmento").

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household and individual level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 9: Differences of Means between groups

Variable	El Salvador <sup>a</sup>			Uruguay (Montevideo and Canelones Departments) <sup>c</sup>			Chile (Metropolitan Region) <sup>e</sup>		
	(6) Mean Slums - Non Poor (UTPMP 2007-08)	(7) Mean Slums - Poor <sup>b</sup> (UTPMP 2007-08)	Dif (6)-(7)	(6) Mean Slums - Non Poor (ECH 2008)	(7) Mean Slums - Poor <sup>d</sup> (ECH 2008)	Dif (6)-(7)	(6) Mean Slums - Non Poor (LILP 2008)	(7) Mean Slums - Poor <sup>f</sup> (LILP 2008)	Dif (6)-(7)
	<b>Income Indicators (HH)</b>								
Total Income PC	145.482 √(23.016)	35.662 √(1.467)	109.820 (22.957)***	396.229 √(10.902)	163.331 √(1.101)	232.897 (10.808)***	168.926 √(5.772)	50.207 √(1.591)	118.718 (5.540)***
Wage Labor Income PC	52.618 √(5.106)	16.462 √(0.999)	36.156 (5.128)***	158.276 √(6.252)	44.037 √(1.431)	114.239 (6.398)***	98.464 √(5.194)	21.170 √(1.383)	77.294 (5.104)***
Self Labor Income PC	88.012 √(23.283)	17.047 √(0.971)	70.965 (23.373)***	99.467 √(6.227)	34.879 √(1.155)	64.588 (6.408)***	23.127 √(2.329)	8.049 √(1.163)	15.079 (2.206)***
Private Transfers PC	1.337 √(0.477)	0.582 √(0.239)	0.755 (0.477)	13.177 √(1.449)	8.014 √(0.675)	5.163 (1.658)***	35.888 √(2.119)	14.969 √(0.835)	20.918 (2.017)***
Govern Transfers PC	0.000 √(0.000)	0.034 √(0.024)	-0.034 (0.024)	84.015 √(4.649)	73.212 √(0.617)	10.802 (2.222)***	7.502 √(0.994)	5.501 √(0.487)	2.001 (1.024)*
Retirement Pension PC	- -	- -	- -	41.295 √(4.649)	3.190 √(0.473)	38.105 (4.641)***	3.944 √(0.631)	0.518 √(0.245)	3.426 (0.645)***
% Tot Inc from Wage Work	0.453 √(0.031)	0.459 √(0.019)	-0.006 (0.036)	0.398 √(0.011)	0.249 √(0.007)	0.149 (0.013)***	0.577 √(0.018)	0.353 √(0.022)	0.225 (0.025)***
% Tot Inc from Self Employment	0.534 √(0.003)	0.513 √(0.019)	0.021 (0.032)	0.236 √(0.008)	0.210 √(0.006)	0.026 (0.010)**	0.130 √(0.011)	0.149 √(0.019)	-0.019 (0.018)
% Tot Inc from Private Transfer	0.014 √(0.005)	0.027 √(0.010)	-0.013 (0.010)	0.037 √(0.003)	0.049 √(0.004)	-0.012 (0.005)**	0.213 √(0.009)	0.360 √(0.020)	-0.148 (0.022)***
% Tot Inc from Govern Transfer	0.000 0.000	0.001 0.000	-0.001 0.000	0.244 √(0.006)	0.475 √(0.005)	-0.231 (0.007)***	0.058 √(0.008)	0.131 √(0.011)	-0.073 (0.012)***
% Tot Inc from Retirement Pension Transfer	- -	- -	- -	0.086 √(0.006)	0.017 √(0.016)	0.068 (0.007)***	0.023 √(0.003)	0.007 √(0.003)	0.015 (0.004)***

<sup>a</sup> Table computed at household level in El Salvador using UTPMP Impact Evaluation Data 2007 – 08 Source. Standard errors clustered at Primary Sample Unit level shown in parentheses. The UTPMP contains 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 147 clusters (PSU: "segmento") for people who live in slums.

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186.

Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 10: Differences of Means between groups

Variable	El Salvador <sup>a</sup>			Uruguay (Montevideo and Canelones Departments) <sup>c</sup>			Chile (Metropolitan Region) <sup>e</sup>		
	(6) Mean Slums - Non Poor (UTPMP 2007-08)	(7) Mean Slums - Poor <sup>b</sup> (UTPMP 2007-08)	Dif (6)-(7)	(6) Mean Slums - Non Poor (ECH 2008)	(7) Mean Slums - Poor <sup>d</sup> (ECH 2008)	Dif (6)-(7)	(6) Mean Slums - Non Poor (LILP 2008)	(7) Mean Slums - Poor <sup>f</sup> (LILP 2008)	Dif (6)-(7)
<b>Employment Indicators (IND)</b>									
Employment rate 16-64	0.657 (0.020)	0.490 (0.014)	0.166 (0.019)***	0.726 (0.011)	0.592 (0.010)	0.134 (0.014)***	0.684 (0.012)	0.461 (0.023)	0.223 (0.021)***
Employment rate Male 16-64	0.448 (0.017)	0.353 (0.012)	0.095 (0.021)***	0.430 (0.010)	0.358 (0.006)	0.073 (0.011)***	0.438 (0.009)	0.306 (0.015)	0.132 (0.017)***
Employment rate Female 16-64	0.208 (0.020)	0.137 (0.011)	0.071 (0.016)***	0.296 (0.011)	0.234 (0.008)	0.061 (0.013)***	0.246 (0.013)	0.155 (0.018)	0.092 (0.017)***
Wage employment rate 16-64	0.308 (0.018)	0.191 (0.018)	0.117 (0.029)***	0.570 (0.015)	0.395 (0.009)	0.175 (0.019)***	0.549 (0.014)	0.294 (0.018)	0.256 (0.019)***
Wage employment rate Male 16-64	0.272 (0.019)	0.163 (0.015)	0.109 (0.029)***	0.332 (0.014)	0.229 (0.007)	0.103 (0.016)***	0.351 (0.012)	0.202 (0.016)	0.149 (0.018)***
Wage employment rate Female 16-64	0.036 (0.011)	0.027 (0.005)	0.008 (0.009)	0.238 (0.011)	0.166 (0.008)	0.073 (0.013)***	0.199 (0.015)	0.092 (0.011)	0.107 (0.017)***
Self employment rate 16-64	0.349 (0.026)	0.297 (0.016)	0.052 (0.029)*	0.156 (0.012)	0.197 (0.009)	-0.041 (0.015)***	0.135 (0.012)	0.167 (0.022)	-0.032 (0.021)
Self employment rate Male 16-64	0.176 (0.020)	0.188 (0.019)	-0.012 (0.027)	0.099 (0.008)	0.128 (0.006)	-0.030 (0.011)**	0.087 (0.008)	0.105 (0.014)	-0.017 (0.013)
Self employment rate Female 16-64	0.173 (0.015)	0.109 (0.008)	0.063 (0.014)***	0.057 (0.006)	0.069 (0.005)	-0.011 (0.007)	0.048 (0.007)	0.063 (0.012)	-0.015 (0.015)
Wage rate 16-64 (1 <sup>st</sup> Job)	196.435 (10.377)	116.613 (3.428)	79.821 (10.765)***	334.909 (11.035)	181.273 (3.920)	153.636 (11.834)***	266.883 (11.217)	139.238 (7.233)	127.645 (14.680)***
Wage rate Males 16-64 (1 <sup>st</sup> Job)	194.268 (11.404)	122.902 (4.550)	71.366 (11.732)***	408.029 (15.772)	217.493 (5.159)	190.537 (16.321)***	298.466 (13.652)	154.890 (8.608)	143.576 (18.074)***
Wage rate Females 16-64 (1 <sup>st</sup> Job)	200.277 (14.370)	105.866 (4.164)	94.411 (15.012)***	232.330 (9.631)	123.153 (4.348)	109.177 (10.673)***	210.159 (10.8859)	108.103 (7.835)	102.056 (12.832)***
Wage rate 16-64 (1 <sup>st</sup> Job) - Dependents	187.897 (11.973)	121.445 (4.680)	66.452 (12.166)***	346.634 (11.730)	213.902 (4.949)	132.732 (13.100)***	273.277 (8.874)	166.893 (7.097)	106.384 (12.369)***
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Dependents	186.164 (13.467)	125.443 (5.666)	60.721 (13.952)***	427.471 (17.547)	260.001 (6.573)	167.470 (19.108)***	302.245 (11.034)	182.238 (8.285)	120.007 (14.851)***
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Dependents	197.737 (27.559)	102.206 (5.541)	95.531 (26.992)***	236.767 (10.532)	144.924 (5.665)	91.843 (11.935)***	221.727 (11.348)	133.739 (10.695)	87.988 (14.647)***
Wage rate 16-64 (1 <sup>st</sup> Job) - Independents	204.023 (11.507)	111.738 (3.052)	92.285 (11.838)***	310.548 (25.9494)	135.073 (5.449)	175.475 (26.434)***	241.117 (25.090)	90.773 (8.330)	150.344 (27.192)***
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Independents	207.732 (15.386)	117.474 (4.922)	90.257 (15.369)***	356.520 (31.246)	160.836 (7.074)	195.684 (31.436)***	283.485 (33.913)	103.185 (10.858)	180.3007 (36.770)***
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Independents	200.880 (16.351)	106.860 (5.125)	94.020 (17.656)***	231.822 (29.493)	84.736 (6.352)	147.086 (29.126)***	162.125 (18.257)	69.303 (7.618)	92.822 (20.621)***

