Appendix D. Within-country income differences and early development of ancestors

This appendix provides background material to the discussion in Putterman and Weil (2010), Section IV.C, regarding the degree to which differences in current income or socioeconomic status and differences in the early development of ethnic and racial groups' ancestors align or do not align within countries. The ten countries with the highest standard deviation of the early development indicator *statehist* (state history of 1500) plus the United States, which has the 17th highest standard deviation of *statehist*, are discussed in order of magnitude of the standard deviation. Federico Droller, Isabel Tecu, and Ishani Tewari contributed to the preparation of this appendix.

#1 Fiji   (S.D. of *statehist*: .346)

	Percent population (Narsey 2006)	Percent population (Matrix)	Average *statehist*	Average weekly household income pAE ($)
Fijian	55.0%	52.1%	0.000	56.88
Indo-Fijian	41.0%	45.0%	0.688	59.76
Other[1]	4.0%	2.9%	0.745	89.00
All	100%	100 %	0.331	59.51

According to data from "The Report on the 2002-2003 Household Income and Expenditure Survey" (Narsey 2006), published by the Fiji Islands Bureau of Statistics, Fiji supports our hypothesis perfectly. Indigenous Fijians have the lowest *statehist* index (0) and the lowest household income per adult equivalent ($56.88). Indo-Fijians, who make up another large part of the population, have higher *statehist* (0.688) and also slightly higher incomes ($59.51). Other ethnic minorities have Chinese and European ancestors, their average *statehist* index is higher than that of Fijians and Indo-Fijians (0.745) and their income is considerably larger than that of the rest of the population ($89.00). The Report is further concerned about under-reporting of incomes by Indo-Fijians and other ethnic groups: "Given that Indo-Fijians and Others dominate the commercial life of Fiji, the average income of Indo-Fijians and Others are likely to be under-estimated by the HIES results. If adjustments could be made for under-reporting of incomes, the incomes of Indo-Fijians and Others would probably rise proportionately more than that of Fijians, especially at the top end." (Narsey 2006, page 3)

Ethnic Composition

Narsey 2006: See table above.

CIA 2008: "Fijian 54.8% (predominantly Melanesian with a Polynesian admixture), Indian 37.4%, other 7.9% (European, other Pacific Islanders, Chinese) (2005 estimate)"

Relative Incomes

2002-2003 Household Income and Expenditure Survey: See table above.

References

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[1] Mainly European, Chinese

 # 2 Cape Verde   (S.D. of *statehist*: .301)

	Percent population (1950 Census)	Percent population (Matrix)	Average *statehist*
Creole (mulatto)[2]	71%		0.473
African	28%	58.6%	0.142
White	1%	41.4%	0.723
All	100%	100%	0.424

Cape Verde's society is mainly mulatto and shaped by its history in the slave trade. The society appears relatively homogenous in that conflicts along ethnic lines seem to be absent, a large part of the population identifies itself as nothing but Cape Verdean, and political parties are not divided between different ethnic groups (Ames et al. 2003). Nevertheless, some sources, e.g. CIA Factbook (2008), continue to identify distinct Creole, African and White groups. While we were unable to find income estimates by ethnicity, around the time that Cape Verde gained independence from Portugal (1975), the society was described as being stratified along color lines, with Meintel (1984) observing that people of darker complexion were usually found in the lower class and people of light complexion constituted the bourgeoisie. Lobban (1995) observes that "even in the postcolonial situation … consciousness [of cultural and racial categories that have evolved from the earliest feudal relations, the slave system, and colonial society] has helped to maintain some degree of socioeconomic stratification." Since the Portuguese settlers had a much higher *statehist* index than the Africans who came to Cape Verde, the correlation between complexion and socioeconomic class is consistent with our hypothesis.

Ethnic composition

Lobban 1995, citing Census 1950: Creole (mulatto) 69.1%, African 28.8%, White 2.1%.

CIA 2008: Creole (mulatto) 71%, African 28%, European 1%.

Further source notes

Results of the Afrobarometer Survey administered in 2002 , published in Ames et al. 2003: "Ethnic, racial, and religious disputes seem to be absent. Asked to self-identify with a sub-national group, nearly a majority could not; i.e., they refuse to identify themselves as anything other than Capeverdean." (Ames et al. 2003, p. 2)
"Another distinct trait is the existence of political parties based not on tribal or ethnic rivalries but, especially in their early days, on altogether different views about how the economy should be handled and how social problems should be attacked. Even though ideological differences have blurred considerably, especially since PAICV's new government, no religious or ethnic cleavages lie behind political parties in Cape Verde. The nation has an ethnically, religiously,

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[2] 57% Portuguese, 43% African.

and racially homogenous population, formed mostly by miscegenation between Portuguese and Africans." (ibid. p.5)
"Internal rivalries between ethnic groups are also missing. Tribal disputes or open conflicts based on race or ethnicity are nonexistent. No political party, for example, defends the specific interest of a race or religion. Political conflict is carried out over issue-specific disputes and class cleavages more than any other source of cleavage." (ibid. p. 18)

