Rethinking Inequality: A World-Historical Perspective[*]

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Abstract: General interest in patterns of economic inequality has grown significantly over the last two decades, due in large part to world-wide concerns about the distribution of winners and losers over the course of globalization. In this paper, we argue that our understanding of such phenomena changes fundamentally once the relevant unit of analysis is shifted from the nation-state to the world as a whole. More specifically, this paper advances eight theoretical and empirical propositions that help to understand the relationship between current globalization and inequality within- and between-nations. After identifying two distinct patterns of inequality – high inequality equilibria and low inequality equilibria – we argue that inequality is best understood as a complex set of relational interactions that have unfolded over space and time as a truly *world-historical* phenomenon. For example, the same institutional mechanisms through which inequality historically has been reduced within some nations often have accentuated the selective exclusion of populations from poorer countries, thereby enhancing a high inequality equilibrium between nations. In the end, we argue that ascriptive criteria centered on national identity and citizenship are the fundamental contemporary basis of stratification and inequality in the world.

There are manifold concerns regarding the relationship between the current wave of globalization and inequality. Are migration and global trade contributing to rising inequality within-countries? If so, should migration and global trade be regulated to a greater extent? What impact would such policies have on inequality between countries? More broadly, what are the tradeoffs shaping the interaction of trends in inequality within- and between-countries?

Driven by the availability of data and common sense, studies addressing these questions begin by assuming that national boundaries delineate the relevant units of analysis, and immediately move to focus on what turns out to be very specific areas of the world –most often, high-income nations. Hence, probably around 90 percent of the social science produced around the issue of inequality is constructed by focusing empirically on the wealthiest strata of the world's population. Moreover, the methodological assumptions guiding this literature generally precludes it from seriously addressing many of the questions listed above: most often, shifts in between-country inequality tend to be treated as externalities that at times intrude to affect within-country inequalities, but the interaction between the two is not systematically explored, either theoretically or even empirically.

Of course, any effort to address these issues and the questions listed above from a world-historical perspective faces important constraints, as the adequate empirical information often is lacking. For example, in trying to think about trends in world inequality as involving interactions that simultaneously involve different spatial locations – say, by linking the processes through which households are stratified *within* nations, to other processes through which the very same households are linked *across* national boundaries – we quickly see that the relevant data (e.g., on *world* income distributions) are not easily forthcoming. In fact, existing income data are collected by national statistical offices in an exercise that necessarily presumes that national boundaries delineate the only possible unit of analysis. And even with national income data, it is generally difficult to ascertain trends over sufficiently long periods of time, for the systematic collection of such data is largely a post-World War II phenomenon (and rather limited to high-income countries at that).

Keeping in mind these constraints, the purpose of this paper is to advance, from a world-historical perspective, eight main propositions that can help theorize the relationship between current globalization and inequality. Given space limitations, we focus discussion on the changing interaction of patterns of inequality within- and between-countries, and make only very selective references to the large body of literature we have explored in constructing our arguments.

We argue that inequality indeed should be understood as a world-historical phenomenon: accounts of inequality that focus on discrete populations of the world – for example, as most often the case, wealthy OECD countries – are bound to miss the key global interactions that shape this phenomenon even within those discrete populations. A world-historical perspective, in this sense, is key to understanding what, how and why is the relationship between globalization and inequality, as experienced by different populations across the world?

<u>Proposition 1: Available data indicate that levels of inequality within-countries in recent decades show two distinct and rather stable clusters: one centered on relatively high inequality, and the other around relatively low inequality</u>. For much of the twentieth century, a fundamental premise in the study of inequality was that patterns of income distribution within nations undergo considerable change over time. The social sciences and policy-making circles debated which variables were most likely to shape such change (e.g., economic growth or state redistribution), and whether all nations should be expected to follow similar paths, but most observers shared the generalized consensus that inequality within-countries was subject to significant change.

The most influential example of such an emphasis on change can be found in the work of Simon Kuznets. In 1955, Kuznets argued that inequality within nations rises in the early stages of economic growth, becomes more pronounced at intermediate levels of development, and decreases thereafter as countries become wealthy. Figure 1 illustrates the process at hand. The "modern" array might in effect have lower levels of inequality than the "traditional" array, but the composition effects of the transition from one to the other initially serve to enhance inequality and broaden the gap between the upper and lower bounds of the overall distribution. Eventually, the very same compositional effects, together with institutional transformations, would produce a reversal of the trend, leading to a reduction in inequality. This "inverted U-curve" hypothesis – with its clear formulation, broad theoretical fit, and intuitive appeal – became one of the most significant and influential propositions in social science research and economic policy-making, linking income inequality to demographic transitions, spurring research and worldwide efforts to collect relevant income data, and framing key issues in economic policy-making. The inverted U-curve hypothesis became, indeed, the main paradigm shaping the study of inequality during the last half of the twentieth century, and remains highly influential today.

(Figure 1 about here)

But beginning in the 1980s, two sets of contrasting country trajectories served to question the purported inevitability of the inverted U-curve argument. First, in what came to be labeled as the "East Asian Miracle," rapid economic growth was accompanied by rising incomes in the agricultural sector and diminishing urban-rural income gaps, allowing countries in the region to experience high rates of growth without significant increases in inequality; observers often contrasted this "growth with equity" phenomenon with Latin America where high levels of inequality showed considerable persistence regardless of relative rates of growth. Second, in some high-income nations (such as the United States and the United Kingdom,) a long period of converging incomes seemed to end in the late 1970s, giving way to a significant resurgence in inequalities**;** observers often contrasted these trajectories with Continental Europe, where lower levels of inequality showed considerable persistence during the same period. Combined, observers interpreted both sets of experiences to suggest that varying but highly enduring features in the organization of markets and/or institutional arrangements mediate the impact of economic growth on inequality.

Indeed, from a comparative perspective, contemporary data indicate that most countries fall under one of two clusters: one characterized by relatively low levels of inequality, and a second cluster involving significantly higher levels of inequality. We show these two clusters in Figures 2 and 3.

(Figures 2 and 3 about here).

In Figure 2 we assemble an original, cross-nationally comparable dataset of Gini indices to show the boundaries and overall composition of each of the two clusters. Figure 3 draws on scarcer longitudinal data to illustrate the relative stability over time of some of the countries included in each of the two zones (see the statistical appendix for greater detail on the dataset and our procedures).

Most high-income nations fall within the low-inequality cluster, including all of Western Europe, as well as countries such as Japan and the United States. Much of Eastern Europe falls within this cluster as well, and so do several of the East Asian nations experiencing high rates of growth in recent decades. Figure 3 provides examples of the stability of this cluster: note that even for the United Kingdom and the United States, recent increases in inequality have not yet been sufficient to shift the two outside the boundary of the low inequality cluster. More broadly, for all the current concern about the impact of globalization on inequality in high-income nations, the evidence so far suggests this impact has not yet been significant.

The countries that cluster above the high inequality boundary tend to be either in Latin America or Africa. Among these countries in Figure 2 are Bolivia, Brazil, Cameroon, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Madagascar, Panama, Paraguay, Mexico, Nicaragua, Peru, South Africa, Zambia and Zimbabwe. Figure 3 again provides some evidence as to the stability of this cluster over time.

Not all nations fit neatly into one of the two clusters. There are several "hybrid" cases (such as Argentina or even China), and there are instances of countries that have shifted in and out of one particular cluster (although there are virtually no examples of countries shifting over time from one cluster into the other). The boundaries demarcating each cluster are, after all, more heuristic devices than precise boundaries, designed to bring greater clarity into the analysis of within-country inequality worldwide.

<u>Proposition 2: The origin of patterns of high and low inequality can be traced back in time to at least before the eighteenth century</u>. A relatively recent institutional literature on inequality provides considerable evidence that many of the nations that today have low and high levels of inequality, are for the most part the very same areas that had relatively low and high levels of inequality before the eighteenth century, a path dependency that often was overlooked in twentieth century studies that emphasized the susceptibility of inequality to change.

For example, Acemoglu, Johnson and Robinson (henceforth, AJR) (2002: 1233) argue that European colonialism led "to the development of institutions of private property" in areas that before the eighteenth century were deemed to be poor – such as the New England colonies – "while introducing extractive institutions or maintaining existing extractive institutions" in areas that at the time were deemed "prosperous" – in Latin America, the Caribbean and Africa. These "extractive institutions" produced some of the most unequal within-country distributions of income and wealth ever seen.

Institutional arrangements selectively excluding large sectors of the population from access to wealth and power were endorsed and sustained by the primarily European elites that benefited from such arrangements, and generally entailed between-group hierarchies (or what Tilly (1999) denominates "bounded categories") organized around ascribed characteristics such as race. This is why Wright (2006: 7) describes these institutional arrangements as "regimes of racial subordination, requiring explicit hierarchies of racial categories and statuses," regimes summarized by Fredrickson (1982) as "white supremacy." In these arrangements, "[t]he degradation of non-whites frequently served to bind together the white population, or some segment of it, to create a sense of community or solidarity that could become a way of life and not simply a cover for economic exploitation" (Fredrickson 1982: 70). Through the past two centuries, white supremacy provided the most powerful framework for justifying, maintaining and defending the institutional arrangements characteristic of high inequality within countries.

