

9. Poverty, working poor and income distribution indicator (KILM 20)

KILM 20. Poverty, working poor and income distribution

Introduction

Table 20 reproduces the indicators used for monitoring poverty reduction and progress toward the first UN Millennium Development Goal (MDG), namely the estimates of the population living below the international poverty lines of US\$1 and US\$2 a day. This is supplemented by other poverty measures, including the estimates of the population living below a nationally defined poverty line, and a new measure relating to the number of persons who work yet still live in a household whose members are estimated to be below the US\$1 or US\$2 a day poverty line, i.e. the “working poor”. Finally, the Gini index is included as a measure of income distribution. Separate estimates for men and women are not feasible, as it is not possible to estimate the actual distribution of consumption or income within the household from large-scale consumption surveys.

Information on poverty in table 20 relates almost entirely to developing economies because similar data simply do not exist for most high-income economies, where extreme poverty is a more rare occurrence. Eighty-three economies have at least one estimate of people living below the national poverty line from 1991 to present while 96 economies have an estimate of the US\$1 a day international poverty line for one year from 1991 up to present (70 from 2000 or later). However, only 31 countries in table 20 have complete figures for the national poverty lines (national, urban, rural) for two years, making it difficult to discern trends over time. Estimates based on the US\$1 and US\$2 a day international poverty lines are of relatively more recent origin and are only available for a few years

for most countries.¹ The Gini index is shown only for the countries where poverty information is available; however, this statistic is also available for many high-income economies from the original data repository (the World Bank). Estimates of the “working poor” – defined as the proportion of employed persons living in a household whose members are estimated to be below the poverty line – are also available for 96 economies.

Use of the indicator

The value of measures of poverty and income distribution lies in the information they provide on the outcome of economic processes at the national level, that is, as a reflection of the access of different groups of people to goods and services. The information relating to poverty shows the absolute number and the proportion of the population that has “unacceptably” low consumption or income levels, while the inequality series shows the disparity between different groups of people within a country in terms of consumption or income levels. Thus, the measurement of poverty is extremely important as an indication of the well-being and living conditions in a country. In addition, a poverty line helps focus the attention of governments and civil society on the living conditions of the people in poverty and can be used to gauge the need to devise public policies and programmes to reduce poverty and enhance the welfare of individuals within a society. Analysing information on poverty over time, when comparable, is crucial to monitoring any

1. When compiling the poverty data for table 20, a few observations on the international poverty line were discarded when the overall trend for a country series was deemed inconsistent over time.

increase or decrease as well as to assessing the results of poverty reduction programmes. Any assessment of poverty can also contribute to explaining its possible causes, an important step in finding a solution.

During the 1990s, a decade characterized by increased globalization and an increase in the number of market-based economies, poverty was increasingly recognized as a major challenge for the international community. The first of the UN MDGs² is to “eradicate extreme poverty and hunger”, with the specific target of halving the share of people in the world living on less than US\$1 a day between 1990 and 2015.³

While poverty in the developed world is often associated with unemployment, the extreme US\$1 a day poverty that exists throughout much of the developing world is largely a problem associated with persons who are employed. Recent research on the concept of the “working poor” – defined as the proportion of employed persons living in a household whose members are estimated to be below the poverty line – in developing economies has shown that the majority of people in poverty must work in order to survive and support their families in a context

where no efficient social protection schemes or social safety nets exist. (See box 20a for the world and regional estimates of the working poor.) For these poor workers, the problem is typically one of poor employment *quality*, including low wages and productivity. Thus, reducing overall poverty rates in line with the MDG necessitates fostering an enabling environment in which the employment opportunities and incomes of the working poor are improved.⁴

The poverty, working poor and inequality measures presented here focus on only one aspect of absolute and relative deprivation. They concentrate on personal income or private consumption and do not directly address deprivation related to other spheres, such as access to health care, education, employment, and social and political participation. A comprehensive analysis of poverty and inequality should include a link to these other dimensions, which are captured at least partially in some of the other KILM indicators. It might also be useful to look at information on poverty and inequality alongside estimates of per capita gross domestic product (GDP), to establish the extent to which low income levels are associated with, and compounded by, widespread poverty and inequality.