Meintel 1984:
"Bourgeoisie: *Gente braca*, in popular parlance. This class is represented by landowners engaged in market production and commerce, with close ties to Portugal and / or the United States. By class and origin and interests, a number of colonial bureaucrats might be placed in this class. Most are very light in complexion and are considered "white", and many have ties to the old plantocracy. Some of this class emigrated after independence; most remained, though the class has lost its politically hegemonic position.
Petty bourgeoisie: Shopkeepers, clerks, most bureaucrats and professionals, schoolteachers, owners of small commercial enterprises based entirely in Cabo Verde. Most are mulattoes, lighter in color than the general population.
Popular class: *O povo* [the people]. This class includes peasants, i.e., agriculturalists whose main source of livelihood comes from the produce of their own land, and the rest from renting, sharecropping, or practicing a craft. It also includes proletarians, such as fishermen and agricultural laborers or tenants who do not own their means of production (i.e., boats, land); and domestic servants, urban laborers, and others with no stable source of livelihood. Most are considered black or dark mulatto." (Meintel 1984, p. 108)

Lobban 1995:
"The social structure of Cape Verde should be understood, in part, in terms of its historical evolution. The previous chapter described the earliest feudal relations, the slave system, and colonial society. Though these epochs are over, it is very clear that the modern social strata and today's cultural and racial categories have evolved from these earlier relationships." (p.50)
"Cape Verdians certainly recognize and operate within a broad array of racial categories. One result of this was the division of their own communities to the advantage of colonialsm. Eevn in the postcolonial situation, such consciousness has helped to maintain some degree of socioeconomic stratification." (Lobban 1995, p.57)

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 # 3 Guyana   (S.D. of *statehist*: .293)

	Percent population (Census 1980)	Percent population (Matrix)	Average *statehist*	Average monthly consumption expenditures 1993 (G$)	Average monthly consumption expenditures 1999 (G$)	Poverty Headcount Index 1993 (%) (LSMS survey 1993)	Poverty Headcount Index 1999 (%) (LSMS survey 1999)
East Indian	51.9%	54.0%	0.677	22,372	46,338	33.7	31.3
Black	30.8%	39.0%	0.142	22,072	61,708	43.0	28.8
Amerindian	5.3%	5.0%	0.000	15,302	26,219	87.5	86.5
Mixed[3]	11.2%		0.410	22,350	50,232	44.7	44.4
Chinese	0.3%	0.7%	0.906	35,730	64,331	n.a.	n.a.
Portuguese	0.4%	1.3%	0.723	27,635	28,459	n.a.	n.a.
All	100%	100%	0.439	21,967	50,353	43.2	36.4

Gafar (2003) cites a draft report entitled "Poverty Profiles in Guyana 2000" prepared for UNDP by the Institute of Development Studies, University of Guyana. The study looks at average monthly consumption expenditures as a measure of welfare. The poorest group in Guyana are Amerindians (monthly consumption expenditures G$15,302 in 1993) and they also have the lowest *statehist* index (0). They are followed by East Indians and Blacks both in terms of consumption expenditures and *statehist* index. Blacks have a lower *statehist* index than East Indians (0.142 vs. 0.677) and were the poorer of the two groups in 1993 (G$22,072 vs. G$22,372). At the top end of the distribution are Portuguese and Chinese households (G$27,635, G$35,730, respectively), which also had the highest *statehist* indices (0.723 and 0.906 resp.) However, the ranking of ethnic groups appears to have changed since 1993 (see table above), with the monthly consumption expenditure of Blacks rising above that of all but Chinese. Gafar tries to explain why Blacks outstripped the East Indians between 1993 and 1999: "One explanation for this is that Blacks are better educated, and for historical reasons they have greater access to regular and better paying public sector jobs. Public sector wages increased considerably during 1992-2000, and since Blacks are mainly employed in the public sector, this partly explains the reduction in Black poverty." An exodus of the more prosperous Portuguese-descended families could have contributed to the low expenditures shown for remaining Portuguese in 1999.[4] Putting as much weight on the 1993 as on the 1999 numbers, our Table 6 categorization places all except the Chinese and Amerindian groups in a middle category that we feel unable to confidently distinguish, assigning the Chinese to high and the Amerindian to low income categories as can be done unambiguously from both sets of survey numbers.

Ethnic composition

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[3] ½ East Indian, ½ African

[4] In private communication, Gafar noted that 'Between 1993 and 1999 there was massive emigration of the middle class, shop owners, professionals---and Portuguese belonged that class.' It is possible that only the poorest individuals of Portuguese ancestry remained, accounting for the sharp decline in the reported income for this group.

Beaie 2007: See table above.

CIA 2008: "East Indian 50%, black 36%, Amerindian 7%, white, Chinese, and mixed 7%"

Library of Congress 1992: "In the 1980s, 51 percent of the population Indo-Guyanese (descended from immigrants from India), 42 percent Afro-Guyanese (of African or partial African descent), 4 percent Amerindian (descended from indigenous population), and less than 3 percent European or Chinese"

Relative Incomes

Gafar 2003: See table above. (Poverty Headcount 1993 also published in World Bank Report No. 12861-GUA, 1994)

Encyclopedia Britannica 2008:
"The Chinese and Portuguese also entered originally as agricultural labourers but are now rarely found outside the towns. They are active in business and the professions, and their influence is disproportionate to their numbers; they have not been increasing, however, and together they constitute only a tiny percentage of the population."