<sup>a</sup> Table computed at household level in El Salvador using UTPMP Impact Evaluation Data 2007 – 08 Source. Standard errors clustered at Primary Sample Unit level shown in parentheses. The UTPMP contains 33 clusters (PSU: "caserio").

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 147 clusters (PSU: "segmento") for people who live in slums.

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU: "segmento") and LILP Data contains 69 (PSU: "campamento").

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line<sup>f</sup>(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 53490.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent level.

Table 11: Differences of Means between groups

Variable	El Salvador <sup>a</sup>			Uruguay (Montevideo and Canelones Departments) <sup>c</sup>			Chile (Metropolitan Region) <sup>e</sup>		
	(6) Mean Slums - Non Poor (UTPMP 2007-08)	(7) Mean Slums - Poor (UTPMP 2007-08)	Dif (6)-(7)	(6) Mean Slums - Non Poor (ECH 2008)	(7) Mean Slums - Poor <sup>d</sup> (ECH 2008)	Dif (6)-(7)	(6) Mean Slums - Non Poor (LILP 2008)	(7) Mean Slums - Poor <sup>f</sup> (LILP 2008)	Dif (6)-(7)
	<b>Demographics</b>								
HH Size	3.873 █ (0.169)	5.146 █ (0.133)	-1.273 (0.190)***	2.754 █ (0.048)	4.533 █ (0.065)	-1.779 (0.191)***	3.576 █ (0.109)	4.565 █ (0.128)	-0.989 (0.140)***
Female Head (%)	0.170 █ (0.025)	0.233 █ (0.018)	-0.062 (0.025)**	0.339 █ (0.019)	0.403 █ (0.018)	-0.064 (0.027)**	0.379 █ (0.038)	0.500 █ (0.038)	-0.121 (0.045)***
Age of Head	42.171 █ (1.166)	43.718 █ (1.184)	-1.547 (1.258)	49.619 █ (0.503)	41.649 █ (0.422)	7.970 (0.626)***	43.091 █ (0.734)	39.467 █ (0.749)	3.624 (0.945)***
HH Head years of schooling	4.723 █ (0.353)	4.291 █ (0.168)	0.432 (0.342)	6.539 █ (0.119)	5.836 █ (0.115)	0.703 (0.140)***	7.379 █ (0.207)	6.564 █ (0.240)	0.815 (0.301)***
% Literacy HH Head	0.629 █ (0.044)	0.584 █ (0.031)	0.044 (0.040)	0.967 █ (0.0069)	0.946 █ (0.007)	0.021 (0.008)**	0.905 █ (0.016)	0.870 █ (0.027)	0.035 (0.028)
% kids 5-12 enrolled in school	0.945 █ (0.021)	0.926 █ (0.011)	0.019 (0.024)	0.974 █ (0.009)	0.979 █ (0.003)	-0.006 (0.011)	0.993 █ (0.004)	0.971 █ (0.010)	0.022 (0.012)*
% kids 13-18 enrolled in school	0.430 █ (0.063)	0.561 █ (0.029)	-0.131 (0.066)*	0.669 █ (0.031)	0.658 █ (0.023)	0.012 (0.039)	0.796 █ (0.031)	0.760 █ (0.034)	0.036 (0.042)

<sup>a</sup> Table computed at household level in El Salvador using UTPMP Impact Evaluation Data 2007 – 08 Source. Standard errors clustered at Primary Sample Unit level shown in parentheses. The UTPMP contains 33 clusters (PSU:“caserio”).

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 147 clusters (PSU:“segmento”) for people who live in slums.

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU:“segmento”) and LILP Data contains 69 (PSU: “campamento).