2. As part of the Millennium Declaration of the United Nations “to create an environment – at the national and global levels alike – which is conducive to development and the elimination of poverty”, the international community has adopted a set of international goals for reducing income poverty and improving human development. A framework of eight goals, 18 targets and 48 indicators to measure progress was adopted by a group of experts from the United Nations Secretariat, ILO, IMF, OECD and the World Bank. The indicators are interrelated and represent a partnership between developed and developing economies. For further information on the Millennium Development Goals, see <http://www.un.org/millenniumgoals/>.

3. The Millennium Development Goal on poverty is expressed in terms of shares. That is, the goal is to reduce by half the proportion of people living below US\$1 a day. Because populations tend to rise over time, a falling share of the poor population will not necessarily translate into a decline in the actual number of poor people.

Definitions and sources

Because of the multiple dimensions of poverty, there are various theoretical conceptions of measurement. Three are described below:

4. The ILO advocates placing employment at the heart of poverty reduction strategies, noting, in particular, that “it is precisely the world of work that holds the key for solid, progressive and long-lasting eradication of poverty”. ILO: *Working Out of Poverty*, Report of the Director-General, International Labour Conference, 91st Session (Geneva, 2003). For information on how the ILO’s Decent Work Agenda is essential to the achievement of the MDGs, see website: <http://www.ilo.org/public/english/bureau/exrel/mdg/>.

1. One common approach is to analyse information on monetary income or personal consumption as opposed to human development. The underlying information relates, in most cases, to personal consumption expenditure and, in only a few cases, to personal income. This is because obtaining information on income from surveys can be difficult and because such information may not fully reflect the “real” living standard of households. A drawback of measuring poverty in this manner is that household surveys often vary across countries and over time, thus reducing the comparability of the information (see “Limitations to comparability” below).

A key feature of using income or personal consumption as measures of poverty is the establishment of a poverty line, the predetermined level of income or consumption below which a person (or household) is considered to be poor. The incidence of poverty is typically measured as the fraction of the population whose consumption expenditure falls below this predetermined level. Many countries have adopted national income poverty lines, using thresholds based on the amount of income necessary to buy a specified quantity of food. Measurement of poverty using internationally comparable poverty lines is also useful because it allows poverty estimates to be developed on a global basis. The World Bank has established two international poverty lines, at US\$1 and US\$2 of consumption per person a day. The income distribution indicator, the Gini index, is a well known direct measure of inequality in income or consumption. It looks at the cumulative distribution of income or consumption (represented by the Lorenz curve) and estimates the extent to which it deviates from perfect equality.

2. A second perspective relies upon a “basic needs” approach and reflects deprivation in terms of material requirements for minimally acceptable fulfilment of human needs, including food and employment. The concept goes beyond the lack of income because it takes into account the need for basic health care and education, as well as essential services such as access to safe water. In addition to its Human Development Index, the United Nations Development Programme (UNDP) in 1997 introduced the concept of the Human Poverty Index (HPI) for developing economies.⁵ The HPI is a composite index that aims to capture the extent of deprivation in human life. It combines three dimensions – limitations of life expectancy, illiteracy and overall standard of living – for which information is available and comparable across countries.
3. The third approach, which combines elements of the two previous perspectives, is related to the capabilities required for a person to function in a particular society, under the assumption that a minimally acceptable level of such capabilities exists. This approach covers a wide range of capabilities, and can vary from the capability of being well nourished in a low-income economy to more complex social achievements in a high-income economy, such as the capability of gaining computer literacy (on the assumption that a person lacking computer literacy is likely to face difficulties in entering the labour market in a developed economy). Poverty is defined in terms of being out of the mainstream of a society, notably being outside the labour market. Poverty analysis from this angle has led to development of the concept of “social exclusion”.

5. For more information, see UNDP: *Human Development Report 2005* (New York, 2005); website: <http://www.undp.org/hdro/>.