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#4 Panama   (S.D. of *statehist*: .292)

	Percent population (Fearon 2003)	Percent population (matrix)	Average *statehist*	Relative income
Mestizo[5]	68.0%		0.281	middle class / lower class
mixed West-Indian (Black)	13.0%	13.0%	0.150	mainly lower class, some middle class; "United States' canal policies placed the Antillean workforce at a lower pay scale; the effects are said to still be felt today in the poverty of most Antillean Blacks in the Canal Zone;" "Panamanian society continues to treat them as second-class citizens"
Amerindians	6.0%	35.7%	0.000	"83 percent of indigenous people live below the poverty line, as compared with one third of the ethnically non-indigenous population "
Europeans	10.0%	45.2%	0.578	elite / middle class
Middle Eastern		0.6%	0.529	middle class
Chinese	2.0%	1.5%	0.906	middle class
East Indian		4.0%	0.677	
All	100%	100%	0.325	

Exact figures for income levels of all different ethnic groups in Panama could not be obtained from the country's statistics. However, a study looking at the poverty of indigenous populations using LSMS data finds that poverty is much more prevalent among indigenous people than among non-indigenous ones. This is broadly consistent with the prediction that Amerindian peoples should be the poorest group since they also have the lowest *statehist* index (0). Blacks have the next lowest *statehist* index (0.150) and are described as belonging mostly to the lower class in Library of Congress (1987), with a few exceptions that belong to the middle class. The same source also states that mestizos are the predominant ethnic group in the middle class, although some belong to the lower class as well. If we estimate the *statehist* index of mestizos to be the average of that of Spanish immigrants and Amerindians, this ranking in society will match their ranking with respect to *statehist*. On the upper end of the distribution are European, Middle Eastern and Chinese immigrants, who originate from countries with much higher *statehist* values and who are found in the Panamanian Middle Class. The Elite consists of old Spanish families,

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[5] 50% Amerindian, 50% Spanish.

said to have avoided racial mixing, and a few recent immigrant families, and therefore having an average *statehist* index higher than the middle class, and a lot higher than the lower class.

Ethnic composition

CIA 2008: "mestizo (mixed Amerindian and white) 70%, Amerindian and mixed (West Indian) 14%, white 10%, Amerindian 6%".

Library of Congress 1987: "Spanish-speaking mestizos, representing the vast majority of inhabitants; English-speaking Antillean blacks, constituting approximately 8 percent of the population; and tribal Indians, making up about 5 percent of the population. Mestizos originally identified as people of mixed Indian-Spanish heritage, but term now refers to any racial mixture where the individual conforms to the norms of Hispanic culture. Also some unmixed Caucasians."

Data from Fearon 2003: "MESTIZO .68, blacks .13, White .1, indigenous peoples .06, Chinese .02"

Siu 2005, p.33: "With an estimated 175,000 Chinese living in the Republic, they make up about 6.5 percent of the total population of 2.7 million." [Note:] "This is a conservative estimate provided by the Chinese Association of Panama. On the other hand, the Commission of Overseas Chinese Affairs estimated 103,500 Chinese in Panama (1997). Population estimates range depending on how Chinese ethnicity is defined, and numbers can span anywhere between 100,000 and 250,000 . The Chinese Association estimated 175,000 based on information collected by native place associations. It does not include those who fall outside of these associations, including many racially mixed Chinese and some recent immigrants. Moreover, the category of ethnic Chinese is a contested one, and estimates of the "Chinese" population vary depending on how ethnic Chineseness is defined. In the recent years, with changing constructions of Chinese ethnicity, more and more racially mixed Chinese who previously did not identify Chinese are beginning to reclaim their ethnic roots. If ethnicity is based on self-identification, the numbers surely will fluctuate over time and depend on social context."

Relative Incomes

Vakis and Lindert 2000:
"Poverty among indigenous groups in Panama is abysmal. Using the language definition of ethnicity,' some 83 percent of indigenous people live below the poverty line, as compared with one third of the ethnically non-indigenous population (TableA 2.4). Extreme poverty is also much more prevalent among the indigenous: 70 percent of indigenous people cannot satisfy their minimum daily caloric requirements even if they allocated all of their consumption to food, as compared with 13 percent of the ethnically non-indigenous living in extreme poverty." (Vakis and Lindert 2000, p.6)

Library of Congress 1987:

"[The elite] was composed of old families of Spanish descent and a few, newer families of immigrants. … The middle class was predominantly mestizo, but it included such diverse elements as the children and grandchildren of black Antilleans, the descendants of Chinese laborers on the railroad, Jews, more recent immigrants from Europe and the Middle East, and a few former elite families fallen on hard times. … Ethnically, the lower class had three principal components: mestizo migrants from the countryside, children and grandchildren of Antillean blacks, and Hispanicized blacks--descendants of former slaves. The split between Antillean blacks and the rest of the populace was particularly marked. Although there was some social mixing and intermarriage, religious and cultural differences isolated the Antilleans. They were gradually becoming more Hispanicized, but the first generation usually remained oriented toward its Caribbean origins, and the second and third generations were under North American influence through exposure to United States citizens in the former Canal Zone where most were employed. Although some Antillean blacks were middle class, most remained in the lower class."

Minorities at Risk Project 2008:
"The United States' canal policies placed the Antillean workforce at a lower pay scale; the effects are said to still be felt today in the poverty of most Antillean Blacks in the Canal Zone. … Three "Black Panamanian congresses" were held throughout the 1980s; the last mainly addressed the task facing all Panamanians in rebuilding after the American withdrawal, but all three have pointed out that Panamanian society continues to treat them as second-class citizens … ."