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent

Table 12: Differences of Means between groups

Variable	El Salvador <sup>a</sup>			Uruguay (Montevideo and Canelones Departments) <sup>c</sup>			Chile (Metropolitan Region) <sup>e</sup>		
	(6) Mean Slums - Non Poor (UTPMP 2007-08)	(7) Mean Slums - Poor <sup>b</sup> (UTPMP 2007-08)	Dif (6)-(7)	(6) Mean Slums - Non Poor (ECH 2008)	(7) Mean Slums - Poor <sup>d</sup> (ECH 2008)	Dif (6)-(7)	(6) Mean Slums - Non Poor (LILP 2008)	(7) Mean Slums - Poor <sup>f</sup> (LILP 2008)	Dif (6)-(7)
<b>Housing</b>									
Rooms Per Capita	0.490 █ (0.032)	0.366 █ (0.016)	0.123 (0.030)***	1.309 █ (0.026)	0.678 █ (0.014)	0.631 (0.027)***	-	-	-
% Dirt Floors	0.873 █ (0.030)	0.948 █ (0.013)	-0.075 (0.022)***	0.299 █ (0.019)	0.499 █ (0.018)	-0.201 (0.020)***	0.835 █ (0.030)	0.945 █ (0.025)	-0.110 (0.036)***
% Weak Walls	0.928 █ (0.034)	0.916 █ (0.040)	0.012 (0.022)	0.047 █ (0.009)	0.124 █ (0.012)	-0.077 (0.013)***	0.608 █ (0.039)	0.722 █ (0.042)	-0.114 (0.054)**
% Weak Roof	0.917 █ (0.022)	0.918 █ (0.024)	-0.001 (0.023)	0.292 █ (0.020)	0.588 █ (0.022)	-0.296 (0.025)***	0.655 █ (0.038)	0.877 █ (0.038)	-0.222 (0.053)***
% Water inside house	0.314 █ (0.069)	0.229 █ (0.051)	0.085 (0.051)	0.992 █ (0.003)	0.986 █ (0.005)	0.006 (0.005)	0.706 █ (0.053)	0.671 █ (0.070)	0.035 (0.064)
% Access to toilet	0.677 █ (0.052)	0.682 █ (0.057)	-0.005 (0.052)	0.969 █ (0.006)	0.908 █ (0.011)	0.061 (0.013)***	-	-	-
% Access to private toilet	0.528 █ (0.052)	0.556 █ (0.064)	-0.028 (0.053)	0.924 █ (0.011)	0.869 █ (0.014)	0.056 (0.018)***	-	-	-
% Connected to sewage	0.006 █ (0.006)	0.007 █ (0.003)	-0.001 (0.007)	0.682 █ (0.026)	0.527 █ (0.037)	0.155 (0.046)***	0.082 █ (0.035)	0.068 █ (0.036)	0.014 (0.047)
% Electricity	0.533 █ (0.069)	0.382 █ (0.071)	0.150 (0.045)***	0.996 █ (0.002)	0.995 █ (0.002)	0.001 (0.003)	0.981 █ (0.005)	0.986 █ (0.007)	-0.004 (0.007)
% Garbage Service	0.144 █ (0.071)	0.064 █ (0.030)	0.080 (0.043)**	-	-	-	-	-	-
% Cook with wood	0.649 █ (0.070)	0.843 █ (0.037)	-0.195 (0.045)***	0.008 █ (0.003)	0.024 █ (0.007)	-0.016 (0.008)*	-	-	-
% Land Tenancy	0.498 █ (0.071)	0.472 █ (0.062)	0.026 (0.056)	0.058 █ (0.009)	0.027 █ (0.005)	0.031 (0.009)***	0.091 █ (0.022)	0.076 █ (0.018)	0.015 (0.018)

<sup>a</sup> Table computed at household level in El Salvador using UTPMP Impact Evaluation Data 2007 – 08 Source. Standard errors clustered at Primary Sample Unit level shown in parentheses. The UTPMP contains 33 clusters (PSU:“caserio”).

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in 2008, equivalent to two CBAs which represents the National Poverty Line and basic needs in El Salvador in 2008.

<sup>c</sup> Table computed at household level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 147 clusters (PSU:“segmento”) for people who live in slums.

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of "food needs" plus a CBA of "non-food needs", both calculated in base of needs of 2006 in Uruguay.

<sup>e</sup> Table computed at household level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 53490.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent

Table 13: Differences of Means between groups

Variable	El Salvador <sup>a</sup>			Uruguay (Montevideo and Canelones Departments) <sup>c</sup>			Chile (Metropolitan Region) <sup>e</sup>		
	(6) Mean Slums - Non Poor (UTPMP 2007-08)	(7) Mean Slums - Poor <sup>b</sup> (UTPMP 2007-08)	Dif (6)-(7)	(6) Mean Slums - Non Poor (ECH 2008)	(7) Mean Slums - Poor <sup>d</sup> (ECH 2008)	Dif (6)-(7)	(6) Mean Slums - Non Poor (LILP 2008)	(7) Mean Slums - Poor <sup>f</sup> (LILP 2008)	Dif (6)-(7)
<b>Assets</b>									
% Refrigerators	0.135 █ (0.035)	0.082 █ (0.026)	0.053 (0.017)***	0.903 █ (0.012)	0.795 █ (0.016)	0.109 (0.016)***	0.782 █ (0.021)	0.612 █ (0.036)	0.169 (0.037)***
% TV	0.524 █ (0.052)	0.357 █ (0.047)	0.167 (0.036)***	0.916 █ (0.009)	0.873 █ (0.012)	0.043 (0.016)***	-	-	-
% Computer	-	-	-	-	-	-	0.162 █ (0.030)	0.072 █ (0.017)	0.090 (0.031)***
% Mobile Phone	-	-	-	-	-	-	0.815 █ (0.019)	0.681 █ (0.026)	0.134 (0.027)***

<sup>a</sup> Table computed at household level in El Salvador using UTPMP Impact Evaluation Data 2007 – 08 Source. Standard errors clustered at Primary Sample Unit level shown in parentheses. The UTPMP contains 33 clusters (PSU:“caserio”).

<sup>b</sup> National Poor means households who live with less than USD 89.4 per capita per month in urban zones and less than USD 58.2 in rural zones in

<sup>c</sup> Table computed at household level in Montevideo and Canelones Departments in Uruguay using Encuesta Continua de Hogares (ECH). Standard errors clustered at Primary Sample Unit level shown in parentheses. The ECH Data contain 147 clusters (PSU:“segmento”) for people who live in slums.

<sup>d</sup> National Poor means households who live below the National Poverty Line in urban zones in Uruguay. This line is calculated monthly and in 2008 varied between 213 and 234 dollars per month depending on which month was the household measured. The poverty line represents a CBA of

<sup>e</sup> Table computed at household level in Region Metropolitana of Chile using CASEN 2006 and LILP 2008. Standard errors clustered at Primary Sample Unit level shown in parentheses. The CASEN 2006 Data contains 888 clusters (PSU:“segmento”) and LILP Data contains 69 (PSU:

<sup>f</sup> National Poor means households who live below the National Poverty Line in urban zones in Chile. Urban Poverty Line in Oct-Nov-Dec 2006, when Casen 2006 was collected, was CLP 47099 per capita per month. But CASEN 2006 and LILP 2008 were collected with 2 years of distance, then we inflated both to December 2008. Inflating it to prices of Dec 2008: Poverty Line\*(IPC 2008/ Average IPC Oct-Nov-Dec 2006) = 47099\*1.15480553074862 = 54390.186. Then, the poverty line in terms of dollars to December 2008 is 54390.186/649.32 = USD 82.37 per capita per month. The national poverty line in Chile is equal to two CBAs defined in base of basic needs of 1987.