Box 20a. World and regional estimates of working poor

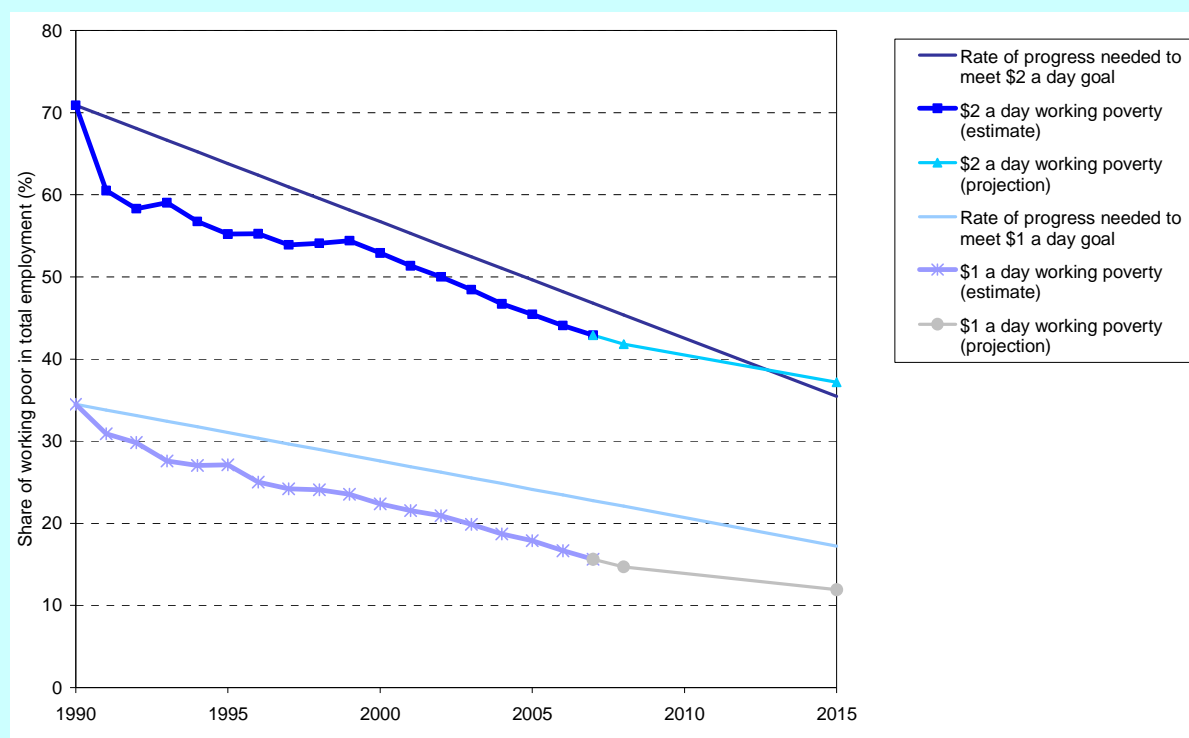
US\$1 working poor ('000s)	1996	2002	2003	2004	2005	2006*
WORLD	622'029	571'129	550'441	528'534	513'924	486'612
Central & South-Eastern Europe (non-EU) & CIS	11'267	5'306	4'821	4'403	3'535	3'133
East Asia	140'822	125'668	109'598	95'191	86'279	75'970
South-East Asia & the Pacific	48'837	41'707	40'792	39'672	38'599	36'683
South Asia	266'889	227'281	221'648	214'942	209'407	195'469
Latin America & the Caribbean	22'955	25'070	24'111	22'560	21'222	19'006
North Africa	1'202	1'005	992	965	954	927
Sub-Saharan Africa	128'636	143'221	146'080	148'363	151'135	152'222
Middle East	931	1'473	2'112	2'192	2'580	3'016
US\$2 working poor ('000s)	1996	2002	2003	2004	2005	2006*
WORLD	1'374'506	1'364'759	1'344'172	1'318'384	1'304'737	1'287'003
Central & South-Eastern Europe (non-EU) & CIS	49'518	41'996	38'711	37'523	36'213	34'889
East Asia	459'048	380'497	358'501	336'564	320'671	299'841
South-East Asia & the Pacific	136'288	139'990	139'599	139'263	139'041	137'259
South Asia	433'734	464'909	467'039	463'738	463'287	469'007
Latin America & the Caribbean	65'367	72'629	70'431	65'231	63'735	60'596
North Africa	22'088	24'423	24'664	25'186	25'442	24'494
Sub-Saharan Africa	192'772	223'174	228'695	234'453	240'086	245'043
Middle East	9'755	11'871	11'813	11'968	11'957	11'780
US\$1 working poor share in total employment (%)	1996	2002	2003	2004	2005	2006*
WORLD	25.0	20.9	19.8	18.7	17.9	16.7
Central & South-Eastern Europe (non-EU) & CIS	7.5	3.4	3.1	2.8	2.2	1.9
East Asia	19.5	16.4	14.2	12.2	10.9	9.5
South-East Asia & the Pacific	22.1	16.8	16.2	15.4	14.6	13.6
South Asia	56.6	42.4	40.3	38.6	36.8	33.5
Latin America & the Caribbean	12.1	11.4	10.7	9.8	9.1	8.0
North Africa	2.8	2.0	1.9	1.8	1.7	1.6
Sub-Saharan Africa	58.5	56.2	55.9	55.0	54.6	53.5
Middle East	2.3	2.8	3.8	3.8	4.3	4.9
US\$2 working poor share in total employment (%)	1996	2002	2003	2004	2005	2006*
WORLD	55.3	50.0	48.5	46.7	45.4	44.1
Central & South-Eastern Europe (non-EU) & CIS	32.8	27.2	25.0	23.8	22.7	21.7
East Asia	63.7	49.8	46.4	43.0	40.6	37.6
South-East Asia & the Pacific	61.6	56.4	55.3	54.1	52.6	51.0
South Asia	92.0	86.8	85.0	83.3	81.4	80.5
Latin America & the Caribbean	34.3	33.1	31.3	28.4	27.2	25.4
North Africa	51.7	48.6	47.4	46.4	45.1	42.2
Sub-Saharan Africa	87.7	87.6	87.5	86.9	86.7	86.2
Middle East	23.8	22.6	21.4	20.7	20.0	19.0