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#5 Paraguay   (S.D. of *statehist*: .291)

	Percent population (based on language, census 2000)	Percent population (Matrix)	Average *statehist*	% 0-2 rooms	% 3-5 rooms	% > 5 rooms	Relative standing in society
Mestizo (Guaraní & Spanish speaking households)[6]	94.7%		0.281	48.3%	46.1%	5.6%	Spanish-only speakers least poor, Guarani-only speaker poorest, bilingual speakers in between
Spanish		46.8%	0.562				
Indigenous	1.1%	46.1%	0.000	94.8%	5.2%	0.1%	"accounted for roughly 10 percent of the poorest segment of Paraguayan society"
European, non Spanish	3.8%	5.5%	0.749	23.7%	63.9%	12.4%	"backbone of the country's small middle class"
Asian	0.2%	0.0%	0.875	17.9%	64.0%	18.1%	"backbone of the country's small middle class"
Black		1.0%	0.142				
Others	0.04%	0.0%		25.9%	61.0%	13.1%	
All	100%	100%	0.307				

Paraguay's society is mainly mestizo, but there exist small populations of indigenous peoples and European and Asian immigrants. The indigenous population is overrepresented in the poorest segment of Paraguayan society, which is predicted by its low *statehist* index. European and Asian immigrants on the other hand form the country's small middle class: They own shops or developed highly productive agricultural colonies, which allows them a standard of living above the country average. Their *statehist* indices are correspondingly the highest among all ethnic groups presented in Paraguay. Mestizos are in between the Amerindians and the European immigrants both in terms of *statehist* and socioeconomic standing.

Ethnic Composition

Direción General de Estadísticas 2002: See table above.

CIA 2008: "mestizo (mixed Spanish and Amerindian) 95%, other 5%".

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[6] 50% Amerindian, 50% Spanish.

Library of Congress 1988: "In the late 1980s, approximately 95 percent of population was mestizo; remainder were Indians, Asians, or whites."

Relative Incomes

Dirección General de Estadísticas 2002:
The Censo 2002 includes data on household language and certain household characteristics that can proxy for household income. The above table uses the number of rooms in a household's housing unit as such. as well as measures on household equipment, labor force participation, education etc. are also provided by this source. The data can be retrieved from http://www.dgeec.gov.py/ (link to Censo Nacional de Poblacion y Viviendas 2002).

Patrinos 2000:
"While 11 percent of Spanish-only speakers are poor, 24 and 37 percent of bilingual (Spanish-Guarani speakers) and monolingual Guarani speakers are poor." (Table 1)

Library of Congress 1988:
"A trickle of European and Middle Eastern immigrants began making their way to Paraguay in the decades following the War of the Triple Alliance [1864/65-70]. … Most migrants--even many who began their lives in Paraguay's agricultural settlements--typically found their way into urban trades and commerce and became the backbone of the country's small middle class."
(Library of Congress 2008, Chapter Immigrants)
"According to estimates in the 1980s, the 3 percent of the population considered Indians accounted for roughly 10 percent of the poorest segment of Paraguayan society." (Library of Congress 2008, Chapter Indians)

World Bank 2004:
"The indigenous population is small compared to Latin American and Caribbean countries such as Bolivia, or Peru, of which more than half the population is indigenous. According to the 2002 Census, indigenous people in Paraguay accounted for 85,000, or less than 2% of the total population, or 5% of the rural population." [Source:] "DGEEC, *Pueblos Indígenas: Resultados Preliminares del Censo 2002* (Asunción: DGEEC, December 2002), p.18."
"Although German immigrants had settled in Paraguay before the turn of the 20th century, a large number of Mennonite immigrants from Germany, Canada, Ukraine and other countries arrived in the 1920s, establishing their colonies and cities. Overcoming the natural hardships of the Chaco, the Mennonites have developed an efficient cooperative system that provides around half of Paraguay's dairy needs and produces its finest quality cotton fiber and groundnut oil. The Mennonites have successfully developed an agro-industrial economy that has provided them with higher income levels and better quality of life than their neighbors." (World Bank 2004, p.5-6)
"It is also important to mention the Japanese immigration in Paraguay from the mid 1930s to the late 1950s. Today some 10,000 Japanese and Japanese descendants live in Paraguay, mostly in highly productive agricultural colonies. More recently, there has also been a growing influx of

Korean and other Asian immigrants who have set up shops and settled in Asunción, Ciudad del Este and Encarnación. The actual number of Koreans and ethnic Chinese, is believed to be between 30,000 and 50,000." (ibid. p.6)

"The first Middle Eastern immigrants came to Paraguay in the late 1800s and early 20th century from Palestine, Syria and Lebanon. After two generations these groups have blended with Paraguayan society. However, over the last 15 years a new wave of Middle Eastern immigrants have arrived, particularly to Ciudad del Este. About 15,000 Lebanese have settled in this city. Most of the recent immigration of Asian and Middle Eastern origin has flourished thanks to the triangulation commerce." (ibid. p.6)

"Despite the recent recognition of Guaraní as an official language, during centuries the Guaraní language was relegated as an informal language to a colloquial environment. While Guaraní had been written and used during the period of the Jesuits Missions, afterwards it was not utilized as a formal language for instruction. In the past, the more affluent monolingual Spanish speakers relegated the oral language to a second stage. This resulted in implicit cognitive structures, a form of conceiving and providing meanings to reality and, more importantly, to unequal relationship between social groups, so much that the Guaraní speakers (which tend to be the poorest either in rural or urban areas), referred to Spanish as *Carai'nee*, or the *Language of the Lords*. The vast majority of primarily Guaraní speakers (and those who do not have full command of Spanish) are in subordinated positions. However, at the same time, the Guaraní language and culture has provided the basis for the development of a Paraguayan nationalism, that cuts across social classes." (ibid. p.6-7)