\*Significantly different from 0 at 10-percent level. \*\*Significantly different from 0 at 5-percent level. \*\*\*Significantly different from 0 at 1-percent

**Table 14: Definition of Income per Capita**

Country	
Uruguay	<p>Total Income Per Capita (last month) = [Labor Income Per Capita + Private Transfer Per Capita + Government Transfer Per Capita + Pension Transfer Per Capita + Social Insurances per Capita ]; Labor Income Per Capita (last month) = [Monthly Wage 1st Occupation (Utilities for Independent workers) + Monthly Wage 2nd Occupation (Utilities for Independent workers) + Overtime + Commissions + Incentives + Ratings + Per Diem + Tips + "Aguinaldo" + Holiday Pay + Late Payments + Transport Tickets + Rent Value of the House (only for owners) + Dividends + Compensations + Consumption from Business + Consumption at Work] / N Members; Private Transfers Per Capita (last month) = [Remittances + Alimony Divorce] / N Members ; Government Transfer Per Capita (last month) = [Family Allowances + scholarships + grants + donations + Value of Food Basket + Value of Medicine Basket] / N Members; Pension Transfers Per Capita (last month) = [BPS Housing Industry and Commerce + BPS Safe and Civil School + BPS Rural Domestic Service + Postal Union Pension + Police Pension + Military Pension + Professional Pension + Notarial Pension + Banking Pension + Other Pensions] / N Members; Social Insurances Per Capita = [Unemployment Insurance + Health and Maternity Insurance]</p>
El Salvador	<p>Total Income Per Capita (last month) = [Labor Income Per Capita + Private Transfer Per Capita + Remittances per Capita + Government Transfer Per Capita + Pension Transfer Per Capita]; Labor Income Per Capita (last month) = [Monthly Wage 1st Occupation (Utilities for Independent workers) + Monthly Wage 2nd Occupation (Utilities for Independent workers) + Overtime + Commissions + Incentives + Tips + "Aguinaldo" + Holiday Pay + Transport Tickets + Compensations + Consumption from Business + Consumption at Work + Clothing at Work + Private Health Insurance] / N Members; Private Transfers Per Capita (last month) = [Help from Relatives + Alimony Divorce + House Rental + Land Rental + Depreciation of Vehicle + Corporate earnings + Dividend per share + Interest + Inheritances + lotteries + gambling] / N Members ; Government Transfer Per Capita (last month) = [Subsidies] / N Members; Pension Transfers Per Capita (last month) = [Retirement Pension + Disability Pension + Old Age Pension + Survival Pension] / N Members; Remittances Per Capita = [International Remittances] / N Members</p>
Chile	<p>Total Income Per Capita (last month) = [Labor Income Per Capita + Private Transfer Per Capita + Government Transfer Per Capita + Pension Transfer Per Capita + Saving per Capita]; Labor Income Per Capita (last month) = [Monthly Wage 1st Occupation + Overtime(1st) + Commissions(1st) + Special Assignments(1st) + Bonus(1st) + Rewards(1st) + "Not declared" Travel Allowance(1st) + Labor-Housing Assignments(1st) + Labor-Education Assignments(1st) + Labor-Food Vouchers(1st) + Labor-Transport Assignments(1st) + Tips(1st)] / N Members; Private Transfers Per Capita (last month) = [Debts = Credit Card, Credit Line, Commercial Houses, Consumption Loans, Financial Loans, Car Loan, CCAAF, Educational Debts, Loans from relatives, Loan from lender, "Tia Rica" Loans, Store Credit, Other Debts] / N Members ; Government Transfer Per Capita (last month) = [PISIS + SUF + SUFDUPL0 + SUB CESANTIA + SAP + SPS + BONO EGRESO + Other Subsidies (Garbage Bonus, Agricultural Bonus, etc)] / N Members; Pension Transfers Per Capita (last month) = [Retirement Pension, Disability Pension, Annuity, Widow's Pension, Orphan's Pension, Other Pension] / N Members</p>



Table 15. Description of Outcome Variables and Sample Sizes in EHPM 2008\* and UTPMP 2007-08\*\* - El Salvador

Variable	Description	Number of Observations			
		El Salvador			
		All Population (EHPM 2008)	Non Poor (EHPM 2008)	Poor*** (EHPM 2008)	Slums (UTPMP 2007-08)
<b>Income Indicators (HH)</b>					
Total Income PC	Monthly per capita income in US dollars	16,674	10,489	6,185	883
Wage Labor Income PC	Wage Labor Income per capita in US dollars	16,674	10,489	6,185	883
Self Labor Income PC	Self Labor Income per capita in US dollars	16,674	10,489	6,185	883
Private Transfers PC	Private Transfers per capita in US dollars	16,674	10,489	6,185	883
Govern Transfers PC	Govern Transfers per capita in US dollars	16,674	10,489	6,185	883
Retirement Pension PC	Retirement Pension per capita in US dollars	16,674	10,489	6,185	0
% Total Income from Wage Work	Proportion of Total Income from Wage Work	16,674	10,489	6,185	883
% Total Income from Self Employment	Proportion of Total Income from Self Employment Income	16,674	10,489	6,185	883
% Total Income from Private Transfer	Proportion of Total Income from Private Transfers	16,674	10,489	6,185	883
% Total Income from Govern Transfer	Proportion of Total Income from Public Transfers	16,674	10,489	6,185	883
% Tot Income from Retirement Pension Transfer	Proportion of Total Income from Retirement Pension	16,674	10,489	6,185	0
<b>Employment Indicators (IND)</b>					
Employment rate 16-64	Proportion between 16 and 64 years old that work	37,908	23,582	14,326	2,498
Employment rate Male 16-64	Proportion on males between 16 and 64 years old that work	37,908	23,582	14,326	2,498
Employment rate Female 16-64	Proportion of females between 16 and 64 years old that work	37,908	23,582	14,326	2,498
Wage employment rate 16-64	Proportion between 16 and 64 years old that work in wage employments	37,908	23,582	14,326	2,498
Wage employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in wage employments	37,908	23,582	14,326	2,498
Wage employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in wage employments	37,908	23,582	14,326	2,498
Self employment rate 16-64	Proportion between 16 and 64 years old that work in self employments	37,908	23,582	14,326	2,498
Self employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in self employments	37,908	23,582	14,326	2,498
Self employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in self employments	37,908	23,582	14,326	2,498
Wage rate 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for workers between 16 and 64 years old	22,488	15,059	7,429	1,281
Wage rate Males 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for male workers between 16 and 64 years old	13,257	8,493	4,764	812
Wage rate Females 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for female workers between 16 and 64 years old	9,231	6,566	2,665	469
Wage rate 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for dependent workers between 16 and 64 years old	12,979	10,038	2,941	589
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for male dependent workers between 16 and 64 years old	7,739	6,181	1,558	492
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for female dependent workers between 16 and 64 years old	5,240	3,857	1,383	97
Wage rate 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for independent workers between 16 and 64 years old	9,046	4,768	4,278	688
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for male independent workers between 16 and 64 years old	5,250	2,203	3,047	316
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for female independent workers between 16 and 64 years old	3,796	2,565	1,231	372
<b>Demographic Characteristics (HH &amp; IND)</b>					
HH Size	Number of members per household	16,674	10,489	6,185	1,039
Female Head (%)	Indicator equal to one if head of household is women	16,674	10,489	6,185	1,039
Age of Head	Age of head of household	16,674	10,489	6,185	1,036
HH Head years of schooling	Years of schooling of head of household	15,820	9,982	5,838	636
% Literacy HH Head	Proportion of head of households that read and write	16,674	10,489	6,185	1,037
% kids 5-12 enrolled in school	Proportion of kids between 5 and 12 years old that are enrolled in school	13,469	6,647	6,822	1,064
% kids 13-18 enrolled in school	Proportion of kids between 13 and 18 years old that are enrolled in school	9,825	5,491	4,334	750
<b>Housing Characteristics (HH)</b>					
Rooms Per Capita	Number of rooms per capita in the house	16,674	10,489	6,185	1,039
% Dirty Floors	Indicator equal to one if more than 50% of the floors of the house is dirty	16,674	10,489	6,185	1,080
% Weak Walls	Indicator equal to one if more than 50% of the walls of the house are built by weak material	16,585	10,454	6,131	998
% Weak Roof	Indicator equal to one if more than 50% of the roofs of the house are built by weak material	16,669	10,488	6,181	1,080
% Water inside house	Indicator equal to one if has any access to water inside the house	16,674	10,489	6,185	1,039
% Access to toilet	Indicator equal to one if has access to a bathroom or toilet inside the house	16,674	10,489	6,185	1,039
% Access to private toilet	Indicator equal to one if has a private access to any bathroom	15,843	10,141	5,702	1,038
% Connected to sewage	Indicator equal to one if house has connection to a public sewage service	6,682	5,244	1,438	691
% Electricity	Indicator equal to one if house has access to electricity	16,674	10,489	6,185	1,039
% Garbage Service	Indicator equal to one if household has access to Garbage Service	16,674	10,489	6,185	1,038
% Cook with wood	Indicator equal to one if the household usually cook using firewood	15,962	9,922	6,040	1,032
% Land Owner	Indicator equal to one if any member of the households is owner of the land where they live	16,673	10,488	6,185	1,039
% Refrigerators	Indicator equal to one if the households has a refrigerator	16,673	10,488	6,185	1,080
% TV	Indicator equal to one if the households has a television	16,673	10,488	6,185	1,080