Source: ILO Trends Working Poverty Model (see box 3 in "Guide to understanding KILM" for more information on estimation methodology).
* 2006 preliminary estimates.

The MDG on poverty is to halve the share of people living on less than US\$1 a day in the total global population by 2015. The UN Millennium Development Goals Report 2006 acknowledges that despite significant increases in total poverty in sub-Saharan Africa, the improvements in extreme poverty numbers elsewhere, particularly in Asia, are substantial enough to indicate that the world is more or less on track to meet the poverty target set forth in this MDG. Given the strong correlation between poverty and working poverty, the figure below uses the ILO working poverty estimates to show that a goal of halving working poverty gives a similar result. Substantially more progress will be necessary to meet the target, however, to halve the share of working persons living below US\$2 a day, as is evident in the gap between the real US\$2 a day working poor share and the rate of progress necessary to meet this goal. At the current rate of progress – assuming no change – in 2015, the share of US\$2 working poor in total employment will be 5 percentage points above the target of 36 per cent.

Box 20a (continued)

Share of global working poor at US\$1 and US\$2 a day in total employment, 1990-2015



Based on the regional estimates given above, the trends in working poverty over the last decade point to a change in which regions are suffering the most from extreme working poverty. The Asian regions have seen a substantial reduction in the number of working persons living on less than US\$1 a day: as many as 148 million Asian citizens withdrew from the working poor category over the ten-year period, representing a drop of nearly 50 per cent. (See the figure below.) Meanwhile, sub-Saharan Africa's weak economic performance has resulted in an increase to the working poor number of almost 24 million over the last ten years. When looking at the share of working poor (at US\$1 a day) to the total employed population, however, one finds a slight decline in sub-Saharan Africa due to the fact that the employed population grew slightly faster than did the working poor population. The number of persons living on less than US\$1 a day also increased significantly in the Middle East, where that number more than tripled from 1996 to 2006. Although this represented a jump in the share of working poor from 2.3 to 4.9 per cent, the Middle East still maintained a relatively low share of working poor (at US\$1 a day) compared to other regions.

One way to look at labour underutilization is to consider those that are faced with decent work deficits, which at the very least includes the working poor. Suppose each working poor living on less than US\$1 a day is either underemployed (working less than desired) or has a very low productivity job (working long hours but not efficiently because of lack of education or equipment). These conditions, which are probable (see Chapter 1), indicate that these workers are underutilized as they are not in full and productive employment. Given this definition, labour underutilization would constitute 16.7 per cent of the working world. By extending the definition to using the US\$2 a day working poverty line and adding the unemployed, 1.5 billion people in the world – or 30 per cent of the world's working-age population – is labour supply that is potentially underutilized. (Note that this rough estimate excludes those who are inactive but could participate in the labour market – most notably discouraged workers, although these are harder to quantify.)

Box 20a (continued)

Working poor living on less than US\$1 a day, number and share in total employment, by region, 1996 and 2006



The data presented for national and international poverty lines and the Gini index were obtained from the set of World Bank development indicators.⁶ Three of the four data

6. National poverty lines were extracted from the World Bank: *World Development Indicators 2007*, CD-Rom (Washington, DC, 2007); website: <http://www.worldbank.org/data/wdi2007/>.