A very different early pattern is found in areas with lower inequality that (later on) became characterized by high levels of income, such as New England and other areas of European settlement. According to one line of interpretation, the main difference between these areas and those of where high inequality prevailed had to do with endowments: in New England, "land was cheap and labor was costly. Such circumstances were radically different from those found elsewhere in the hemisphere, and fostered a remarkable degree of equality" (De Ferrari et al. 2004: 110). As indicated by Sokoloff and Engerman (2000: 223,)

> These economies were not endowed with substantial populations of natives able to provide labor, nor with climates and soils that gave them a comparative advantage in the production of crops characterized by major economies of using slave labor [..] With

> abundant land and low capital requirements, the great majority of adult men were able to operate as independent proprietors.

While in the case of high inequality, institutional arrangements can be traced back to slavery, it is less clear how far back we can trace the institutional origins of low inequality (particularly in Continental Europe) or the relative significance of changes in inequality in these latter areas prior to the nineteenth century. The available historical literature, just like contemporary studies of inequality and stratification, largely does not discus trends and patterns of income distribution in a comparative perspective, but limits its focus to specific (and again most often high-income) sets of nations. This makes it difficult to establish which trends and patterns are "significant," and which represent what Pitirim Sorokin (1927) once termed "trendless fluctuation." Hence, this is a topic calling for more comparative future research.

Proposition 3: The persistence of such distinct patterns of within-country inequality for such a long period of time suggests situations of equilibria. We refer to these as high inequality equilibria (HIE) and low inequality equilibria (LIE). The arrays of forces manifested in the institutional arrangements associated with the persistence of both high and low inequality seem to move towards equilibria: "opposing forces or influences are balanced" (Oxford English Dictionary). Efforts by some actors to shift distributional patterns in their favor, lead to responses by other actors that tend to return these distributions towards their original state.

The particular forces at hand have changed over time. In Latin America, for example, various studies indicate that high inequality persisted through the nineteenth century – through the limited access of the majority of the population to public education; the delayed extension of the universal franchise; and/or land policies favoring elites (De Ferranti et al 2004; Sokoloff and Engerman 2000). Later, limited effective access to education continued, and institutional arrangements became characterized by clientelism, corporatism, weak state capacities, and Populism. According to such an interpretation, "[t]he potential for the state to enact pro-equity changes is also constrained by informal political realities, whereby the excessive influence of elites and some well-organized middle-class groups (such as unions) on public discussions often results in the effective 'capture' of the state" (De Ferrari 2004: 127).

By contrast, the extension of the franchise in Europe and the Western Offshoots was followed by a more progressive tax system and the use of resources to provide greater access to education (Acemoglu and Robinson 2000: 21). Eventually, by the twentieth century, such arrangements would include the development of a welfare state that further facilitated the type of inclusion absent in situations of high inequality.

While emphasizing equilibria, however, we do not mean to imply that HIE and LIE arrangements are stable and fixed in time. Even in situations of HIE, the prevailing systems of categorical inequality have not been immutable, but, paraphrasing Fredrickson (1982: xvii), "a changing set of relationships that can only be understood within a broader historical context that is in itself constantly evolving and thus altering the terms under which [the relevant actors] interact." Key to both HIW and LIE, then, are multi-layered and shifting constructions of solidarities, cleavages and social identities that *in their overall interaction* generate continuities over time in income distributions.

Proposition 4. While much of the literature conceptualizes situations of high and low inequality as representing independent institutional paths, HIE and LIE are eminently relational and interacting over time. The new institutional literature on the legacy of inequality portrays "extractive institutions" as associated with forms of production that by the nineteenth century became outdated. Thereafter, national institutional arrangements characterized by high inequality, where property and political rights remained restricted, and where "the concentration of political and social power in the hands of a small elite implies that the majority of the population risks being held up by the powerful elite" (AJR 2002: 17) became less suited for attaining sustained growth. According to this interpretation, national institutional arrangements characterized by relatively lower inequality, and offering greater protection for property rights, followed the opposite path, thus extending opportunities in ways that generated greater economic growth. These divergent paths of high and low within-country inequality purportedly explain, then, differential rates of economic growth and/or the persistence of an income gap between wealthy and poor nations.

But such an approach tends to portray paths of low or high inequality as if they emerged independently from one another. By contrast, we argue that the eventual competitive advantages of the institutions involved in LIE since the nineteenth century emerged precisely in response to certain rigidities that came to characterize the coercive institutions characteristic of HIE.

We must abandon the preconception that the institutional arrangements of HIE have always been intractably tied to inefficient forms of organization of production and markets. In fact, after European colonization and until the nineteenth century, the areas characterized by HIE (e.g., Latin America and the Caribbean) where coercive labor arrangements (e.g., slavery or the forced recruitment of indigenous populations) were used in high-yielding activities (e.g., commercial agriculture and mining) constituted in their time a world epicenter for the creation and accumulation of wealth.

Plantations, for example, provided a very effective and innovative basis for the organization of large-scale production in commercial agriculture. Key among these innovations was the ability of owners to impose unprecedented levels of labor discipline, in what Mintz (1985: 47) characterizes as "a synthesis of field and factory," and Fogel (1989: 162) as a "gang system [that] played a role comparable to the factory system or, at a later date, the assembly line, in regulating the pace of labor."

The interests built around such arrangements gained access to extraordinary levels of wealth. Fogel (1989: 24) notes that "throughout the eighteenth century, the great slave plantations of the sugar colonies, with profits averaging about 10 percent on invested capital, were the largest privately owned enterprises of the age and their owners were among the richest of all men." Sokoloff and Engerman (2000: 221) indicate that "[t]he economies that specialized in the production of sugar and other highly valued crops associated with extensive use of slaves had the highest per capita (including slaves) incomes in the New World:"

> (i)n 1700, there seems to have been virtual parity in per capita income between Mexico and the British colonies that were to become the United States, and the most prosperous economies of the New World were in the Caribbean. Barbados and Cuba, for example, had per capita incomes that have been estimated as 50 and 67 percent higher, respectively, than that of (what was later to be) the United States [..] Haiti was likely the richest society in the world on a per capita basis in 1790, on the eve of its revolution (Sokoloff and Engerman 2000: 217).[i]

Similar patterns prevailed within the United States. Even by the 1860s, by a measure of wealth per free capita, the South outperformed the North: "[t]hus, Southern slave-owners were justified in feeling that they were fully as successful as their northern counterparts in the game of wealth accumulation, if not more so; but they held their wealth mainly in the form of human property rather than land values" (Wright 2006: 61). Thus, "[t]he southern plutocrats were considerably richer on average than their northern counterparts, by a factor of roughly two to one. Indeed, nearly two of every three males in the United States with wealth of $100,000 or more (the super rich of the era) lived in the South in 1860" (Fogel 2003: 62).

As these examples indicate, coercive strategies of labor control, including but not limited to plantations, represented *in their own time* what Joseph Schumpeter (1942) would characterize as *innovative* activities, yielding extra-ordinary levels of wealth. The "extractive institutions" associated with HIE, as it is usually acknowledged, provided crucial competitive advantages to the elites benefiting from such arrangements, but, in addition, they did so by simultaneously providing a very effective basis with which to promote wealth maximization (and economic growth) for several hundred years. As synthesized by Fogel (1989: 10), "[i]t was virtually uninterrupted economic success for more than 200 years that made [modern slavery] thrive and grow to monstrous proportions."

By contrast, many of the areas that contained within themselves the type of arrangements we would today characterize as constituting LIE (particularly those in the "New World") were relatively marginal and perceived at the time as fairly impoverished. Perhaps due to these difficulties, the entrepreneurial activities developed in these areas sought to exploit the interstices left open by mercantilist arrangements (smuggling, filling commercial niches not easily met by colonial empires, and so forth).

Thus, while the relative advantages of LIE over HIE appear clear today, and are posed as an issue of basic economic rationality in the new institutional literature on inequality, this was not as evident to contemporaries. Even the perceived competitive advantages of wage labor as compared to slavery, for example, were initially more linked to moral discourse rather than to any notion of economic efficiency. In fact, as Fogel (1989: 203) reminds us, "[t]he greatest obstacle to the rise of an antislavery ideology was the belief that slavery promoted material improvement," so much so that in the original stages of the abolitionist movement, "religious radicals of the late seventeenth and early eighteenth centuries denounced slavery as 'a filthy sin' not because it was an economic failure but because its economic successes were abhorrent to them."

To some extent, the more elegant versions of the new institutional literature on inequality acknowledge that "institutions of private property [..] should matter more during the age of industry," when these institutions yielded results that thereafter provided a significant competitive edge" (AJR 2002: 25). But the point is that "the age of industry," and the particular shape that markets adopted in this period, were precisely evidence of the competitive advantages demonstrated by LIE. Once they gained such an edge, and for a considerable period of time, these advantages reinforced themselves: as indicated by Wallerstein (1974: 98),

> if, at a given moment in time, because of a series of factors at a previous time, one region has a *slight* edge over another in terms of one key factor, *and* there is a *conjuncture* of events which makes this *slight* edge of central importance in terms of determining social action, then the slight edge is converted into a large disparity and the advantage holds even after the conjuncture has passed.