\*EHPM 2008 is a National Representative Household level Data collected by Direccion General de Estadísticas y Censos (Digesty) of El Salvador government. The number of observations corresponds to households and individuals of sample who live in El Salvador.

\*\*UTPMP 2007-08 is the baseline data collected during 2007 and 2008 used to evaluate the impact of Un Techo Para Mi Pais Program (UTPMP). The observations correspond to households and individual of sample who live in slums in El Salvador and are eligible to UTPMP Program, which means that have a lack of normal housing conditions.

\*\*\* National Poor means households who live with less than USD 2.98 per capita per day and USD 1.94 in rural zones, equivalent to two CBAs which represents the National Poverty Line in El Salvador in 2008.

Table 16: Description of Outcome Variables and Sample Sizes in ECH 2008\* - Uruguay

Variable	Description	Number of Observations			
		Uruguay			
		All Population out of slums (ECH 2008)	Non Poor out of slums (ECH 2008)	Poor out of slums** (ECH 2008)	Slums (ECH 2008)
<b>Income Indicators (HH)</b>					
Total Income PC	Monthly per capita income in US dollars	25,343	22,501	2,842	1,590
Wage Labor Income PC	Wage Labor Income per capita in US dollars	25,343	22,501	2,842	1,590
Self Labor Income PC	Self Labor Income per capita in US dollars	25,343	22,501	2,842	1,590
Private Transfers PC	Private Transfers per capita in US dollars	25,343	22,501	2,842	1,590
Govern Transfers PC	Govern Transfers per capita in US dollars	25,343	22,501	2,842	1,590
Retirement Pension PC	Retirement Pension per capita in US dollars	25,343	22,501	2,842	1,590
% Total Income from Wage Work	Proportion of Total Income from Wage Work	25,343	22,501	2,842	1,590
% Total Income from Self Employment	Proportion of Total Income from Self Employment Income	25,343	22,501	2,842	1,590
% Total Income from Private Transfer	Proportion of Total Income from Private Transfers	25,343	22,501	2,842	1,590
% Total Income from Govern Transfer	Proportion of Total Income from Public Transfers	25,343	22,501	2,842	1,590
% Tot Income from Retirement Pension Transfer	Proportion of Total Income from Retirement Pension	25,343	22,501	2,842	1,590
<b>Employment Indicators (ND)</b>					
Employment rate 16-64	Proportion between 16 and 64 years old that work	41,190	35,039	6,151	3,166
Employment rate Male 16-64	Proportion on males between 16 and 64 years old that work	41,190	35,039	6,151	3,166
Employment rate Female 16-64	Proportion of females between 16 and 64 years old that work	41,190	35,039	6,151	3,166
Wage employment rate 16-64	Proportion between 16 and 64 years old that work in wage employments	41,190	35,039	6,151	3,166
Wage employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in wage employments	41,190	35,039	6,151	3,166
Wage employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in wage employments	41,190	35,039	6,151	3,166
Self employment rate 16-64	Proportion between 16 and 64 years old that work in self employments	41,190	35,039	6,151	3,166
Self employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in self employments	41,190	35,039	6,151	3,166
Self employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in self employments	41,190	35,039	6,151	3,166
Wage rate 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for workers between 16 and 64 years old	30,394	26,752	3,642	2,122
Wage rate Males 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for male workers between 16 and 64 years old	16,094	13,941	2,153	1,275
Wage rate Females 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for female workers between 16 and 64 years old	14,300	12,811	1,489	847
Wage rate 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for dependent workers between 16 and 64 years old	22,260	19,921	2,339	1,414
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for male dependent workers between 16 and 64 years old	11,217	9,859	1,358	846
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for female dependent workers between 16 and 64 years old	11,043	10,062	981	595
Wage rate 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for independent workers between 16 and 64 years old	7,630	6,444	1,186	601
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for male independent workers between 16 and 64 years old	4,629	3,902	727	391
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for female independent workers between 16 and 64 years old	2,983	2,542	441	210
<b>Demographic Characteristics (HH &amp; IND)</b>					
HH Size	Number of members per household	25,343	22,501	2,842	1,590
Female Head (%)	Indicator equal to one if head of household is women	25,343	22,501	2,842	1,590
Age of Head	Age of head of household	25,343	22,501	2,842	1,590
HH Head years of schooling	Years of schooling of head of household	25,334	22,501	2,833	1,587
% Literacy HH Head	Proportion of head of households that read and write	25,343	22,501	2,842	1,590
% kids 5-12 enrolled in school	Proportion of kids between 5 and 12 years old that are enrolled in school	7,519	4,868	2,651	1,184
% kids 13-18 enrolled in school	Proportion of kids between 13 and 18 years old that are enrolled in school	6,137	4,351	1,786	850
<b>Housing Characteristics (HH)</b>					
Rooms Per Capita	Number of rooms per capita in the house	25,343	22,501	2,842	1,590
% Dirty Floors	Indicator equal to one if more than 50% of the floors of the house is dirty	25,343	22,501	2,842	1,590
% Weak Walls	Indicator equal to one if more than 50% of the walls of the house are built by weak material	25,343	22,501	2,842	1,590
% Weak Roof	Indicator equal to one if more than 50% of the roofs of the house are built by weak material	25,343	22,501	2,842	1,590
% Water inside house	Indicator equal to one if has any access to water inside the house	25,320	22,484	2,836	1,588
% Access to toilet	Indicator equal to one if has access to a bathroom or toilet inside the house	25,343	22,501	2,842	1,590
% Access to private toilet	Indicator equal to one if has a private access to any bathroom	25,343	22,501	2,842	1,590
% Connected to sewage	Indicator equal to one if house has connection to a public sewage service	7,965	6,300	1,665	924
% Electricity	Indicator equal to one if house has access to electricity	25,343	22,501	2,842	1,590
% Garbage Service	Indicator equal to one if household has access to Garbage Service	0	0	0	0
% Cook with wood	Indicator equal to one if the household usually cook using firewood	25,278	22,444	2,834	1,579
% Land Owner	Indicator equal to one if any member of the households is owner of the land where they live	25,343	22,501	2,842	1,590
% Refrigerators	Indicator equal to one if the households has a refrigerator	25,343	22,501	2,842	1,590
% TV	Indicator equal to one if the households has a television	25,343	22,501	2,842	1,590

\*ECH 2008 is a National Representative Household level Data collected by Instituto Nacional de Estadísticas of Uruguayan government. The number of observations corresponds to households and individuals of sample who live in Montevideo and Canelones departments of Uruguay. The data include information of non-poor, poor and households who live in slums.