International poverty lines and the Gini index were downloaded from PovcalNet, an interactive web-based computational tool managed by the World Bank that allows users to replicate the calculations by the World Bank's researchers in estimating the extent of absolute poverty in the world. PovcalNet is available online at <http://iresearch.worldbank.org/povcalnet/>. It is important to note that alternatives to World Bank estimates of poverty do exist and the issue of "best" poverty estimation is a topic of debate in the research community. See, for example, the ILO study on alternative estimates of poverty, M. Karshenas: *Global Poverty: New National Accounts*

sets included in table 20 involve the use of poverty lines, with poverty rates calculated as the percentage of the population living below the line. National poverty lines are based on the World Bank's country poverty assessments, while international poverty lines are based on nationally representative primary household surveys conducted by national statistical offices or private agencies under government or international agency supervision, and obtained from government statistical offices and World Bank country departments. Estimates of the Gini index are also based on these sources and supplemented by the Luxembourg Income Study database for high-income economies.⁷

Consistent and Internationally Comparable Poverty Estimates, ILO mimeo (Geneva, 2002).

7. For additional information regarding the Luxembourg Income Study, see website: <http://www.lisproject.org/>.

The **national, urban and rural poverty lines** are specific to each country. Several factors may have influenced the choice of poverty threshold, such as nutritional requirements, basic consumption needs or minimum acceptable consumption levels. The population below country-specific poverty lines cannot readily be compared between countries. Also, over time, these poverty lines may have been changed to take account of new developments or new data, casting doubts on comparability over time as well.

The **international poverty lines** use a sum of money in constant US dollars, converted into a sum of money for the country concerned using purchasing power parity (PPP) rather than the exchange rate. A good example is the widely cited poverty line of US\$1 a day at 1993 international prices.⁸ This is converted into an equivalent amount in the currency of the country in question, using the PPP measure. This measure has the virtue of allowing comparisons over space and time, but it may be too low (or too high) in the context of a particular country.

The third data set for the indicator, the **Gini index**, is a convenient and widely used measure of the degree of income inequality. It measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within a country deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative percentages of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and the hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line.⁹ The Gini index has a value of zero for

perfect equality of incomes and 100 for perfect inequality. As with all summary measures, it cannot fully capture differences between countries and over time in the cumulative share of different clusters (fractals) of the population in income or consumption, which is represented by the Lorenz curve.

Finally, the **working poor** are defined as individuals who are working but who also fall below an accepted poverty line. The ILO calculates upper- and lower-bound estimates of the working poor. Upper bound estimates are calculated using the equation: ($working\ poor_u = poverty\ rate * population_{15}$), where $population_{15}$ is equal to the population aged 15 and above. The lower-bound estimate of the working poor is calculated using the equation: ($working\ poor_l = poverty\ rate * labour\ force_{15}$), where $labour\ force_{15}$ is the labour force aged 15 and above. The key assumption behind using labour force in the lower-bound estimate is that all of the poor of working age and in the labour force are employed. This assumption is made because in countries where social safety nets do not exist, poor individuals must work in order to maintain a subsistence level of living.¹⁰ The working poor data presented in the KILM table 20 are based on a weighted-average of the data derived using the two methodologies (i.e. a weighted average of the upper bound estimates and the lower bound estimates).

The working poor definition is consequently based on poverty data (the international poverty line at US\$1 or US\$2 a day as shown in table 20), but it also takes into account countries' specific labour market characteristics, such as the size of the working-age population and the labour force

8. The international poverty lines are US\$1.08 a day and US\$2.15 a day at 1993 international prices (equivalent to US\$1 and US\$2 at 1985 prices, adjusted for purchasing power parity (PPP) by the World Bank).

9. Readers may wish to consult other sources for additional information and alternative measures of inequality. See, for example, H. Tabatabai: *Statistics on Poverty and Income Distribution: An*

ILO Compendium of Data (Geneva, ILO, 1996); and the World Income Inequality Database (WIID) of the United Nations University at website: <http://www.wider.unu.edu/wiid/wiid.htm>.