Of course, the story of how LIE gained such an edge, and of how this edge became more pronounced over time, does not involve merely (or even primarily) competitive economic advantages. The institutional arrangements that came to characterize LIE offered forms of categorical identity (e.g., citizenship) that people embraced as they sought to challenge, with uneven success, existing forms of inequality (including those entailed in HIE). From this perspective, as we have indicated earlier, HIE and LIE always have been eminently political constructions.

From a comparative perspective, then, it is important not to extrapolate from the logic of economic arrangements that became subsequently successful, criteria of rationality for evaluating HIE and LIE that were simply not in operation at the time. Rather than retrospectively evaluating "design" according to some standard that emerged hundreds of years later, we seem to be on better ground when understanding different institutional paths as the outcome of processes of conflict and negotiation between social forces who enjoyed different degrees of relative bargaining power, and where the consequences of specific institutional paths changes over time *precisely due to their interaction*. To paraphrase Mintz (1985: 44,) HIE and LIE developed "in two ecologically different settings and were critically different in form. Yet they served the same overarching economic goals, and were created – albeit in such different form – by the evolution of a single economic and political system." We now turn to focus on this single system from the point of view of patterns in between-country inequality.

<u>Proposition 5. Between-country inequality can be understood best as involving over the last two centuries a High Inequality Equilibrium (HIE)</u>. The overall level of inequality between nations – as expressed by a Gini coefficient that measures dispersion of Gross National Income (GNI) between the nations of the world -- has been both extremely high and historically persistent. The available empirical data on national incomes unequivocally shows that inequality between countries in the twentieth century is higher than the inequality exhibited within any single nation-state. In fact, if we were to construct a global map of inequality, showing where each household or individual stood vis-à-vis everyone else in the world (that is, combining information on within- and between-country inequality), the relative standing of each household or individual would be shaped most heavily by whether they inhabited a poor or wealthy nation (that is, by inequality between-nations). This is a consequence of, as well as evidence for, the crucial impact of the high level of inequality between-nations.

Figure 4 below shows two different estimates of population-weighted between-country inequality over the last two centuries, using GNI (adjusted alternatively by purchasing power parities and exchange rates: see statistical appendix). According to both estimates, between-country inequality remains today above the boundary demarcating within-country HIE (moreover, as indicated the exchange rate based data place between-country inequality above nations with the highest observed within-country inequality).

(<u>Figure 4 about here).</u>

Over the 1820-2004 period, there have been major shifts in the organization of production and consumption, the rise and fall of very different patterns of state/market interaction, two World Wars, and revolutionary change among large swaths of the world's population. Despite the turbulence implied in these transformations, and that observers might expect their significant impact, overall inequality between countries, as an output of global interaction, retained a remarkable stability. This stability is indicative of a high inequality equilibrium (HIE) similar to the kind we established regarding patterns of within-country inequalities.

Of course, to say that interactions between countries have constituted a system that reached equilibrium through most of the nineteenth and twentieth centuries is not to say that the trajectories of all individual countries showed rigidity and stability. We know that during the same period there was a considerable amount of mobility for individual nations. In the nineteenth century, what are often ethnocentrically labeled as "countries of recent settlement" (e.g., Argentina, Australia, Canada, New Zealand and the United States), were characterized by very high rates of economic growth. In the late nineteenth and early twentieth century, much of Scandinavia likewise experienced growth in national income and standards of living. Japan stood out in terms of its rapid economic ascendancy after World War II, and was joined (particularly in the last quarter of the twentieth century) by the so-called "East Asian Tigers." More recently, as we discuss below, China and India have been characterized by extraordinary rates of growth. But since the early nineteenth century, and until the late twentieth century, individual cases of 'successful' upward mobility were accompanied by the stable persistence of high inequality between nations (as indicated by groups of countries that have remained "poor" and "wealthy" over the entire two centuries), resembling the HIE that characterizes divergent patterns of within-country inequality. In other words, the mobility of individual countries has gone hand-in-hand with a persistent HIE between nations.

Such a pattern of between-country inequality illustrates the impact of what Schumpeter (1942) denominates processes of creative destruction. Economic success, in this formulation, always entails the simultaneous construction of institutional rigidities that eventually constrain further growth and provide new opportunities for effective competition *through innovation*. The arrangements that bring greater access to wealth at one point in time (e.g., the plantation systems associated with within-country HIE) become over time a source of competitive disadvantages and/or a locus of dislocation. Innovation is thereby eminently relational. Innovations only make sense within a spatial and temporal field in which the adoption of new forms of action by some actors serves to provide greater access to the opportunities available within that field, than that attained by other actors who do not deploy similar strategies – and who generally experience through the very same process a relative (and sometimes absolute) decline in their access to opportunity.

Institutional innovation is not easily available as an open route. Just as investments "sink" capital in physical infrastructure in ways that often diminish the capacity of entrepreneurs to adapt rapidly to new strategies of production, institutional arrangements help create rigidities that often become difficult to leave behind. To some extent, the whole logic of innovation revolves precisely around this characteristic: If it was costless to shift from one productive strategy to another, or from one set of institutional arrangements to another, diffusion would not be constrained and the life-span of innovations would be extremely short. Historically, the opposite pattern has ensued, generating the trends in within- and between- country inequality at hand.

<u>Proposition 6. The establishment of within-country LIE and the persistence of between-country HIE are not two separate processes: rather, they are the outcome of the institutional arrangements under girding world inequality</u>. Earlier we established that within-country HIE, originally linked to the exploitation of coerced labor and the restricted access of large segments of the population to property and/or political rights, entail the persistence of what we call *selective exclusion*. Under selective exclusion, large sectors of the population are included in some markets and/or productive arrangements, but are simultaneously excluded from others (e.g, educational, political, and/or employment opportunities). Such exclusion generally is justified by categorical criteria. By comparison, LIE, where free workers and small property owners have considerable access to property and political rights, involve relatively greater inclusion – through redistributive state policies, the ability or labor to use trade organizations to enhance their bargaining power, and/or the effective use of education to enhance skills and thus wages.

In fact, while institutional arrangements centered around selective exclusion and categorical inequality appear to be the most salient distinguishing characteristic of HIE, selective exclusion and the deployment of categorical inequality are just as central to the development and persistence of LIE.

In HIE, institutional arrangements enhance economic opportunities for elites while simultaneously restricting the access of large sectors of the population to various forms of opportunity (e.g., "educational," "political," "economic"). Enhanced opportunities for elites and the restricted access of the majority are related: selective exclusion serves to reduce competition among elites through institutional arrangements that simultaneously enhance competitive pressures among excluded populations (in the arenas or markets to which these populations are restricted). In HIE, this selective exclusion operates fundamentally *within national borders*.

The role of selective exclusion is less evident in situations of LIE. In fact, the institutional arrangements characteristic of LIE appear to differ from HIE precisely by the extent to which they enhance for their overall population a broader access to educational, political, and/or economic opportunity. Whereas HIE are most manifestly characterized by exclusion, ascription, and categorical inequality, LIE appear as the very embodiment of universal opportunity, facilitating the possibility of success through individual achievement.

But the institutional arrangements characteristic of LIE *do* restrict access to opportunity for large sectors of the population, except that excluded populations now are located primarily *outside national borders*. Selective exclusion, in the case of LIE, operates fundamentally through the very existence of national borders, reducing competitive pressures within these borders, while simultaneously enhancing competitive pressures among the excluded population outside those very same borders (again, in the arenas or markets to which *these* populations are restricted). Such an interaction is essentially how Adam Smith (1976) described the relationship between town and country in the emergence of capitalism. As in wealthy LIE countries today, town inhabitants in Smith's account found it easier than those in the country to associate, and indeed used corporate association to regulate production and trade in their towns to restrict outside competition. While such arrangements tended to raise the wages that town employers had to pay, "in recompence, they were enabled to sell their own just as much dearer; so that so far it was as broad as long, as they say; and in the dealings of the different classes within the town with one another, none of them were losers by these regulations" (Smith 1976: I, 139). Moreover, as a result of such arrangements, in their dealings with the country ("and in these latter dealings consists the whole trade which supports and enriches every town") town-dwellers were "great gainers" able to "purchase, with a smaller quantity of their labour, the produce of a greater quantity of the labour of the country" (Smith 1976: I, 139-140). What Smith thereby describes is a process of selective exclusion: through institutional arrangements establishing a social compact that restricted entry to markets, town dwellers attained a virtuous combination of growth, political autonomy and relative equity that simultaneously transferred competitive pressures to the countryside.