\*\* National Poor means households who live between USD 7.1 and USD 7.8 a day depending on the month in which the household was interviewed. This is equivalent to two CBAs which represents the National Poverty Line in Uruguay.

Table 17: Description of Outcome Variables and Sample Sizes in CASEN 2006\* and LILP 2008\*\* - Chile

Variable	Description	Number of Observations			
		Chile			Slums (LILP 2008)
		All Population (CASEN 2006)	Non Poor (CASEN 2006)	Poor*** (CASEN 2006)	
<b>Income Indicators (HH)</b>					
Total Income PC	Monthly per capita income in US dollars	13,707	12,275	1,432	812
Wage Labor Income PC	Wage Labor Income per capita in US dollars	13,707	12,275	1,432	813
Self Labor Income PC	Self Labor Income per capita in US dollars	13,707	12,275	1,432	813
Private Transfers PC	Private Transfers per capita in US dollars	13,707	12,275	1,432	813
Govem Transfers PC	Govem Transfers per capita in US dollars	13,707	12,275	1,432	813
Retirement Pension PC	Retirement Pension per capita in US dollars	13,707	12,275	1,432	813
% Total Income from Wage Work	Proportion of Total Income from Wage Work	13,707	12,275	1,432	812
% Total Income from Self Employment	Proportion of Total Income from Self Employment Income	13,707	12,275	1,432	812
% Total Income from Private Transfer	Proportion of Total Income from Private Transfers	13,707	12,275	1,432	812
% Total Income from Govem Transfer	Proportion of Total Income from Public Transfers	13,707	12,275	1,432	812
% Tot Income from Retirement Pension Transfer	Proportion of Total Income from Retirement Pension	13,707	12,275	1,432	812
<b>Employment Indicators (IND)</b>					
Employment rate 16-64	Proportion between 16 and 64 years old that work	33,992	30,440	3,552	1,899
Employment rate Male 16-64	Proportion on males between 16 and 64 years old that work	33,992	30,440	3,552	1,899
Employment rate Female 16-64	Proportion of females between 16 and 64 years old that work	33,992	30,440	3,552	1,899
Wage employment rate 16-64	Proportion between 16 and 64 years old that work in wage employments	33,992	30,440	3,552	1,899
Wage employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in wage employments	33,992	30,440	3,552	1,899
Wage employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in wage employments	33,992	30,440	3,552	1,899
Self employment rate 16-64	Proportion between 16 and 64 years old that work in self employments	33,992	30,440	3,552	1,899
Self employment rate Male 16-64	Proportion of males between 16 and 64 years old that work in self employments	33,992	30,440	3,552	1,899
Self employment rate Female 16-64	Proportion of females between 16 and 64 years old that work in self employments	33,992	30,440	3,552	1,899
Wage rate 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for workers between 16 and 64 years old	20,595	19,349	1,246	1,128
Wage rate Males 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for male workers between 16 and 64 years old	12,441	11,635	806	731
Wage rate Females 16-64 (1 <sup>st</sup> Job)	1 <sup>st</sup> Job wage for female workers between 16 and 64 years old	8,154	7,714	440	397
Wage rate 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for dependent workers between 16 and 64 years old	16,346	15,299	1,047	858
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for male dependent workers between 16 and 64 years old	9,784	9,070	714	557
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Dependent Workers	1 <sup>st</sup> Job wage for female dependent workers between 16 and 64 years old	6,562	6,229	333	301
Wage rate 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for independent workers between 16 and 64 years old	4,249	4,050	199	270
Wage rate Males 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for male independent workers between 16 and 64 years old	2,657	2,565	92	174
Wage rate Females 16-64 (1 <sup>st</sup> Job) - Independent Workers	1 <sup>st</sup> Job wage for female independent workers between 16 and 64 years old	1,592	1,485	107	96
<b>Demographic Characteristics (HH &amp; IND)</b>					
HH Size	Number of members per household	13,707	12,275	1,432	813
Female Head (%)	Indicator equal to one if head of household is women	13,707	12,275	1,432	813
Age of Head	Age of head of household	13,707	12,275	1,432	813
HH Head years of schooling	Years of schooling of head of household	12,259	10,828	1,431	812
% Literacy HH Head	Proportion of head of households that read and write	13,715	12,271	1,444	813
% kids 5-12 enrolled in school	Proportion of kids between 5 and 12 years old that are enrolled in school	6,613	5,302	1,311	614
% kids 13-18 enrolled in school	Proportion of kids between 13 and 18 years old that are enrolled in school	6,002	4,948	1,054	401
<b>Housing Characteristics (HH)</b>					
Rooms Per Capita	Number of rooms per capita in the house	0	0	0	0
% Dirty Floors	Indicator equal to one if more than 50% of the floors of the house is dirty	13,662	12,235	1,427	268
% Weak Walls	Indicator equal to one if more than 50% of the walls of the house are built by weak material	13,652	12,228	1,424	267
% Weak Roof	Indicator equal to one if more than 50% of the roofs of the house are built by weak material	13,637	12,213	1,424	268
% Water inside house	Indicator equal to one if has any access to water inside the house	13,702	12,272	1,430	268
% Access to toilet	Indicator equal to one if has access to a bathroom or toilet inside the house	0	0	0	0
% Access to private toilet	Indicator equal to one if has a private access to any bathroom	0	0	0	0
% Connected to sewage	Indicator equal to one if house has connection to a public sewage service	13,694	12,265	1,429	268
% Electricity	Indicator equal to one if house has access to electricity	13,705	12,274	1,431	813
% Garbage Service	Indicator equal to one if household has access to Garbage Service	0	0	0	0
% Cook with wood	Indicator equal to one if the household usually cook using firewood	0	0	0	0
% Land Owner	Indicator equal to one if any member of the households is owner of the land where they live	13,626	12,204	1,422	812
% Refrigerators	Indicator equal to one if the households has a refrigerator	13,707	12,275	1,432	813
% Computer	Indicator equal to one if the households has a computer	13,707	12,275	1,432	813
% Have Mobile	Indicator equal to one if any member of the households has a mobile phone	13,707	12,275	1,432	813

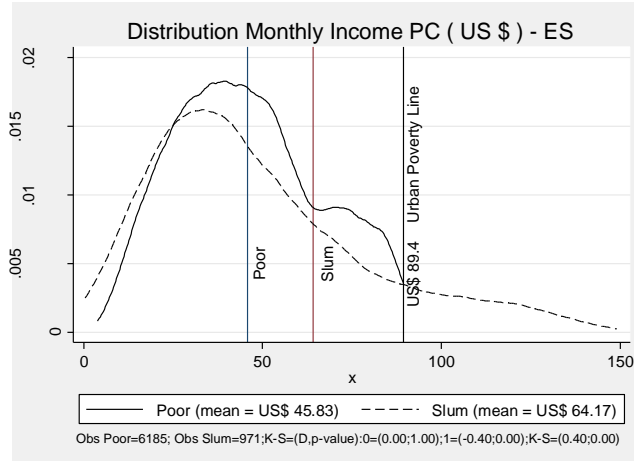
\*CASEN 2006 is a National Representative Household level Data collected by MIDEPLAN of Chilean government. The number of observations corresponds to households and individuals of the sample who live in Metropolitan Region of Chile in each group.

