TABLE 1—THE DIFFERENT SURVEYS

	Survey year	Institution	No. of hh	Decile
United Kingdom	1996	ONS and National Statistics	6,412	10
Spain	1998	INE	14,739	9
Hungary	1996	Hungarian Cent. Stat. Off.	7,531	8
Brazil	1996	IBGE/World Bank	4,898	7
Bulgaria	1995	Gallup International/World Bank	1,886	6
Peru	1994	Cuánto S.A./World Bank	3,614	5
Azerbaijan	1995	SORGU/World Bank	1,929	4
Côte D'Ivoire	1987	Inst. Nat. Stat./World Bank	2,899	3
Nepal	1995	CBS/World Bank	3,372	2
Tanzania	1993	Planning Commission (UDS)/World Bank	5,176	1

Note: The table provides an overview of the ten different surveys included in the study and the institutions that conducted the surveys.
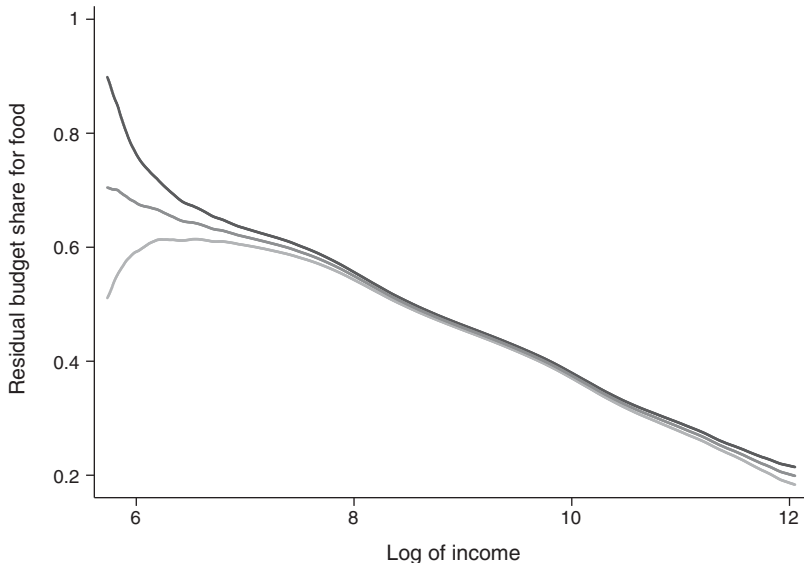
FIGURE 4. KERNEL REGRESSION

Notes: The figure displays the kernel using the Epanechnikov kernel smoother and including households with two children and two adults. The kernel displays the relationship between the budget share for food and the logarithm of household income when the effects of the other explanatory variables are removed by differencing. Tenth-order differencing is conducted based on the optimal differencing weights proposed in Yatchew (2003). The bandwidth is obtained from the formula bandwidth $= 0.15 \times (\max(\log of\ income) - \min(\log of\ income))$. The bounds correspond to the 95 percent confidence intervals. The UK is used as the base country.