When focusing only on wealthy nations, as per much of the social sciences, institutional arrangements indeed appear, as in Adam Smith's towns, to be characterized primarily by inclusion, and likewise economic growth and markets seem to constitute virtuous spheres where gain is fundamentally an outcome of effort. From such a perspective, success appears to be the outcome of individual achievement, as measured by universal criteria, in spheres (e.g., education, labor markets) characterized by relatively unrestricted access.

The interaction of such virtuosity with processes of selective exclusion can only be observed when we shift our unit of analysis to encompass the world as a whole. Such a shift reveals that the prevalence of "achieved" characteristics in today's wealthy nations has been attained through processes operating between-nations that hide away how the institutional arrangements characteristic of LIE simultaneously reestablish privileges based on exclusion and "ascribed" characteristics.

Thus, while portrayed as inclusive in comparison to HIE, the property and political rights characteristic of LIE were often generated through (often violent) imposition over other arrangements (including other forms of linking human communities to their environments) that might have been characterized by even lower inequality. The very creation of national states in "nations of recent European settlement" required the subordination and/or elimination of native populations. LIE in areas such as the United States or Canada eventually developed as institutional arrangements both alternative to HIE (for example, slavery in the South of the United States,) but also proscriptive of (and inimical to) arrangements entailing even lower inequality (as in the case of Native Americans in the “open frontiers” of areas of recent settlement, or the cases of China and India during the nineteenth century).

But there is a different dimension to the exclusionary features of the development of LIE that can be identified best by focusing on migration around the late nineteenth century and early twentieth century. In the late nineteenth century, there was a staggering increase of free migration across national borders, driven primarily by the promise of high wages in receiving countries. Indeed, in relative terms, annual immigration was more significant then than in recent times, facilitated by the weak capacity of states to enforce tight controls over their boundaries, but also indicative of a prevailing consensus regarding the right of individuals to move across borders, rights that “had become so generally accepted that formal guarantees [such as the use of a passport system] were considered unnecessary” (Dowty 1987: 54).

This mass migration had a major impact on within- and between-country inequality. Movement across national borders led to considerable convergence among the wealthier nations of the world-economy in the late nineteenth century (primarily Europe, North America, Australia, and New Zealand), a convergence explained for the most part “by the collapse of the wage gap between Europe and the New World” (O’Rourke and Williamson 1999: 15). This generated some convergence in between-country inequality (at least among the relatively wealthier nations of the world) and reduced within-country inequality among the principal sending countries, but tended to increase inequality within receiving, higher-income nations (Williamson 1991).

Eventually, the perceived rise of inequality in receiving nations generated a backlash against open migration. Restrictions on migration, defended as protection for the unskilled, often relied on racial criteria to justify ethnic exclusion. The particular shape and consequences of this backlash varied from country to country, but throughout, in the words of Polanyi (1957: 217), nations and peoples “shielded themselves from unemployment and instability with the help of central banks and custom tariffs, supplemented by migration laws.”

Protectionism and restrictions on immigration eventually had their intended effect, reversing the rise in within-country inequality across much of the core. Figure 5 below illustrates this point by overlaying trends in inequality and immigration in the United States over the twentieth century.

(<u>Figure 5 about here</u>).

The “backlash” against global markets in the early twentieth century, and the responses to within-country inequality among wealthier countries in following decades, revolved around strengthening the nation state as a basis upon which to organize categorical differences. Constraints on migration and the rise of the welfare state involved the consolidation of identities constructed around the nation-state and citizenship; to extrapolate from Wright’s (2006) discussion of opposition to slavery, these strategies both universalized but simultaneously excluded on the basis of national identity (and the latter became the key basis of categorical inequality from a global perspective).

Similarly to the situation described by Adam Smith, the institutional arrangements of LIE and the national regulation of international migration in the twentieth century reduced competitive pressures among workers within wealthy nations, and thereby contributed to the declining income inequality in wealthier nations at the time. But the institutional arrangements and market mechanisms that served to reduce inequality within high-income nations simultaneously generated or strengthened constraints that accentuated inequalities between nations. Constraints on international migration, for example, accentuated competitive pressures in labor markets elsewhere in the world, and in the process eliminated for much of the twentieth century one possible mechanism for reducing the income gap between countries (i.e., the transfer of populations from poor to wealthy nations).

Extrapolating from Polanyi (1957 [1944]: 37,) such patterns suggest that institutions shape inequality by "altering the rate of change, speeding it up or slowing it down as the case may be." At times, institutional arrangements protect a given population by shielding it from the competitive pressures of markets, in fact *slowing down* the rate at which the relevant parties experience dislocation. In other instances, the role of institutions is precisely the opposite: to provide mechanisms through which to *accelerate* the rate at which innovations are introduced. Historically, institutional arrangements shaping inequality have combined both sets of strategies, with politically significant actors *accelerating* the introduction of some innovations/dislocations in fields in which they hold various kinds of competitive advantages, while simultaneously seeking to *slow down* and restrict the rate at which innovations/dislocations are introduced in fields in which they have fewer or more limited competitive advantages. The ability to deploy such arrangements is unevenly distributed among actors within and between nations.

In LIE, institutions function in ways that restrict competitive pressures within nations by selectively excluding important sectors of the population of other nations from some markets while including them in others. Over the twentieth century, restrictions on international migration or trade, for example, certainly have been some crucial forms of exclusion. But simultaneously, the same institutional arrangements moved towards pushing for inclusion in other markets (for example, such as the one constituted by intellectual property). The institutional arrangements underpinning LIE detach the "improvements" and "dislocation" in a different way than in HIE, so that they enhance the access of the overall population within a nation to "improvement," by using exclusion, now aimed at populations residing *outside the nation*, to deflect to other parts of the world any "dislocation" inherent in the very same process. Just as race becomes a crucial ascriptive criteria sustaining within-country HIE, national identity and citizenship constitute the central ascriptive criteria shaping between-country inequality HIE.

Rawls (1971: 102) argues that "[a]ristocratic and caste societies are unjust because they make [natural] contingencies the ascriptive basis for belonging to more or less enclosed and privileged social classes." This is precisely the logic that has prevailed in interactions between the populations of nation-states in the world-system, as the LIE pattern came to entail selective exclusion on the basis of citizenship. In this sense, the problem with the type of representation of within-country inequality provided in Figure 1 is not that they distort the type of transitions that accompanied LIE, but that they omit the significant role played by exclusion in reducing competitive pressures within the social arrays at hand.

Proposition 7: Social stratification takes place within global boundaries. The arguments we advance require an alternative perspective on stratification. Rather than being nationally bounded, as in the modernization perspective framing the arguments of Simon Kuznets, institutional arrangements constitute *relational* mechanisms of regulation, operating *within* countries while simultaneously shaping interactions and flows *between* them.[ii]

As discussed at the outset, depicting such a conclusion empirically is not easy, as the data necessary to construct such a depiction are not readily available. An empirically precise model, extended over time and space a la a world-historical perspective will require the creation of data on a global (not national) scale, data that heretofore do not exist. In the absence of such data, we are constrained here to merely illustrate what such an exercise might look like.

In Figure 6 below, we took all countries in our dataset having decile-level income distribution data (the percentage, or share, of income accruing to each 1/10 of the population) available circa 2005, and calculated for each decile its average income – for example, the income share accruing to the richest 10 percent of the United States (USA10) is 27.6%, translating into an average income for the decile of $120,338 based on the GNI per capita for the United States in 2005. We then ranked these country deciles from poor to rich to establish world quintiles (that is, each with 20% of the sampled population), their boundaries, and their composition. For example, the box at the top of Figure 6 represents the poorest 20% of our world sample, country deciles with an average income below $339. Although the population size of a quintile is equivalent, each contain different numbers of country deciles because countries have different national populations (the large number of deciles in the wealthiest quintile thus reflects the small populations in that part of the world).

(Figure 6 about here).

Figure 6 illustrates some of the key arguments advanced in this paper. Virtually all the deciles of high-income nations are contained within the wealthiest world quintile, illustrating why studies of mobility and stratification that focus solely on such countries are bound to produce a very narrow interpretation of these phenomena. What stands as mobility in these studies, for example moving up the occupational ladder, is recast from a global perspective into movement within what in fact constitutes a world elite (i.e., movement *within* the richest 20% of the world). More significant mobility is entailed, for example, in jumping borders to secure a more dramatic improvement in income (even, say, by migrating to move from the upper deciles of the Dominican Republic to the lower deciles of the United States).[iii] This kind of exercise, extended over space and time, would allow us to produce a better account of global stratification and world inequality. As noted above, this will require a different (world-historical) approach to the collection of social-scientific data.

Proposition 8: Recent trends in globalization, characterized by a reduction in between-country inequalities, might represent a challenge to prevailing forms of categorical exclusion. The very success of within-country LIE among wealthy nations through the twentieth century eventually led to the emergence of significant challenges to established patterns of selective exclusion in the between-country HIE. These challenges have revolved around the key institutional feature linking within-country LIE and between-country HIE – the exclusion of labor from poorer countries by the rich – and have taken two forms: increased migration (both documented and undocumented), and the rise of India and China.

