

A century of income inequality in Uruguay, 1870-1970. A social tables approach

Pablo Marmissolle *

Instituto de Economía, Facultad de Ciencias Económicas y de Administración, Universidad de la República, Uruguay

Henry Willebald ♣

Instituto de Economía, Facultad de Ciencias Económicas y de Administración, Universidad de la República, Uruguay

(Draft. Please do not quote)

(Sep-2025)

Abstract

Historical estimates of the evolution of income inequality of Uruguay in pre-income survey times (before the 1970s) show two different trajectories. From the 1870s to the 1910s, an increasing trend of personal inequality predominated and, since the 1920s, the evolution changed and a decreasing movement happened until reaching the lowest historical levels in the 1960s. These findings derive from the combination of several approaches and estimates that include simulated trajectories (Lezama & Willebald, 2020) and (partial) social tables (Bértola, 2005). The objective of this paper is to present new and more complete data, in the framework of social tables approach, covering the period 1870-1970. Our analyses include considerations referred to the evolution of inequality (Gini Index), income ratios (owners/unskilled; unskilled/average, etc.) and the evolution and change of the occupational structure. Our results are consistent with the previous evidence regarding the evolution of income distribution, although they show higher levels of inequality. Our “top-down” social tables methodology provides a useful guide for income allocation among productive activities and earners. Especially, refining the measurement of income at the top segments produces results more comparable with other Latin-American countries. The long-run evolution is characterized by an increasing share of workers in the economy (structural change), marked by a growing share of skilled workers (human capital) but accompanied by a decline in the skill premium (downward equalization) that can be associated with institutional arrangements.

Keywords: inequality, social tables, Gini Index, Uruguay

JEL Codes: N16, N36, O15

* pablo.marmissolle@fcea.edu.uy

♣ henry.willebald@fcea.edu.uy