TABLE 2—REGRESSION RESULTS, LEAST SQUARES ESTIMATION

	AIDS	QUAIDS	AIDS ws	QUAIDS ws	AIDS cal	QUAIDS cal	AIDS ex	QUAIDS ex
Log of income	−0.106	−0.132	−0.101	−0.161	−0.122	−0.198	−0.106	−0.147
	(0.003)	(0.020)	(0.001)	(0.006)	(0.004)	(0.024)	(0.003)	(0.031)
Log of income sq.	0.002	0.004	0.005	0.002				
	(0.001)	(0.000)	(0.001)	(0.001)				
Azerbaijan	0.065	1.902	0.117	3.894	0.150	4.019	−0.120	0.332
	(0.023)	(0.352)	(0.008)	(0.267)	(0.024)	(0.672)	(0.025)	(0.061)
Brazil	0.022	1.293	0.032	1.553	0.075	2.164	−0.020	0.869
	(0.006)	(0.105)	(0.002)	(0.051)	(0.013)	(0.246)	(0.007)	(0.070)
Bulgaria	0.110	2.975	0.134	4.403	0.130	3.494	0.003	1.087
	(0.010)	(0.351)	(0.004)	(0.196)	(0.018)	(0.531)	(0.012)	(0.128)
Côte d'Ivoire	0.116	3.098	0.162	6.307	0.176	4.831	0.027	1.336
	(0.018)	(0.544)	(0.006)	(0.372)	(0.025)	(0.869)	(0.019)	(0.235)
Hungary	0.055	1.783	0.093	2.942	0.058	1.941	−0.020	0.877
	(0.007)	(0.174)	(0.002)	(0.098)	(0.009)	(0.229)	(0.009)	(0.085)
Nepal	0.145	4.008	0.166	5.566	0.141	3.506	−0.036	0.729
	(0.012)	(0.500)	(0.004)	(0.254)	(0.014)	(0.473)	(0.015)	(0.091)
Peru	0.132	3.596	0.144	4.838	0.147	3.811	0.070	1.996
	(0.010)	(0.394)	(0.003)	(0.201)	(0.014)	(0.509)	(0.011)	(0.219)
Spain	0.004	1.089	0.011	1.176	-0.031	0.874	−0.013	0.928
	(0.009)	(0.111)	(0.003)	(0.045)	(0.006)	(0.072)	(0.009)	(0.094)
Tanzania	0.143	3.907	0.187	7.170	0.174	4.522	0.015	1.171
	(0.010)	(0.453)	(0.004)	(0.328)	(0.013)	(0.586)	(0.013)	(0.136)
Log of rel. price	0.047	0.048	0.017	0.010	-0.009	−0.009	0.047	0.048
	(0.012)	(0.011)	(0.004)	(0.004)	(0.011)	(0.007)	(0.012)	(0.011)
Age	0.000	0.000	−0.001	−0.001	0.000	−0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Children			0.009	0.009				
			(0.000)	(0.000)				
Adults			0.019	0.019				
			(0.001)	(0.001)				
Constant	1.242	1.341	1.194	1.413	1.322	1.599	1.732	1.987
	(0.031)	(0.080)	(0.010)	(0.025)	(0.103)	(0.118)	(0.045)	(0.195)
Adj. R^2	0.567	0.567	0.512	0.513	0.497	0.498	0.567	0.567
Observations	4,923	4,923	51,822	51,822	4,800	4,800	4,923	4,923

Notes: The table reports eight sets of estimates (standard errors are in parentheses). The first and second columns report the estimates for the households with two children and two adults. The third and fourth columns report the estimates for the whole sample (including all households independent of composition and size). The fifth and sixth columns report the coefficients for the calorie-based Engel curves. The seventh and eight columns report the estimates using the exchange rate to make income comparable across households in different countries. The estimates of the main model (columns one and two) are discussed in Section V, whereas the estimates of the robustness checks of columns three, four, five, and six are discussed in Section VI. The estimates reported in the seventh and eight column are discussed in Section VIII.
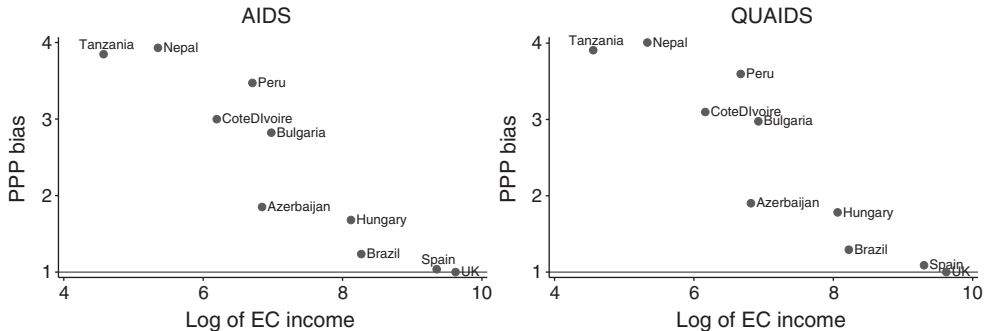
FIGURE 2. PPP BIAS AND EC INCOME

Notes: The figure displays the relationship between the estimated PPP bias and EC income for the two different demand systems. The estimates are based on the subsample of households with two children and two adults. The reference line indicates unbiased PWT income relative to the UK.

TABLE 4—GINI INDICES

	Gini PWT	Gini EC	Gini EX
Base countries			
Unweighted	0.50	0.64	0.64
Population-weighted	0.39	0.48	0.49
Extended model			
Unweighted	0.26	0.39	0.34
Population-weighted	0.22	0.32	0.32

Notes: The table shows the Gini index, as measured by the PWT incomes and the EC incomes. The first row presents the unweighted Gini index; i.e., the index that gives equal weight to each country irrespective of its size. The second row presents the population weighted Gini index, which weights each country proportionally to its population size. The third and fourth rows present results for the extended analysis.