Such challenges would not have surprised Adam Smith. For Smith, as indicated above, the political organization of town dwellers allowed them to get, through selective exclusion, significant competitive advantages vis-à-vis rural inhabitants. But over time, the very success of these arrangements in generating advantages eventually led to their erosion. The accumulation of stock in towns, for example, eventually led to growing competition among stockholders, and, hence declining profits. Eventually, according to Smith (1976: I, 143,) these competitive pressures “forces out stock to the country, where, by creating a new demand for country labour, it necessarily raises its wages.” By reintroducing competition among those who hitherto had been protected from such pressures, mechanisms of selective exclusion between town and country began to break down.

A la Smith, the very growth of between-country inequality through most of the last two centuries has become a driving force for the migration of labor and capital. Growing income disparities between nations over time have generated strong incentives (e.g., drastically lower wages in poor countries) for both the migration of workers to higher-wage markets and the “outsourcing” of skilled and unskilled jobs to peripheral countries. Both trends exercise a “market bypass” that in effect overcomes the twentieth century institutional constraints on labor flows that characterized the development of LIE. Such are the processes at hand in the recent decline of between-country inequalities suggested earlier in Figure 4 (although the extent of this decline is under debate: see Firebaugh 2003; Korzeniewicz and Moran 2007; Milanovic 2005; Wade 2004).

As we have noted, between-country inequality always has been characterized by the mobility of individual nations, such as in the cases of Sweden in the late nineteenth century, Japan in the immediate post–World War II era, or South Korea in the 1970s and 1980s. But in the past, as we show, the upward mobility of individual nations took place within a setting whereby systemic inequality continued or became even more pronounced. The large populations of China and India make today's story different than before, as their effective mobility, even if limited to any one of those two countries, implies a potentially dramatic shift in patterns of between-country inequality. Such a world-historical interpretation differs from that which prevails among many contemporary observers, for whom the decline in between-country inequality is normatively interpreted to be merely a consequence of the gradual diffusion of modernization/ industrialization/markets to areas of the world-economy that had remained traditional and/or autarchic. From a world-historical perspective, we argue, much more is at play. Were current trends to continue in a sustained way, between-country inequality could eventually break out of its current HIE, in a transition that would transform the very logic that has shaped world inequality for centuries.

<u>Conclusion</u>.

As we noted in the introduction, there are intense public and academic debates over who might win and who might lose over the course of globalization. Shifting the relevant unit of analysis from the nation-state to the world-system, changes our understanding of what Rawls (1971: 99-100) would call the "relevant positions" from which to make these assessments. As argued in this paper, from a global perspective there are indeed tradeoffs: the same institutional mechanisms through which inequality historically has been reduced *within* some nations often have accentuated the selective exclusion of populations from poorer countries, thereby enhancing inequality *between* nations.

Today, ascriptive criteria centered on national identity are the fundamental basis of stratification and inequality in the contemporary world. As in the past, the persistence of such categorical inequality is justified by appealing to images and forms of constructing identity that appear as natural rather than as the social artifacts they are. In this sense, the idea of nationhood as a "natural" category has become as deeply embedded in common sense (thereby allowing such ideas to often go as unchallenged) as the notion of, say, white supremacy was in the nineteenth century.

A historical parallel can be instructive. Today, particularly when circumstances allow us to feel that our current privileges are derived from individual effort and attainment, we feel in command of a higher moral authority. This moral authority allows us to look back to slavery and coercion as practiced 200 years ago, and harshly condemn those who at the time justified such severe forms of inequality as a natural state of affairs.

200 years from now, how will future observers (if still around) assess our age? In a world of persistent between-country inequality, will they find our own moral crusaders for greater global equity to have been a quaint but short-lived phenomenon of our time? Or, having moved towards substantially lower inequality worldwide, will they puzzle at our current reluctance to acknowledge the deep inequalities of today and their differential effects on health and welfare, and be morally outraged at the current use of national identity to justify such inequalities as our own natural state of affairs?

Statistical Appendix

For this paper, we assembled a new and comprehensive dataset of percentage distribution data (percent of income accruing to population deciles) and Gini indices to measure inequality within-countries. The Gini index is a summary measure of income dispersion that ranges from zero (complete equality) to one (complete inequality). Our dataset was assembled to be cross-nationally comparable regarding specification and methodology: percentage data and Gini indices are based on nationally representative samples and measure inequality of net (disposable) household income, adjusted for size using an equivalence scale, with top and bottom coding (a few developing countries in South Asia and African in Figure 6 are based on gross household income). Our three primary sources are the Luxembourg Income Study (Moran 2006), SEDLAC (2006), and the WIID (2005). The high and low inequality boundaries were established with the cross-section in Figure 2 using the two-stage, hierarchal clustering algorithm in SPSS, 16.0.

Gross National Income per capita data (Figures 2 and 4, and used in the analysis to create Figure 6) are from World Bank (2006). Long debates exist as to the relative merits of converting national income currencies to a comparable metric, and more specifically around the use of exchange rate (FX) vis-à-vis purchasing power parity (PPP) data. For more discussion on these debates see Korzeniewicz and Moran (2006) and Firebaugh (2003).

The three digit country-codes used in Figures 2 and 6 are specified in Table 1.

(Table 1 about here).

Endnotes.

[i] Thus, the promise of easy access to wealth attracted contemporary Europeans to these areas. For example, "during the Prussian time, some families of Neuchâtel were engaged in slave labor. David de Pury was a Hoffactor for the Portuguese Monarch. Jean-Pierre de Pury, who founded Purrysburg, South Carolina, owned and traded with slaves. Jacques Louis Poutales became a slave owner in Grenada. Pierre Alexandre DuPeyrou became a slave owner in the Dutch colony Surinam. Charles Daniel de Meuron became a slave owner in South Africa. Other slave owners and producers of tobacco were from the Neuchâtel family Coulon. The activities of these families made Neuchâtel rich. Members of the slave owner families tried to keep Neuchâtel Prussian, when it became part of Switzerland" [http://en.wikipedia.org/ wiki/Canton_of_Neuch%C3%A2tel].)

[ii] Of course, it's not only Kuznets who bounded these processes nationally. Rawls (1971: 8) indicates that his theory of justice applies to a national society conceived "as a closed system isolated from other societies." The world-systems perspective adopted in this book provides an alternative understanding (particularly insofar equal citizenship is not forthcoming globally as Rawls assumes it is at a national level).

[iii] Of course, Haiti (now located among the poorest countries in the world) no longer attracts the fortune-seekers mentioned in footnote 1 above.

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Figure 1. The Kuznets Transition

