

Table 1. Variable Descriptions, Data Sources and Hypothesized Effects for the Analyses of Income Inequality

| Variable | Description | Hypothesis |
|---|---|------------|
| Dependent Variables | | |
| Gini Coefficient | The Gini coefficient. ^{a, b} | |
| Independent Variables | | |
| <i>Methodological Controls</i> | | |
| Household Indicator | Coded 1 for Gini observations based on household income and 0 for values generated using individual per capita income. ^{a, c} | - |
| Income Indicator | Coded 1 for Gini observations that are calculated using income to measure inequality and 0 for consumption-based estimates. ^{a, c} | + |
| <i>Economy and demography</i> | | |
| GDP Per Capita | Gross domestic product per capita in 1000's of constant purchasing power parity dollars. ^{k, d} | - or none |
| Sector Dualism | The absolute difference between the percent of the labor force in agriculture and agriculture as a percent of GDP. ^{d, e, f, g} | + |
| Employment in Agriculture | Employment in agriculture as a percent of total employment. ^{d, e, f, g} | + |
| Inflation | Annual percentage change in consumer prices. ^m | + |
| Informal Sector | Trichotomous measure of informal sector size (low, medium, high). ^o | + |
| Youth Population | Population aged 0 to 14 as a percentage of total population ^d | + |
| Land Distribution | Gini coefficient of land distribution. ^l | + |
| <i>Education</i> | | |
| Net Secondary School Enrollment Ratio | The ratio of the number of children of official secondary school age who are enrolled in school, to the population of the corresponding age. ^d | - |
| <i>Foreign Direct Investment</i> | | |
| Inflows | Net inflows of foreign direct investment as a percent of gross capital formation. ^d | + |
| Inward Stock | Inward investment in stock as a percent of GDP. ^h | + |
| <i>Politics</i> | | |
| Democracy | Regime type: non democracy = 0, restricted democracy = .5, and full democracy = 1, score cumulative from 1945 to date of observation. ⁱ | - |
| Left Parties | Proportion of seats in lower house that are held by left and center-left parties. Cumulative from 1945 to date of the observation. ⁿ | - |
| Center Parties | Proportion of seats in lower house that are held by center parties. Cumulative from 1945 to date of the observation. ⁿ | No Effect |
| Right Parties | Proportion of seats in lower house that are held by right and center-right parties. Cumulative from 1945 to date of the observation. ⁿ | + |
| <i>Social Spending</i> | | |
| Health and Education (cumulative average) | Cumulative average of government spending on health and education as a percent of GDP. ^j | - |
| Social Security and Welfare | Government spending on social security and welfare as a percent of GDP. ^j | + |

Sources: a.) Deininger and Squire (1996) b.) Londono and Szekely (1997); c.) Morley (2001); d.) World Bank World Development Indicators CD (2003); e.) International Labor Organization's Online Labor Statistics (<http://laborsta.ilo.org>); f.) ECLAC's Statistical Yearbook on Latin America and the Caribbean (various years) g.) Alderson and Nielson (1999); h.) UNCTAD Handbook of Statistics, CD version (2002) and United Nations Centre on Transnational Corporations (1985); i.) Rueschemeyer, Huber Stephens, and Stephens (1992); j.) IMF's Government Finance Statistics Yearbook (various years) and IMF's International Financial Statistics CD and Yearbook (various years); Cominetti 1996; Cepal <http://www.eclac.cl/badeinso/Badeinso.asp>; k.) Penn World Table Version 6.1; l.) Calculations by authors using data from the Food and Agriculture Organization (various years); m.) IMF's International Financial Statistics CD and Blyde and Fernandez-Arlas (2004); n.) adapted and expanded by the authors from Coppedge (1997); o.) Calculations by authors based on data from the International Labor Organization (various years) and Portes (1995)