10. For more information on ILO working poverty estimates, see S. Kapsos: "Estimating growth requirements for reducing working poverty: Can the world halve working poverty by 2015?", Employment Strategy Paper, No. 14 (Geneva, ILO, 2004); website: <http://www.ilo.org/public/english/employment/strat/download/kps01.pdf>.

participation rate. By combining these labour market factors with poverty data, working poverty estimates give a clearer picture of the relationship between poverty and employment than that provided by using standard poverty data alone. Because of the important linkages between employment and poverty, evaluating these two components side by side also provides a more detailed view of the incidence of poverty throughout the world.

Limitations to comparability

Cross-country comparisons should not be made using national poverty lines, as these do not reflect any single agreed-upon international norm on poverty. However, when the focus is narrowed to one country and the same poverty line has been used consistently over time, analyses of trends and patterns of poverty may be safely undertaken.

At the country level, comparisons over time may be affected by such factors as changes in data collection procedures or fluctuations in levels of economic activity due to poor harvests, natural disasters or other short-term factors. Again, several country studies have shown that poverty does indeed vary, with both agricultural conditions and the occurrence of natural and economic disasters, and that the membership of the poor group may change from year to year, as some individuals climb out of poverty while others fall into it.

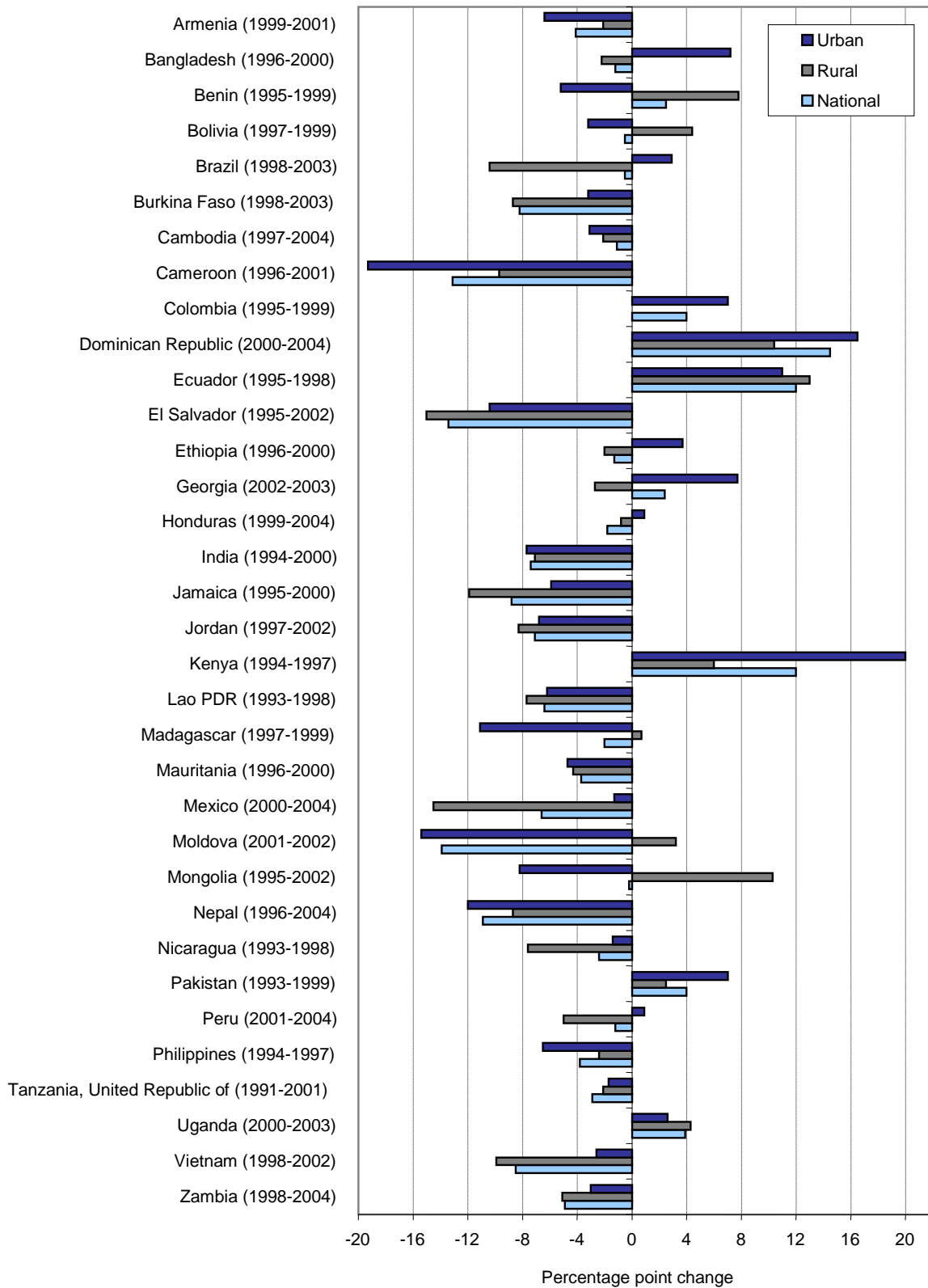
In the case of estimates based on an international poverty line, the use of PPP, rather than exchange rates, ensures that the prices of non-traded goods are taken into account. However, it cannot be categorically asserted that two people in two different countries, consuming at US\$1 (or US\$2) a day, face the same degree of deprivation or have the same degree of need. Apart from the well-known problems in economics in making interpersonal comparisons of welfare, there are other problems, such as rural-urban price differentials, which may or may not have been taken into account. One estimate may relate to consumption and the other to income, and a