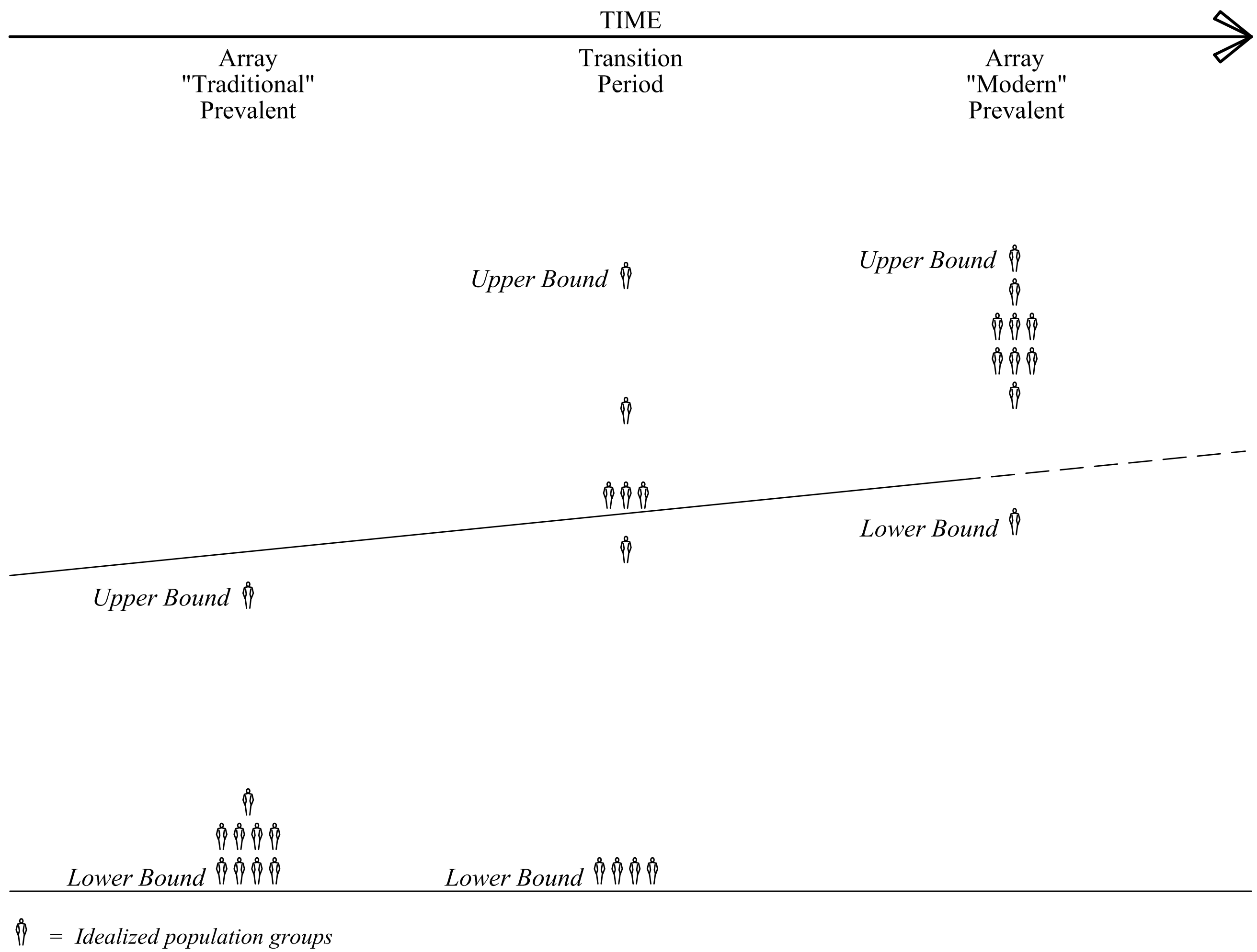
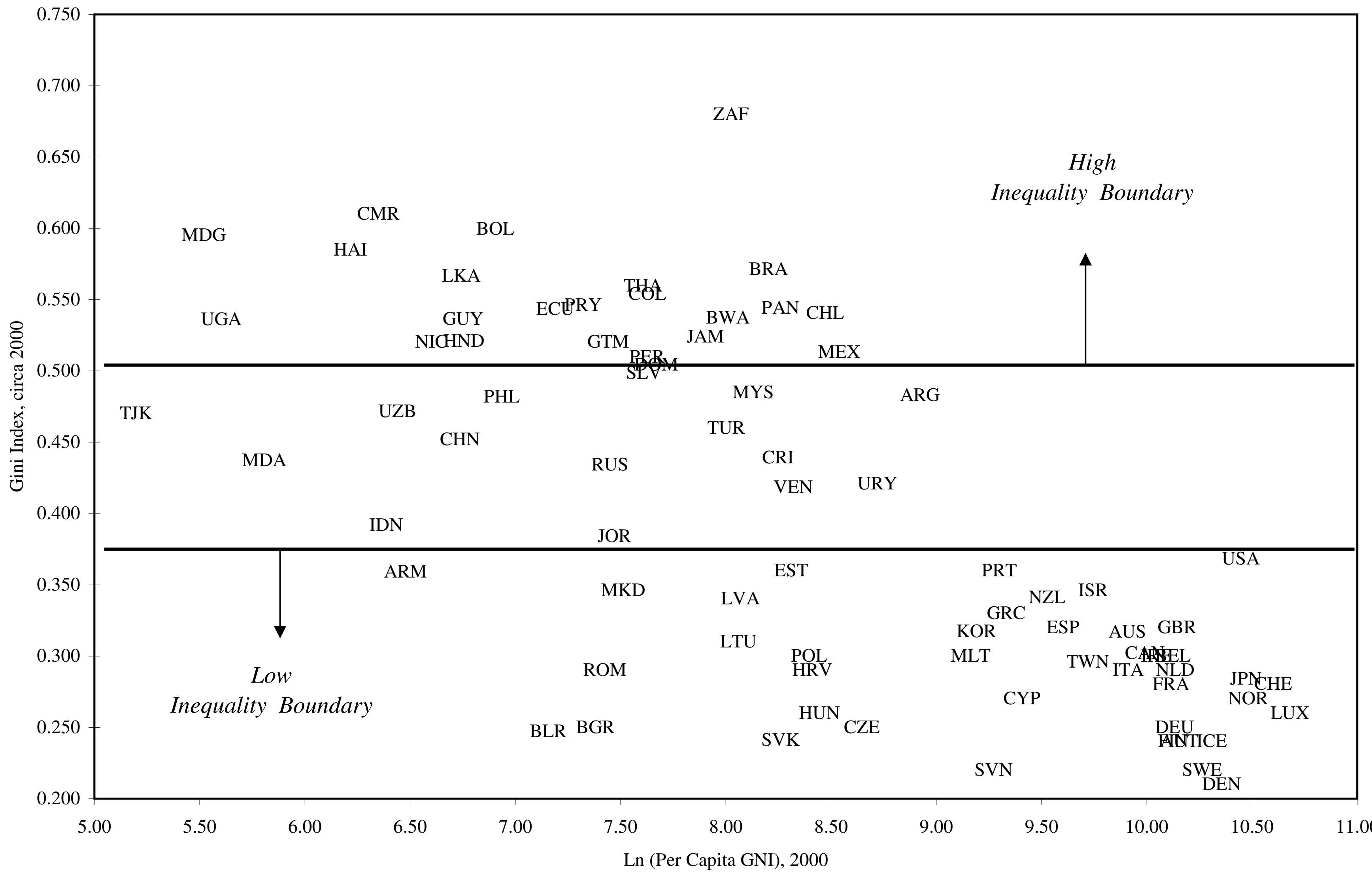
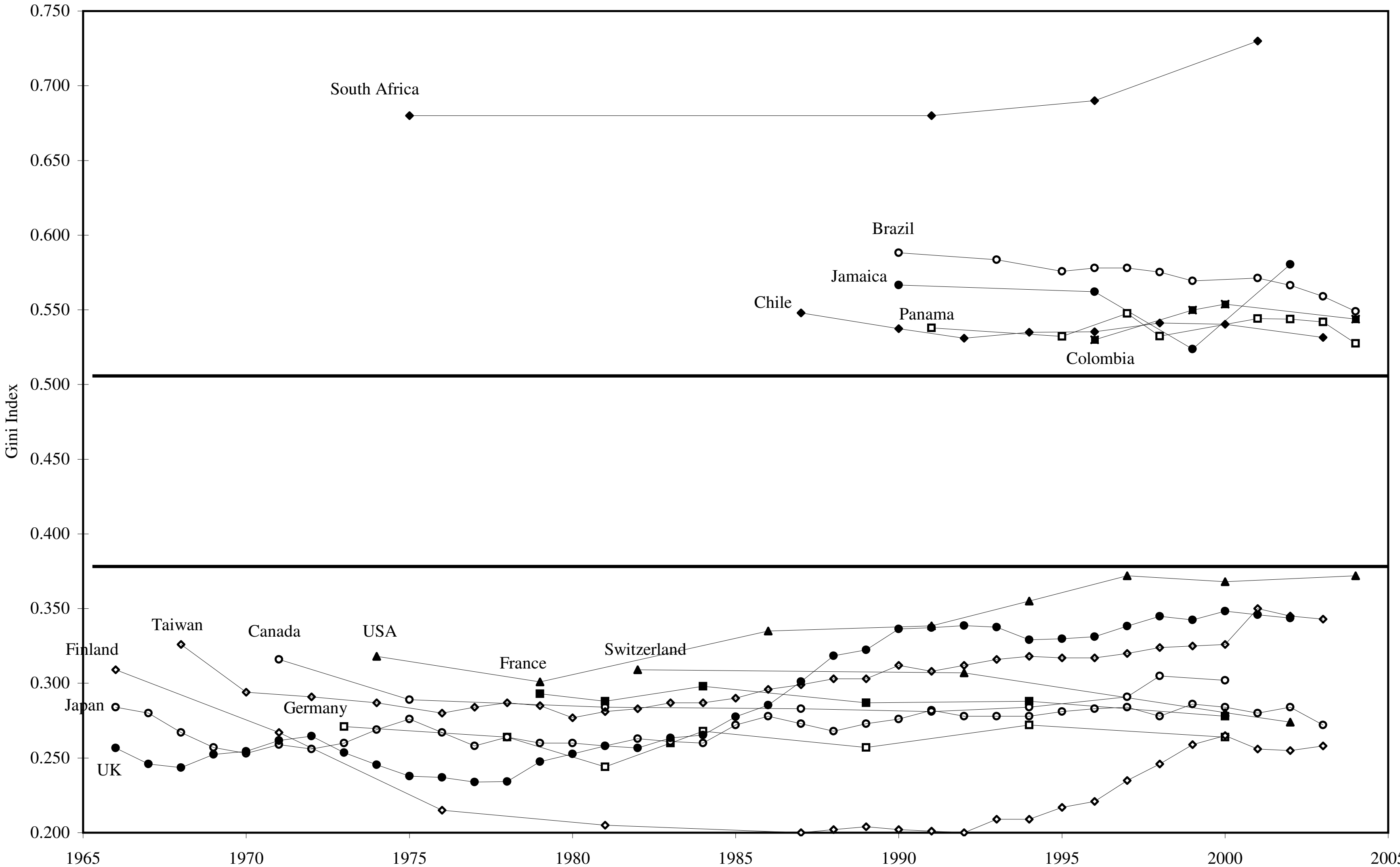