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 # 6 South Africa   (S.D. of *statehist*: .289)

	Percent population (Statistics South Africa)	Percent population (Matrix)	Average *statehist*	Average household income (Rand)
Black African	79.4%	78.7%	0.000	37,711
White	9.2%	18.0%	0.710	280,870
Indian/Asian	2.5%	3.4%	0.670	134,543
Colored (mixed)[7]	8.9%		0.452	79,423
Unspecified	0.1%			
All	100%	100%	.150	74,589

South African government statistics provide household income estimates by ethnic groups. As shown in the table above, these indicate a pattern between the average of an ethnic group's state history and their current per capita income. Black Africans, descendents of the country's population prior to European settlement, are the most populous group, have the lowest per capita income, and also have the lowest state history among South Africa's main ethnicities. At the other end is the white population. These European descendents have the highest per capita income and also a high state history, which is a weighted average of the state histories of their origin countries. Asians are between the Blacks and Whites in both income and state history, while "coloreds" having both White and Black or Asian ancestors, have incomes between those of Blacks and of Asians.

Ethnic Composition

Statistics South Africa 2008: See table above.
CIA 2008: "Black African 79%, White 9.6%, Colored 8.9%, Indian/Asian 2.5% (2001 census)"

Relative Incomes

Statistics South Africa 2008: See table above.

References

CIA. World Factbook, "South Africa," https://www.cia.gov/library/publications/the-world-factbook/geos/sf.html. Retrieved July 30 2008.

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[7] Matrix estimates: .35 African, .1 S. Asian, .05 Indonesian, .1 UK, .1 Netherlands, .1 France, .1 Germany and .1 Portugal

Statistics South Africa. "Income and Expenditures of Households 2005/2006."
http://www.statssa.gov.za/publications/P0100/P01002005.pdf. Retrieved July 30 2008.

 # 7 Brazil

	Percentage Census 2000	Percentage Matrix	Average *Statehist*	Mean Income (R$)
Asian	0.4%	0.8%	0.834	1,108
White (Branca)	53.7%	74.4%	0.715	591
Black (Preta)	6.2%	15.7%	0.086	310
Mulatto & Mestizo (Parda)[8]	38.5%		0.384	275
Amerindian	0.4%	9.1%	0.000	340

Gradin (2007) lists mean incomes by self-reported ethnicity of the household head, computed from National Household Sample Survey data. The small Asian minority has by far the highest income and also the highest *statehist* value. European descendants rank second both in terms of income and *statehist*. We judged the 35 R$ difference in average reported income between the Black and the Mulatto & Mestizo populations to be too small to justify using difference categorizations, especially in view of the fact that the distinction between Black and Mulatto is viewed by observers as to a considerable degree subjective, and thus we use the "low" classification for both groups. There is also only a 30 R$ difference between the average incomes reported for Blacks and Amerindian, and it seems likely that Amerindian incomes are overstated given certain rural areas (Rondônia, Acre, Amazonas, Roraima, Pará, and Amapá) were excluded from the survey. Thus, we also place Amerindians in the low income category. The three groups with the lowest incomes have lower average *statehist* values than the middle group which in turn has lower average *statehist* than the high income group.

> **Comment [L1]:** Aren't the incomes taken from Gradin? We should state that here.

Ethnic Composition

Census 2000[9]: See table above.

Relative Incomes

National Household Sample Survey (PNAD) 2005, cited in Gradin[10]: See table above.

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[8] 50.6% European, 23.9% Amerindian, 25.5% African

References

[9] Instituto Brasileiro de Geografia e Estatística - IBGE. „Demographic Trends: an analysis of indigenous populations based on sample results of Demographic Censuses 1991 and 2000." 2005. Table 1.1

[10] Gradin, Carlos. "Why Is Poverty So High Among Afro-Brazilians? A Decomposition Analysis of the Racial Poverty Gap." IZA Discussion Paper No. 2809, May 2007, Table 1.

#8 Trinidad and Tobago   (S.D. of *statehist*: .284)

Ethnic Group of Household Head	Percent population (Central Statistical Office)	Percent population (Matrix)	Average *statehist*	Mean household income p.c. (TT$)	Mean household expenditures p.c. (TT$)
African	43.5%	46.0%	0.166	1,158.04	792.29
S. Asian	40.5%	45.4%	0.677	1,076.68	838.02
Chinese	0.2%	1.5%	0.906	2,196.52	1304.92
White/Caucasian	0.7%	7.1%	0.671	4,543.46	2836.47
Mixed[11]	14.9%		0.504	1,340.38	896.26
Other Ethnic Groups	0.2%			927.88	538.62
All	100%	100%	0.450	1,176.02	840.45

The Central Statistical Office (2008) reports household summary characteristics from the Continuous Sample Survey of Population (CSSP) by ethnic groups. The two groups whose ancestors have the highest *statehist* (.906 and .671 for Chinese and Whites, respectively) have above average incomes, while those of African ancestry (average *statehist* .166) have below average incomes. The income ordering for Chinese and Whites does not match the *statehist* ordering, however. More important, because their share of the population is much larger, is the fact that the income listed for those of East Indian ancestry is lower than that of those descended from Africans, although the Office also provides expenditure data according to which mean expenditure by Indians exceeds that of Africans (838 vs. 792). The rough parity of the two group's living standards, unexpected given the relatively high Indian *statehist*, seems partly to be explicable by the fact that following the abolition of slavery in the British Empire, people from South Asia were brought to Trinidad as indentured servants, with economic and social status similar to that of African-descended slaves already living there. The case thus illustrates how other social and economic factors than historical averages within the society of origin also affect outcomes.