daily income of US\$1 (or US\$2) may permit less consumption than a daily consumption expenditure of the same amount. The adjustments that are often made to convert income estimates into consumption estimates also impart bias to the resulting consumption distributions. Again, the extent of non-market activity and the way in which non-market production and consumption are valued in the two hypothetical countries could substantially hamper comparability.

Even if measurements of poverty using international poverty lines were perfect, several unanswered questions would remain. For example, is a person with a particular consumption level (say US\$1 a day) in a poor country better or worse off than a person with the same consumption level in a rich country? Or is a person receiving US\$1 a day worse off if he or she lives in a country that has high inequality?

The Gini index, in principle, makes it possible to compare inequality levels in different countries and over time, without defining a particular poverty line, national or international. In practice, however, it involves other problems of comparability. The index is calculated from survey data, which may relate to income or consumption. It is well known that, if both consumption and income information were available in the requisite detail, the Gini index would show greater inequality of income than of consumption. Whether the index is based on income or consumption is made clear in the notes to the tables, and it is important for users to bear the distinction in mind when attempting to make comparisons. The cumulative distributions of consumption or income used in constructing the index relate to per capita levels, and the percentiles are of population, not households. Apart from possible weaknesses in the quality of the underlying consumption or income data, the adjustments made to convert the index into a cumulative distribution of the population may introduce additional bias or error into the estimates. Nevertheless, despite these numerous imperfections, the index is very useful for studying trends in inequality across space and time.

Figure 20a. Percentage point change in proportion of population living below the national poverty line, earliest to latest years



Trends

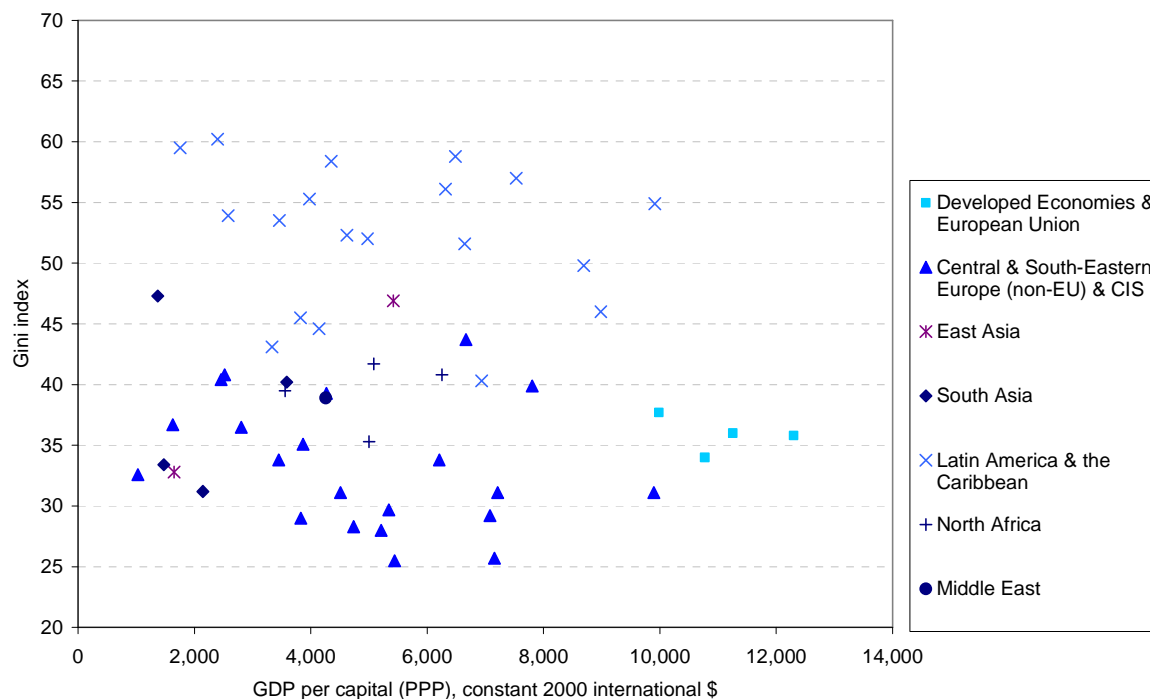
Of the 31 countries for which multiple observations are available, the national population living below the national poverty line increased in eight countries. The largest increase in national poverty – 14.5 percentage points – was seen in the Dominican Republic between the years 2000 and 2004. More heartening results, however, were evident in the decreases in poverty seen in the remaining