Figure 2. Income and Inequality, Global Cross-Section 2000



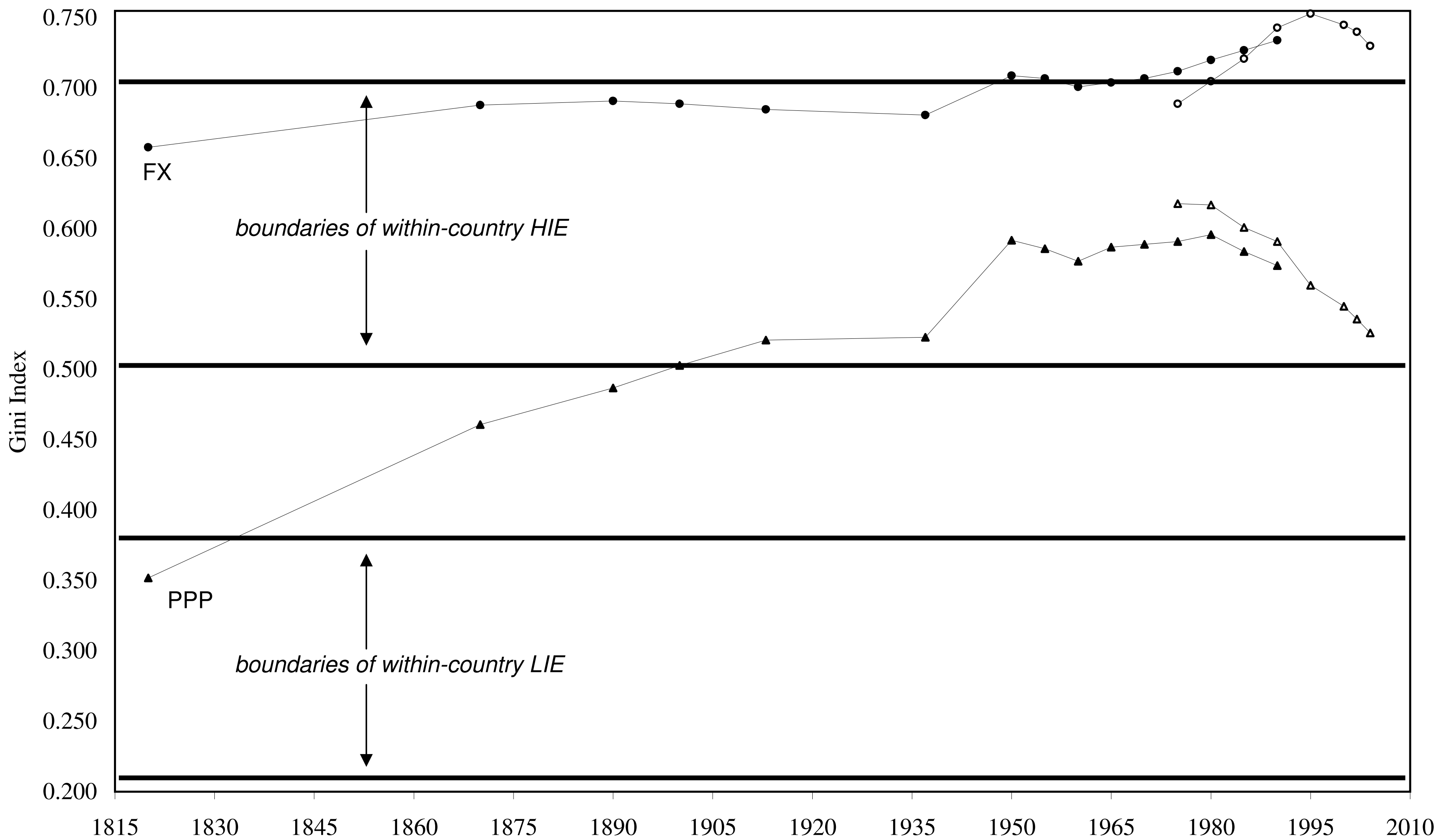
Source: See Statistical Appendix

Figure 3. Trends in High and Low Within-Nation Inequality



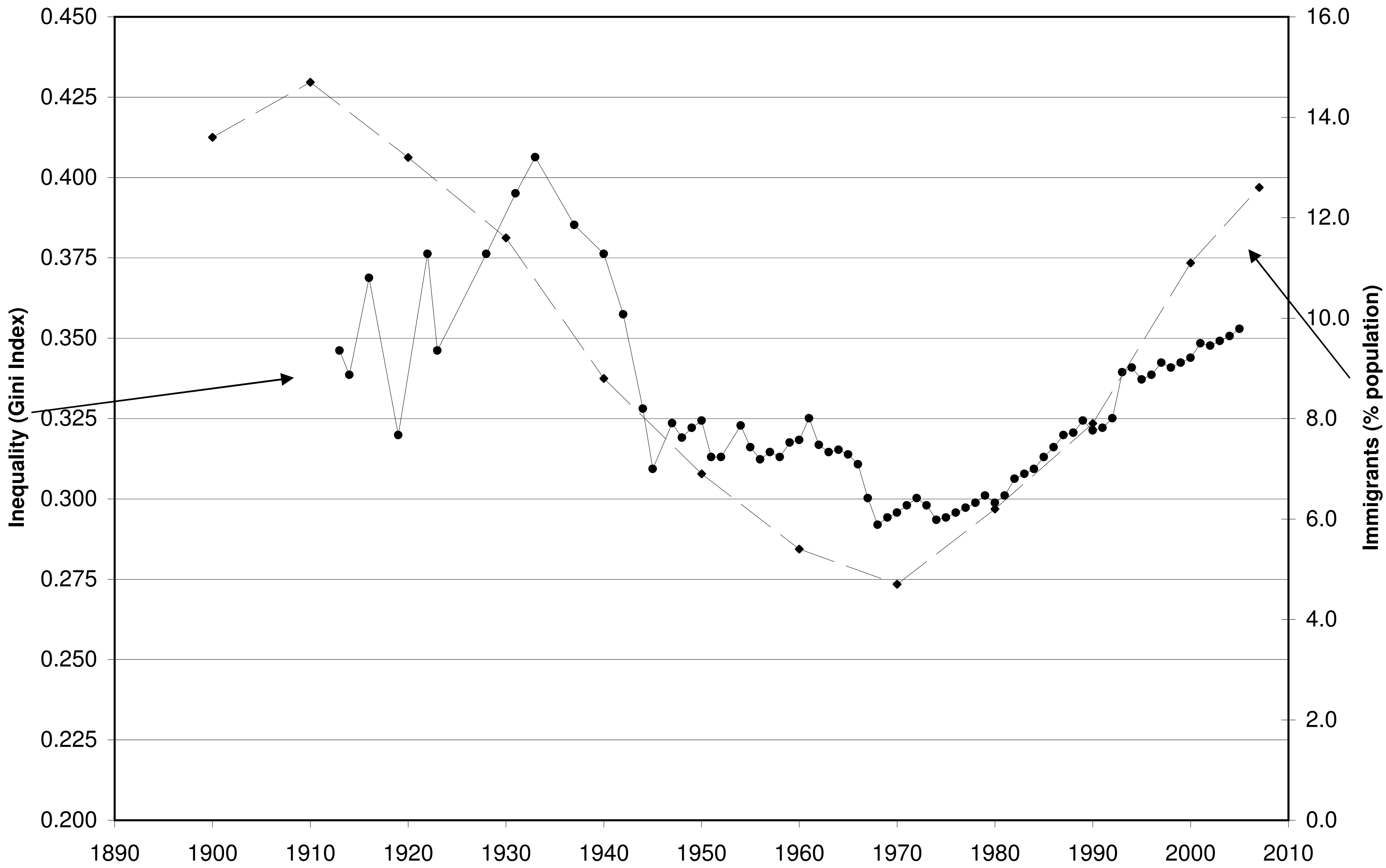
Sources: See Statistical Appendix

Figure 4. Between-Country Inequality, 1820-2004: Mapped Over the Boundaries of Within-Country HIE and LIE



Sources: Authors' caculations based on: 1820- 1990 series, Maddison (1995), n = 24; 1975-2004 series, World Bank (2006), n = 107

Figure 5. Inequality and Immigration: The United States Over the Twentieth Century



Sources: Inequality, WIID (2005); Immigration, Camarota (2007)

Figure 6. Global Stratification: Country Deciles Ranked From Poor to Rich

Poorest Quintile 1 ($5 - $339)

ZWE1	BFA5	IND2	NIC2
BFA1	ETH5	UZB3	CMR3
ZWE2	HND1	ZWE7	SLV1
ZMB1	ZWE5	LKA1	UZB4
ETH1	UGA3	UGA7	PRY2
BFA2	IND1	COL1	BOL3
BOL1	BGD1	HAI5	BGD4
HAI1	ZMB3	LSO1	HAI6
UGA1	UZB2	ETH6	NGA5
ZWE3	BOL2	UGA4	ZWE8
BFA3	ZWE6	BFA6	UGA8
ETH2	ZMB4	PRY1	EGY2
UZB1	UGA5	NIC1	ECU1
ZMB2	THA1	HAI3	BFA8
ETH3	EGY1	ETH7	IND4
ZWE4	CMR2	NGA2	BGD5
BFA4	ETH8	HND2	ZMB7
UGA2	HAI4	NGA4	UZB5
CMR1	UGA6	BGD3	CHN1
ETH4	NGA3	ETH9	NIC3
NGA1	BGD2	PHL1	NGA6
HAI2	ZMB5	ZMB6	IND1 (76%)
JAM1	BFA7	IND3	