Ethnic Composition

Central Statistical Office 2008: See table above.

CIA 2008: "Indian (South Asian) 40%, African 37.5%, mixed 20.5%, other 1.2%, unspecified 0.8% (2000 census)"

Relative Incomes

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[11] Assumed 1/3 African, 1/3 S. Asian, 1/3 European.

Central Statistical Office 2008: See table above.

References

Central Statistical Office [of Trinidad and Tobago], "Continuous Sample Survey of Population, Summary Characteristics of Households In Sample by Ethnic Group of Head of Household" (Table 10). http://cso.gov.tt/statistics/pdf/Tables1-10,76-81_HBS.pdf. Retrieved July 30 2008.

CIA. World Factbook, "Trinidad and Tobago," https://www.cia.gov/library/publications/the-world-factbook/geos/td.html. Retrieved July 30 2008.

 # 9 El Salvador   (S.D. of *statehist*: .281)

	Percent population (CIA)	Percent population (Matrix)	Average *statehist*	Relative Income
Mestizo[12]	90.0%		0.281	
White	9.0%		0.562	Elite
Amerindian	1.0%	50.0%	0.000	mostly assimilated, became peasants or wage laborers, poorest
Spanish		50.0%	0.562	
All	100%	100%	0.281	

El Salvador's population is mainly mestizo, with a small proportion of "white" immigrants. The proportion of self-identifying Amerindians is by most accounts small, but the Spanish-speaking or "ladinoized" fraction of the population that is of mainly Amerindian ancestry is probably considerably larger. The elite consists of old colonial families, families of European descent who had immigrated in the late nineteenth and early twentieth centuries, and more recent Lebanese, Palestinian and Jewish immigrants. The Amerindian population is at the bottom of Salvadoran society both in terms of social image and economic standing. The social standing of the different ethnic groups is thus predicted by their *statehist* indices: Europeans with a high *statehist* index are at the top of the socio-economic ladder while Amerindians with a low *statehist* index are at the lowest rank. Mestizos are placed between Europeans and Amerindians both in terms of (averaged) *statehist* values and of socio-economic standing.

Ethnic composition

CIA 2008: "mestizo 90%, white 9%, Amerindian 1%".

Library of Congress 1988: "In late 1980s; about 89 percent of population mestizo (Spanish and Indian), 10 percent Indian, and 1 percent unmixed Caucasian".

Relative Incomes

Library of Congress 1988:
"Among the elite, there were divisions based on relative social status and prestige as determined by ancestry. The oldest and most prestigious families were those associated with the colonial "founding fathers" who had developed export agriculture. Next in the pecking order were the families, mainly involved in banking and finance, whose European ancestors had immigrated to El Salvador in the late nineteenth and early twentieth centuries with a useful knowledge of foreign markets. The newest elite families, on the lowest social rung of the upper echelon, included Lebanese, Palestinians, and Jews and were pejoratively referred to as "Turcos" by the

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[12] 50% Amerindian, 50% Spanish.

"older" elites. These most recent immigrants constituted the bulk of the Salvadoran merchant class; they tended to socialize primarily within their own group." (Chapter "The Upper Sector")

"In contrast to most other Central American countries, El Salvador in the late 1980s did not contain an ethnically distinct Indian population. Native communities of Pipil and also Lenca, located mainly in the western departments, constituted perhaps 60 percent of the population throughout the colonial era and into the early decades of independence. But the development of coffee estates saw the dissolution of the communal lands of native villages and the slow but continual incorporation of Indians into the general cash economy, where they became peasants and wage laborers. By the late nineteenth century, this assimilation process was essentially complete. The 1930 census, the last census containing the category of "Indian," designated only 5.6 percent of the population, or some 80,000 persons, as Indian, although it is not clear what criteria were used in this determination. Other, possibly more accurate, independent estimates, however, placed the mid-twentieth-century Indian population at 20 percent, or close to 400,000 persons. The criteria used in these estimates to identify individuals as Indian included religious activities, distinctive women's dress, language, and involvement in various handicrafts. Still, the life-style of the majority of these people was no longer completely Indian. Most were ladinoized, Hispanic acculturated, monolingual Spanish speakers who did not wear distinctive Indian dress. The remaining Indian population was found primarily in southwestern El Salvador.