countries for the same period. Poverty decreased by more than 10 percentage points in Nepal, Cameroon, El Salvador and Moldova. While the share of the population below the poverty line remained higher in rural than in urban areas in the majority of countries, the percentage point changes of the rural-urban specific rates suggest a pattern of improvement between the urban and rural zones in recent years, whereby poverty is falling more in rural areas than in urban centres.

Figure 20b. Countries with “severe” or “severe-to-moderate” poverty, with working poor estimates and the Gini index, latest years (2000 onwards)

	Population (%) below international poverty line	Severe poverty : more than 50 per cent of the population living below US\$1 a day		
		Working poor (%)	Gini Index	
	Uganda (2002)	82.3	87.4	45.8
	Nigeria (2003)	71.2	82.9	43.6
	Cambodia (2004)	66.0	75.4	42.9
	Madagascar (2001)	61.0	70.4	47.5
	Rwanda (2000)	60.3	71.7	46.7
	Tanzania, United Rep. of (2000)	57.0	62.9	34.6
	Haiti (2001)	52.9	68.6	59.5
	Zambia (2004)	60.0	75.5	50.7
	Uganda (2002)	95.7	95+	45.8
	Nigeria (2003)	92.3	95+	43.6
	Tanzania, United Rep. of (2000)	90.2	94.8	34.6
	Cambodia (2004)	89.8	93.2	42.9
	Rwanda (2000)	87.8	95+	46.7
	Madagascar (2001)	85.1	92.4	47.5
	Zambia (2004)	84.9	95+	50.7
	Bangladesh (2000)	84.2	91.1	33.4
	Nicaragua (2001)	81.6	91.3	43.1
	Swaziland (2000)	77.7	95+	50.7
	Haiti (2001)	77.6	89.8	59.5
	Ethiopia (2000)	76.6	88.1	30.0

Figure 20c. GDP per capita at purchasing power parity (PPP) and the Gini index, by regional grouping



The incidence of “severe” poverty, where people have to live on less than US\$1 a day, was above 50 per cent in eight countries for which at least one observation was available after 1999. All countries with severe poverty are in Eastern and Western Africa (except Haiti and Cambodia), which confirms the fact that a large part of the population on the African continent faces extremely poor living conditions. It is also interesting to note that in seven of these eight countries the Gini index was above 42 – meaning a 42 point deviation from perfect equality on a scale from zero to 100. As seen in this table, 13 countries had more than 75 per cent of the population facing “severe-to-moderate” poverty, i.e. living on less than US\$2 a day. These countries are located in Eastern and Western Africa, South-East and Central Asia, and Central America.

Considerable inequalities in consumption levels exist, especially in Latin America & the Caribbean and sub-Saharan Africa. Most countries with a Gini index above 40, which characterizes relatively high inequality, are located in these regions (as well as in a few countries in Asia & the Pacific and the Commonwealth of Independent States). In sub-Saharan Africa, the incidence of inequality tends to be high even though GDP per capita is low at below US\$3,000 (at constant 2000 international dollars) in most countries. It is difficult to discern a trend in the GDP per capita of a country and how income is distributed across the country. There is great dispersion in Gini indices at similar levels of wealth, implying that different consumption levels within a country cannot be explained by the size of available national income alone.