\*\*LILP 2008 is the a data collected between August and October 2008 by the Lincoln Institute of Land Policy. The observations correspond to households and individual of sample who live in slums in Metropolitan Region of Chile.

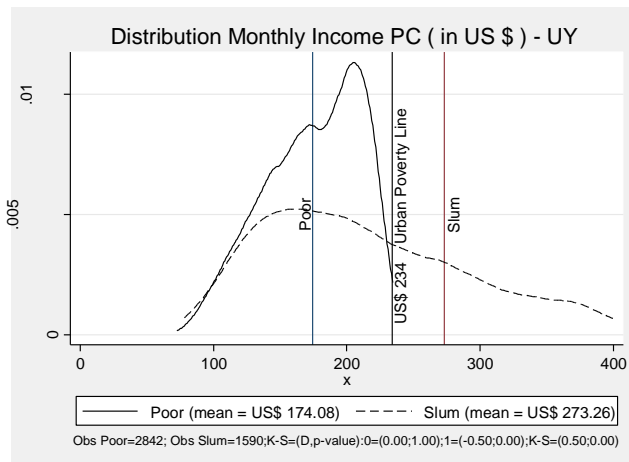
\*\*\* National Poor means households who live with less than USD 2.74 per capita per day in urban zones, equivalent to two CBAs which represents the National Poverty Line in Chile.

## Graphics

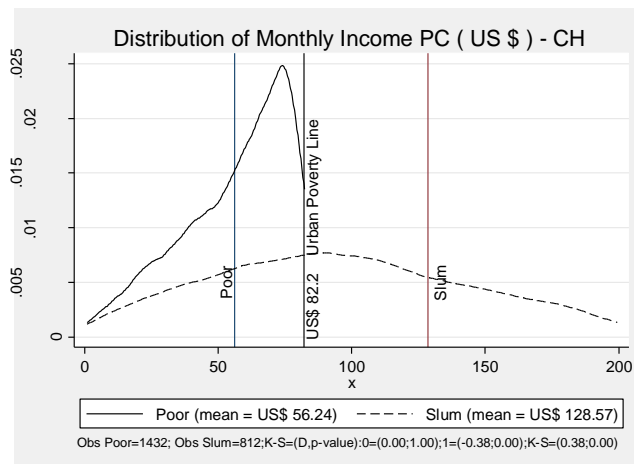
Graphic 1 - Distribution Monthly Income Per Capita - EL SALVADOR



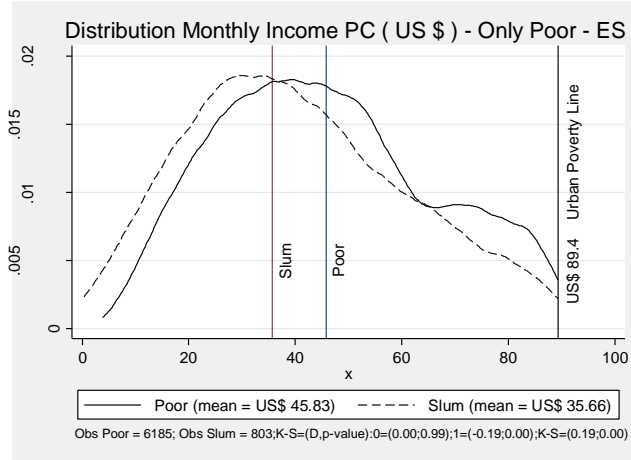
Graphic 2 - Distribution Monthly Income Per Capita – URUGUAY



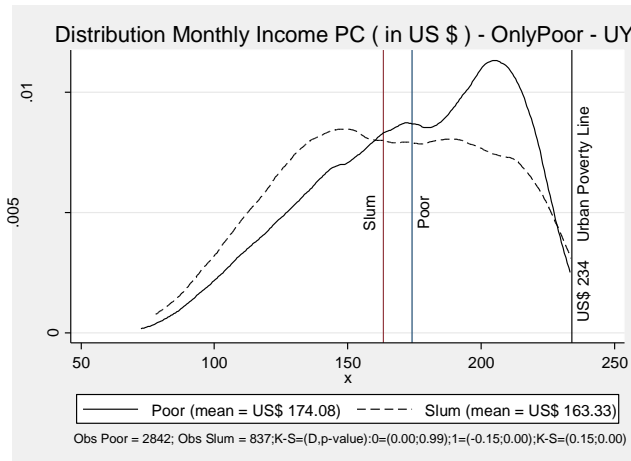
Graphic 3 - Distribution Monthly Income Per Capita - CHILE



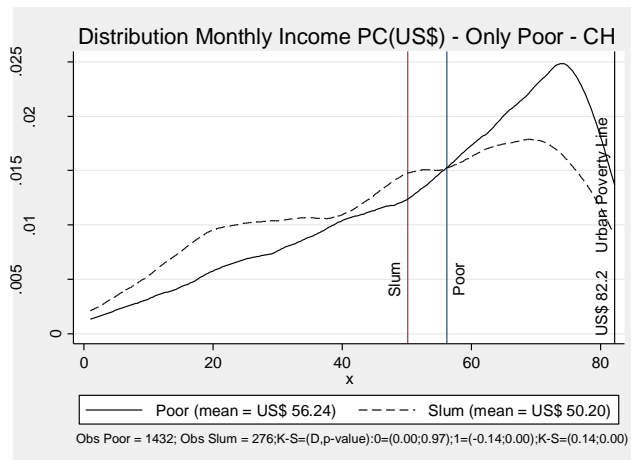
Graphic 4 - Distribution Monthly Income Per Capita – Only Poor – EL SALVADOR



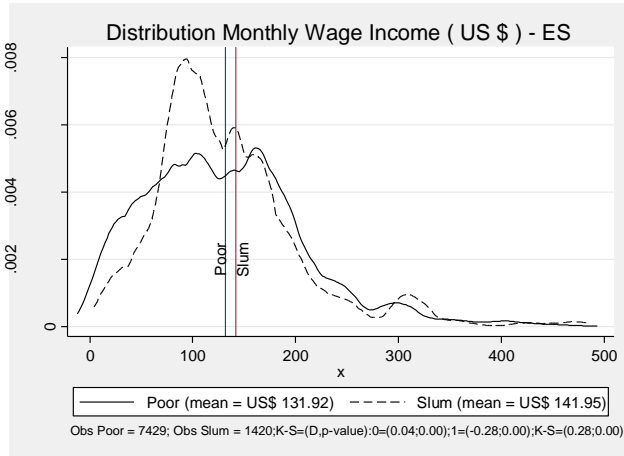
Graphic 5 - Distribution Monthly Income Per Capita – Only Poor – URUGUAY