The abandonment of Indian language and customs was hastened by political repression after an abortive peasant/Indian uprising in 1932. The revolt centered in the western part of the country, around the former Indian towns of Ahuachapan, Santa Ana, and Sonsonate, where the growth of coffee estates since the late nineteenth century had absorbed subsistence lands of Indians and mestizos alike. The revolt was supported by a number of Indian community leaders (caciques). Even though most Indian communal lands had been lost, traditional community-centered religious-political organizations (cofradias) and their leaders remained sufficiently influential to organize and direct popular unrest. The harsh and bloody reprisal (la matanza) by government forces that ensued fell on the entire population of the region whether they had been combatants or not, and most had not. Perhaps as many as 30,000 were killed, including many who were culturally designated as Indian or who were deemed by government forces to have an Indian-like physical appearance. In the face of such racially motivated repression, most natives stopped wearing traditional dress, abandoned the Pipil language, and adopted ladino customs. In 1975 it was estimated that no more than 1 percent of the population wore distinctive Indian clothing or followed Indian customs." (Chapter "Indians")

According to figures published in Guzmán et al. (2004), 61.1% of indigenous households live in poverty and 38.3% live in extreme poverty, compared to a national average of 25.7% and 18.9% respectively. These figures are based on the study "Pueblos Indígenas, Salud y Calidad de Vida" by OPS/CCNIS/CONCULTURA, 1999.

Chapin 1989:
"The Indians became an integral part of the colonial economic system as indentured laborers on estates; today, they are the landless and seminomadic poor who migrate about the country in search of seasonal work. …

Virtually all of El Salvador's Indians today are poor to the extreme: a fairly reliable marker for identifying Indians is their skeletal appearance. Without any land or any future prospects, they pick up manual labor of the basest kind when and if it is available. …

Everywhere we went people clearly identified who was an Indian and who was a ladino. Indians - both individuals and groups - consistently gave us the following defining characteristics: …
The Indians are poor, the ladinos are rich; and "the ladino, even if he doesn't have money, has pride." The Indian is the beast of burden who does all of the hard work; the ladino does not work outside in the sun. "The ladino has no strength...they call us Indians because we spend our lives working...the ladino works in a nice office...the ladino eats well, dresses well, sleeps well...the ladino cannot work in the fields, he would end up in the hospital...the ladino is avaricious." Indians feel that poverty and manual labor have become such strong identifying Indian characteristics that those who become educated and earn a decent salary are often seen as having crossed over into the ladino ranks. They are often termed "independent." One Indian, speaking of someone who was a teacher, said: "Yes, he is an Indian, but because of his profession he considers himself who-knows-what." In reality, Indians who become merchants or teachers have most of their professional dealings with ladinos, and their direct contact with the Indian community often diminishes.
The relative economic situation of the Indian is reflected in his material goods. "The Indian lives in a straw house...the household implements of the Indian are gourds and clay pots...the implements of the ladino are something else, they are modern: aluminum, china, plastic, pewter...the ladino has expensive clothes, things in fashion, fancy." Indians have always been on the bottom of the economic heap in El Salvador; with the present economic crisis, they are being pushed even farther down. In several areas we visited in Sonsonate, people could no longer afford straw-and-stick houses; they were roofing their houses with thin sheets of plastic."
(Chapin 1989, p.11)

Tilley 2005:
"The fundamental and enduring split in the society, from the perspective of those indigenas with whom I spoke, is between the ladinos who have land, businesses, and especially power, and the poor indigenas who have nothing." (Tilley 2005, p. 56)
"Hence being Indian means being poor, not because the two concepts are the same, but because ladino society has dictated that Indians are poor, and this fate is inescapable unless a person either rebels or assimilates." (ibid. p. 58)
Marroquin 1962 quoted in Tilley (ibid. p.248):
"The social classes are crosscut by the social categories already studied, ladinos and indigenas. For example: There are in Panchimalco ladino merchants … and indigena merchants; there are indigena farmers and ladino farmers; but in the lower social classes, that is, among the landless campesinos and manual laborers (peones), only by rare exception could we find a ladino among them, as almost all of these classes are constituted of indigenous elements."

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	Percent population (CIA)	Percent population (Matrix)	Average *statehist*	Relative Income
Mestizo[13]	69.0%		0.281	in the Pacific lowlands and central highlands, mestizos have lower socio-economic status than whites; in the Atlantic coast region the position of mestizos is below or equal to that of Creoles and the status of both is above that of Indians
White	17.0%	51.0%	0.568	top of socio-economic hierarchy; "distinctly overrepresented among economic and political elites"
African (Creole)	9.0%	9.0%	0.150	in the Atlantic coast region, Creoles are "amply represented in skilled and white-collar occupations" and "maintain a distinct economic advantage" over indigenous groups
Indigenous	5.0%	40.0%	0.000	occupy the bottom ranks; "least educated, and generally relegated to the least desirable jobs"
All	100%	100%	.304	

Library of Congress (1993) describes the population of the Pacific lowlands and central highlands as consisting almost entirely of mestizos, people of mixed indigenous and Spanish descent who account for 69% of all Nicaraguans, and Whites, mainly of Spanish descent, who account for 17%. According to this source: "Although no distinct color line separates these two groups, social prestige and light skin color tend to be correlated, and the white minority is distinctly overrepresented among economic and political elites." On the Atlantic side live several groups of largely indigenous origin including the Miskito, so-called Creoles of mainly black-African origin (arriving via the Caribbean), and some mestizos arriving from Western Nicaragua. Country Studies says that beginning in the 19th Century "the Creoles displaced the Miskito at the top of the region's ethnic hierarchy," that "they are urban, well educated, and amply represented in skilled and white-collar occupations," and that they "are disdainful of indigenous groups, over whom they maintain a distinct economic advantage." In this region, says Country Studies, "a clear ethnic hierarchy exists" with "indigenous groups [occupying] the bottom ranks", Creoles and "recently arrived poor mestizos" in the middle, and a small stratum of middle-class mestizos (and prior to the overthrow of the Samoza dictatorship, some European and North American managerial employees and Chinese merchants) at the top. Thus, while income data by ethnicity appears to be unavailable, descriptions indicate a socio-economic ordering perfectly matching that of *statehist*: highest for Whites (whose average *statehist* value

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[13] 50% Amerindian, 50% Spanish.

for Nicaragua is 0.568), next highest for mestizos (average *statehist* 0.281) and (black) Creoles (*statehist* value 0.150), and lowest for indigenous groups (*statehist* value 0).