Quintile 2 ($300 - $900)

IDN1 (24%)	HAI8	THA3
CMR4	ZWE9	EGY5
HND3	HND4	UZB8
DOM1	LKA3	BOL6
GTM1	IND6	SLV2
HAI7	PRY4	CHN3
PHL2	IDN2	ETH10
LKA2	COL2	GTM2
JAM2	UZB7	ZMB9
BGD6	BOL5	PHL5
PRY3	NIC5	PER2
IND5	EGY4	CRI1
BOL4	CHN2	LKA5
PER1	BGD8	HAI9
UZB6	PHL4	BGD9
EGY3	NGA8	IDN4
THA2	BFA9	LSO3
UGA9	LKA4	CMR7
NIC4	CMR6	PRY6
NGA7	ARG1	COL3
BGR1	PRY5	MYS1
BRA1	ECU2	JAM3
BGD7	HND5	EGY6
ZMB8	IDN3	HND6
CMR5	IND7	NIC7
PAN1	DOM2	VEN1 (32%)
PHL3	NIC6	
LSO2	ZAF1	

Middle Quintile 3 ($800 - $1600)

VEN1 (68%)	HND7	SLV4
NGA9	NIC8	MYS2
BOL7	LKA7	LKA8
BRA2	CMR8	CHN6
IND8	CHN5	HND8
IDN5	DOM4	DOM5
CHN4	LSO4	ECU5
LKA6	ZAF2	CRI2
DOM3	PHL7	NIC9
ECU3	ECU4	ZAF3
PHL6	BOL8	PHL8
UZB9	ARG2	IDN8
THA4	BRA3	PAN3
CHL1	IDN7	COL6
PAN2	GTM4	PER5
GTM3	PER4	GTM5
PRY7	THA5	BGD10
PER3	COL5	CMR9
BGR2	PRY8	BRA4
EGY7	IND9	BGR3
COL4	JAM4	SLV5
IDN6	UGA10	LSO5
MEX1	EGY8	VEN2 (95%)
SLV3		

Quintile 4 ($1,600 - $5,900)

VEN2 (4%)	MEX2	MEX3	ARG7
CHL2	ARG4	CHN9	BRA8
BOL9	VEN3	PER8	PER9
THA6	CHN8	SLV8	CRI7
ARG3	NGA10	ZAF7	MYS7
DOM6	HAI10	JAM7	LKA10
CHN7	MYS4	BRA7	HND10
ECU6	THA7	CHL5	MEX5
MYS3	GTM7	THA8	BOL10
PRY9	LSO6	PAN6	CHL7
JAM5	KOR1	BGR6	PRY10
ZAF4	JAM6	VEN5	CMR10
LKA9	PER7	ARG6	VEN7
EGY9	CRI4	LSO7	THA9
GTM6	SLV7	MYS6	ISR1
PER6	BRA6	BGR7	PRT1
UZB10	ZAF6	CRI6	PHL10
COL7	COL8	COL9	MEX6
CRI3	PAN5	MEX4	ARG8
HND9	CHL4	DOM9	LSO8
SLV6	DOM8	CHL6	KOR2
IDN9	ECU8	GTM9	PAN8
PAN4	ARG5	ECU9	CRI8
BRA5	VEN4	ZAF8	BGR9
PHL9	BGR5	VEN6	EGY10
DOM7	MYS5	NIC10	MYS8
BGR4	ZMB10	IDN10	ZAF9
CHL3	GTM8	JAM8	JAM9
ECU7	IND10	SLV9	CHN10 (9%)
ZAF5	CRI5	BGR8	
ZWE10	BFA10	PAN7	

Richest Quintile 5 ($5,900 - $150,100)

CHN10 (91%)	KOR7	AUT1	FIN2	ESP8	NLD7	NOR6
GRC1	BEL2	ITA2	BEL3	LSO10	BEL8	DNK8
VEN8	ITA3	ESP3	GRC7	SWE4	DNK5	CHE7
CHL8	PAN10	AUS2	USA3	AUS6	AUT8	IRE9
BRA9	GBR2	FIN1	AUT2	NLD4	FIN8	ESP10
MEX7	DNK3	KOR6	GBR3	NLD5	IRE7	NOR7
PRT2	GBR6	NLD1	ESP6	GRC9	GBR8	LUX6
ARG9	SWE5	GRC5	AUS4	NOR2	ITA9	DNK9
ESP1	FRA6	VEN10	NLD2	BEL6	NOR4	ITA10
ISR2	CHE3	ARG10	ISR8	FIN5	LUX3	USA9
CRI9	MEX9	CRI10	SWE2	USA5	USA7	CHE8
KOR3	ECU10	USA2	FRA3	ITA7	CHE5	NOR8
PAN9	ISR4	SWE1	FRA4	AUT5	NLD8	LUX7
GRC2	GRC3	ISR6	IRE3	AUS7	ISR10	AUT10
MYS9	THA10	BRA10	FIN3	IRE5	GRC10	AUS10
VEN9	PRT5	NOR1	BEL4	AUT6	SWE8	FRA10
MEX8	IRE1	PRT7	KOR9	LUX2	DNK6	FIN10
SLV10	ESP2	FRA2	MEX10	ESP9	IRE8	CHE9
GTM10	KOR5	ESP4	SWE3	SWE6	PRT10	LUX8
PRT3	GRC8	GRC6	NLD3	FRA7	BEL9	NOR9
USA1	LUX1	NLD6	USA4	DNK4	AUS9	NLD10
DOM10	AUT3	BEL7	FRA5	NOR3	NOR5	BEL10
CHL9	ZAF10	FIN6	PRT9	USA6	FRA9	SWE10
ITA1	GBR4	AUS3	ESP7	ITA8	AUT9	IRE10
LSO9	CHL10	MYS10	DNK2	FIN7	FIN9	GBR10
AUS1	AUS5	CHE1	IRE4	KOR10	CHE6	DNK10
ISR3	ITA5	ISR7	FIN4	CHE4	LUX4	LUX9
KOR4	PRT6	ESP5	BEL5	AUT7	DNK7	CHE10
COL10	FRA1	IRE2	ISR9	IRE6	USA8	USA10
PER10	GRC4	DNK1	AUT4	FRA8	NLD9	NOR10
PRT4	ISR5	PRT8	CHE2	GBR7	SWE9	LUX10
BGR10	BEL1	KOR8	GBR5	SWE7	GBR9	
GBR1	JAM10	ITA4	ITA6	AUS8	LUX5	

Table 1. Key to Three-Digit Country Codes

ARG	Argentina	JAM	Jamaica
ARM	Armenia	JOR	Jordan
AUS	Australia	JPN	Japan
AUT	Austria	KOR	South Korea
BEL	Belgium	LKA	Sri Lanka
BFA	Burkina Faso	LSO	Lesotho
BGD	Bangladesh	LTU	Lithuania
BGR	Bulgaria	LUX	Luxembourg
BLR	Belarus	LVA	Latvia
BOL	Bolivia	MDA	Moldova
BRA	Brazil	MDG	Madagascar
BWA	Botswana	MEX	Mexico
CAN	Canada	MKD	FYR Macedonia
CHE	Switzerland	MLT	Malta
CHL	Chile	MYS	Malaysia
CHN	China	NGA	Nigeria
CMR	Cameroon	NIC	Nicaragua
COL	Colombia	NLD	Netherlands
CRI	Costa Rica	NOR	Norway
CYP	Cyprus	NZL	New Zealand
CZE	Czech Republic	PAN	Panama
DEU	Germany	PER	Peru
DNK	Denmark	PHL	Philippines
DOM	Dominican Republic	POL	Poland
ECU	Ecuador	PRT	Portugal
EGY	Egypt	PRY	Paraguay
ESP	Spain	ROM	Romania
EST	Estonia	RUS	Russia
ETH	Ethiopia	SLV	El Salvador
FIN	Finland	SVK	Slovak Republic
FRA	France	SVN	Slovania
GBR	United Kingdom	SWE	Sweden
GRC	Greece	THA	Thailand
GTM	Guatemala	TJK	Tajikistan
GUY	Guyana	TUR	Turkey
HAI	Haiti	TWN	Taiwan
HND	Honduras	UGA	Uganda
HRV	Croatia	URY	Uruguay
HUN	Hungary	USA	United States
ICE	Iceland	UZB	Uzbekistan
IDN	Indonesia	VEN	Venezuela
IND	India	ZAF	South Africa
IRE	Ireland	ZMB	Zambia
ISR	Israel	ZWE	Zimbabwe
ITA	Italy		