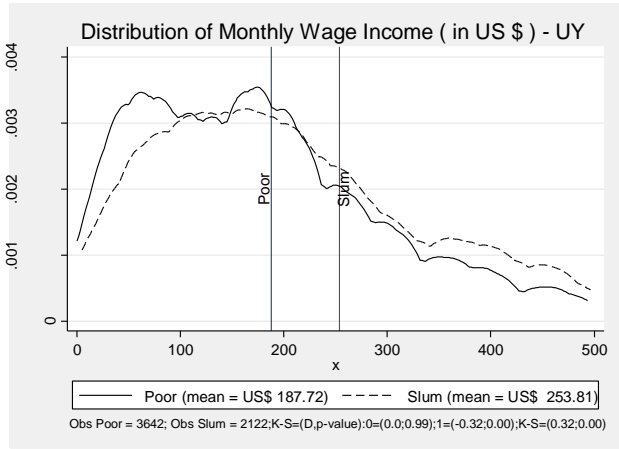
Graphic 6 - Distribution Monthly Income Per Capita – Only Poor – CHILE



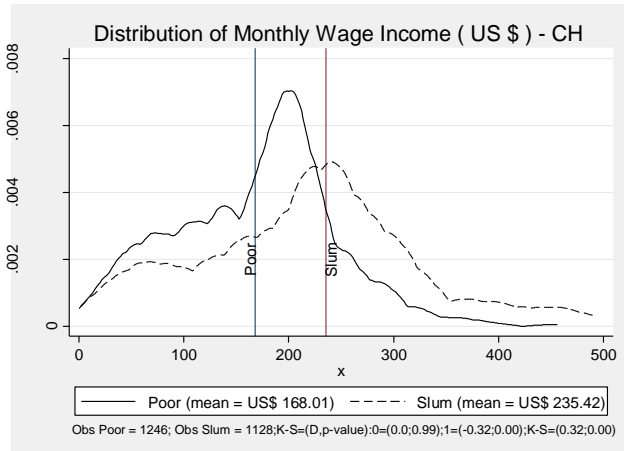
Graphic 7 - Distribution Monthly Wage Income – EL SALVADOR



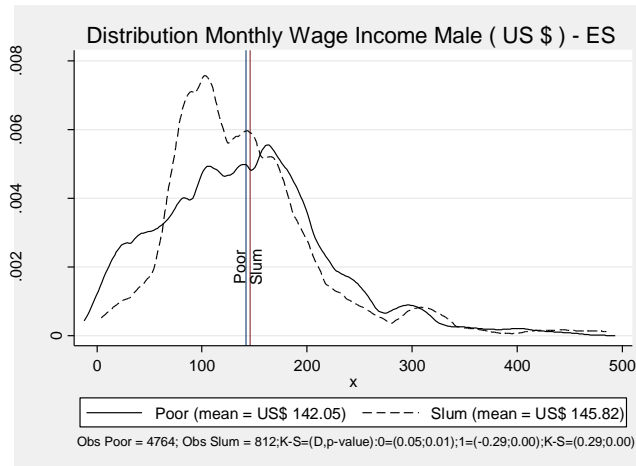
Graphic 8 - Distribution Monthly Wage Income – URUGUAY



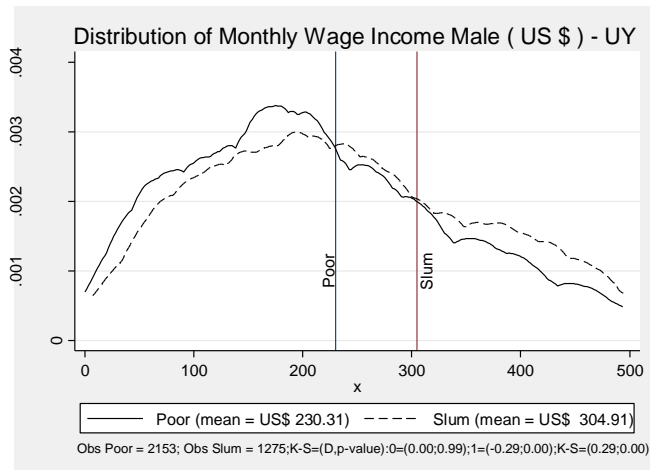
Graphic 9 - Distribution Monthly Wage Income – CHILE



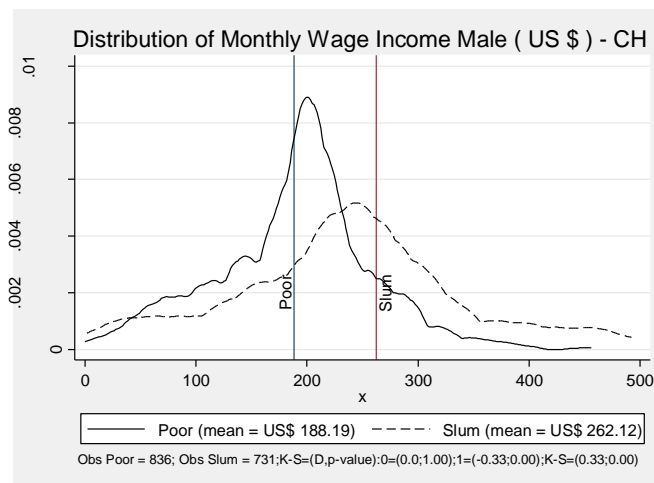
Graphic 10 - Distribution Monthly Wage Income – Male – EL SALVADOR



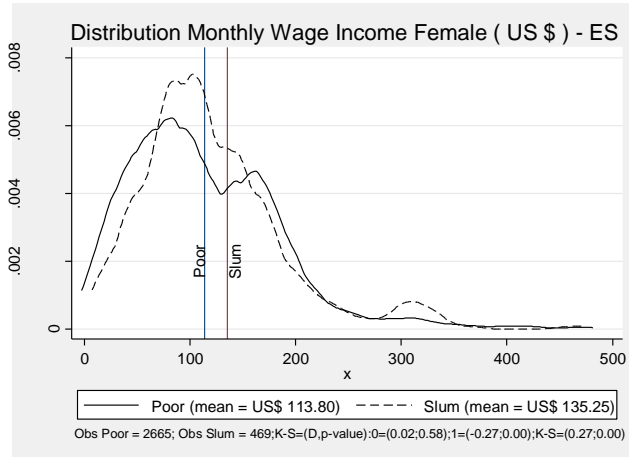
Graphic 11 - Distribution Monthly Wage Income – Male – URUGUAY



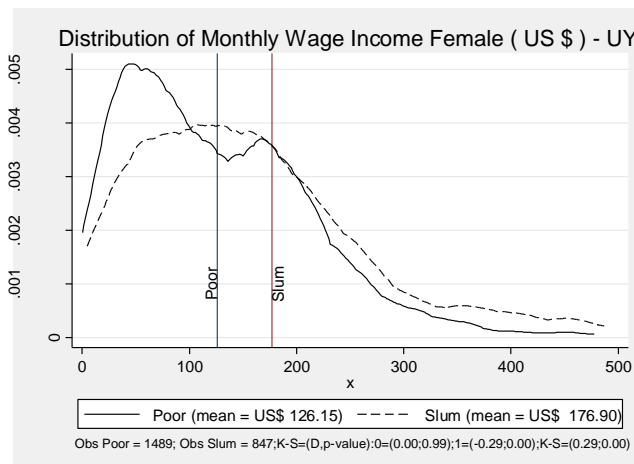
Graphic 12 - Distribution Monthly Wage Income – Male – CHILE



Graphic 13 - Distribution Monthly Wage Income – Female – EL SALVADOR



Graphic 14 - Distribution Monthly Wage Income – Female – URUGUAY



Graphic 15 - Distribution Monthly Wage Income – Female – CHILE