Ethnic composition

CIA 2008: "mestizo 69%, white 17%, black 9%, Amerindian 5%".

Library of Congress 2008: "approximately 76 percent of population mestizo, 10 percent European, about 3 percent indigenous, estimated 11 percent Creole or African".

Relative Incomes

Library of Congress 1993:
"Almost the entire population of the Pacific lowlands and central highlands is either mestizo or white. Although no distinct color line separates these two groups, social prestige and light skin color tend to be correlated, and the white minority is distinctly overrepresented among economic and political elites. Almost no culturally distinct indigenous enclaves remain in the western half of the country. … Having escaped assimilation into the Hispanic majority, the eastern, or Caribbean, hinterland is culturally heterogeneous. In many ways, it is a completely different country from the Spanish- speaking nation to the west. The Miskito, a mixed Indian-Afro-European people who speak an indigenous language, have traditionally been the largest ethnic group in the region. There are also smaller indigenous communities known as Sumu and Rama, a large group of Creoles, and a rapidly expanding mestizo population fed by migration from the west." (Chap. 2, "Demography")
"The black people of the Caribbean region, known as Creoles, are the descendants of colonial-era slaves, Jamaican merchants, and West Indian laborers who came to work for United States lumber and banana companies. As British influence receded from the Caribbean lowlands in the nineteenth century, the Creoles displaced the Miskito at the top of the region's ethnic hierarchy and became the key colonial intermediary. … As a group, they are urban, well educated, and amply represented in skilled and white-collar occupations. The Creoles are disdainful of indigenous groups, over whom they maintain a distinct economic advantage. … Within contemporary Caribbean lowlands society, a clear ethnic hierarchy exists. The indigenous groups--Miskito, Sumu, and Rama--occupy the bottom ranks. These groups are the most impoverished, least educated, and generally relegated to the least desirable jobs. Above them, at successively higher ranks, are recently arrived poor mestizos, Creoles, and a small stratum of middle-class mestizos. Prior to 1979, Europeans or North Americans, sent to manage foreign-owned enterprises, were at the top of the hierarchy. In the mines, Miskito and Sumu work at the dangerous, low-wage, underground jobs; mestizos and Creoles hold supervisory positions; and foreigners dominate in the top positions. Also prior to 1979, a special niche was occupied by a small group of Chinese immigrants, who dominated the commerce of the main coastal towns." (Chp 2, "Caribbean Society")

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 # 17 United States (S.D. of *statehist*: .232)

	Percent population (US Census)	Percent population (Matrix)	Average *statehist*	Median Household Income	90-percent confidence interval (+/-)
White, not Hispanic	67.4%		0.650[14]	49,101	253
European		75.7%	0.648		
Black	12.8%		0.240[15]	30,355	430
Sub-Saharan African		9.6%	0.146		
American Indian and Alaska Native	0.1%	3.2%	0.000	33,132	1477
Asian	4.2%	4.1%	0.584[16]	56,664	1273
Native Hawaiian and Other Pacific Islander	0.2%	0.0%[17]	n.a.	51,687	4044
Hispanic (of any race)	14.1%		0.485[18]	34,299	558
Central and South American		6.3%	0.433[19]		
All	100%	100%	0.568	44,473	208

The most recent household income data that includes estimates for Native Americans is published by the US Census Bureau in "Income, Poverty, and Health Insurance Coverage in the United States: 2004" and summarized in the table above. The two groups with the highest *statehist* index also have the highest median household income today, although in reversed order: Asians have the second highest *statehist* index (0.584) and the highest median income ($6,664), non-Latino Whites have the highest *statehist* index (0.648) and the second highest median income ($9,101). Hispanics rank third both with respect to *statehist* (0.433) and median income ($4,299). Native Americans and Blacks have the lowest *statehist* values (0 and 0.146, respectively) and the lowest incomes, but the relative incomes of the two groups are in the opposite order of that predicted (33,132 for Native Americans vs. 30,355 for Blacks).

Ethnic composition

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[14] Average *statehist* of the population of direct European ancestry, i.e. not those whose ancestors first moved to Central or South America and then to the US.

[15] 80% African, 19% European, 1% Native American.

[16] Average *statehist* of the population from East Asia, South Asia, or Southeast Asia.

[17] The matrix combines ancestors who lived in Hawaii with those who lived in Alaska and the mainland U.S. as being of U.S. origin, hence they are already included in the 3.11% entry above for for American Indian and Alaska Native.

[18] Average adjusted *statehist* of the population from Mexico, Puerto Rico, Guatemala, El Salvador, the Dominican Republic, Cuba, Colombia, Ecuador, Peru, Honduras or Nicaragua since the Hispanic population in the US today is derived from the mixed population in those countries, not from Amerindians only.

[19] Average adjusted *statehist* of Central and South American countries since the Hispanic population in the US today is derived from the mixed population in those countries, not from Amerindians only.

US Census Bureau 2005a: See table above.

Relative Incomes

US Census Bureau 2005b: See table above.

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