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International Inequality and Polarization in Living Standards, 1870-2000: Evidence from the Western World

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Abstract
A long-run view of inter-country inequality in living standards is provided for a large sample of countries in Western Europe, the European Offshoots, Japan – OECD, for short- and Latin America. A long term rise in real per capita income inequality is found. The deepening gap between OECD and Latin America was the major factor beneath this increase. Inequality in non-economic indicators of well-being (longevity, education, and human development) fell in the long run but a gap between OECD and Latin America remained by 2000. Polarization took place in the Western World during the second half of the twentieth century.

Keywords: Inequality, Polarization, Living Standards, Life Expectancy, Education, Human Development, OECD, Latin America.
JEL Classification: D31, F02, N00, O40

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International Inequality and Polarization in Living Standards, 1870-2000: Evidence from the Western World[1]

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Introduction

The widening gap between rich and poor countries since the Industrial Revolution seems an uncontested fact to most people, including academic economists and economic historians, that has been reiterated in the Human Development Reports (HDR) since its appearance in 1990.[2] Simultaneously, recent research on world income distribution suggests a decline in inequality or, at least, stabilization since mid-twentieth century. Can these apparently opposite views be reconciled?.

Inferences on long-run international or global inequality, it is worth recalling, rest almost exclusively on GDP per head.[3] By 'world' or 'global' inequality is meant disparity among individuals while by 'international' inequality is meant disparity among countries' averages.[4] This exclusive reliance on product per capita is at odds with the increasing challenge to GDP (or GNP) per head as a measure of well-being.[5] Alternative socio-economic indicators to GDP per head have been explored among which the Basic Needs Approach and the Physical Index of Quality of Life (PIQL) are widely known.[6] The United

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[2] Cf. Lant Pritchett (1997). This perception of widening differences between Core and Periphery is grounded on the quantitative evidence on per capita income across countries and over time assembled by Angus Maddison (1995, 2001, 2003). Maddison gives continuity to a venerable tradition that goes back to Michael Mulhall (1880-1896) and includes such distinguished scholars as Colin Clark (1957), Simon Kuznets (1966), Paul Bairoch (1981, 1997), and Robert Summers and Alan Heston (1988, 1991).

[3] GNP per head has been suggested as a preferable alternative since it provides the average income of a country's citizen (Albert Berry, François Bourguignon and Christian Morrisson 1983), but data availability has prevented its use so far.

[4] Cf. Branko Milanovic (2006) for a discussion of these concepts.

[5] Actually, the questioning of income per head as a well-being indicator has been recurrent since the spread of national accounts half a century ago (United Nations 1954, Partha Dasgupta 1993, Stanley Engerman 1997), in spite of its advantage as a synthetic index and the observed association between economic growth and well-being (W.A. Lewis 1955, Wilfred Beckerman 1993). The trading exchange rate-converted *per capita* GDP in particular is strongly rejected as an indicator of well-being (Maddison 1995).

[6] Cf. Irma Adelman and Cynthia Morris (1967), Beckerman (1966), Beckerman and R. Bacon (1966), Eva Ehrlich (1969), Alan Heston (1973), N. Hicks and P. Streeten (1979), D.A. Larson and W.T. Wilford (1979), M.D. Morris (1979), Streeten et al. (1981), D.V. McGranahan et al. (1985), Rati Ram (1982).

Nations Development Programme's [UNDP] Human Development Index has been the latest addition.

Has inequality in living standards, defined as achievements in longevity, knowledge and per capita income, cumulated over time?, Do inequality trends in alternative measures of well-being concur?, Has the gap between Core and Periphery widened in the long run and, thus, contributed to a rising trend in inequality?, are recurring questions. Assessing long-run international differences in well-being for a sample of up to 41 countries in the Western World -which includes Western Europe, the Americas, and Oceania- is attempted in this paper on the basis of a new set of well-being indicators including life expectancy, literacy, enrolment, real income, and human development.[7]

A word of warning is needed about the quantitative evidence used here, that distinguishes this paper from others more formally ambitious. Geographical coverage is intentionally reduced to avoid the risk that "the results driven by various assumptions may vastly outstrip the part based on actual data" (Milanovic 2006). Only countries for which data on GDP and social indicators of well-being actually exist are comprised in the sample.[8] Needless to say, the quality and coverage of the estimates show a large variance and usually fall as one goes back in time.[9] Unfortunately, in the present state of the art, it is not possible to derive within-country income inequality measures for a significantly large sample.[10] Empirical evidence for the late twentieth century suggests, however, that inter-country inequality provides a lower-bound for 'world' inequality (Li, Squire and Zou 1998, Bourguignon and Morrisson 2002, Milanovic 2006, Sala-i-Martin 2006).

The paper is organized as follows: an overview of the issues and findings of the empirical literature on international inequality provides, in section II, the hypotheses that

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[7] A compromise is found this way between the alternative approaches suggested in the literature, individual socio-economic indicators considered separately and summary indices, such us the Human Development Index (HDI). Nanak Kakwani (1993) and H. Aturupane, P. Glewwe, and P. Isenman (1994) are proponents of the simultaneous but separate use of alternative well-being indicators. Partha Dasgupta and Martin Weale (1992) provide, on the other extreme, an ordinal measure of well-being, more comprehensive than the human development index.

[8] And no 'heroic' assumptions are introduced in an attempt to widen the geographical coverage of the sample. Cf. a discussion of the alternative strategies to deal with incomplete data coverage in Xavier Sala-i-Martin (2002, 2006).

[9] But no 'imaginative' solutions for missing countries, such as assuming identical levels of income or growth rates to their neighbors, are employed.

[10] For the OECD sample, empirical evidence on income distribution can be found in Lindert (2000) and Morrisson (2000), but the limited coverage over time and space makes impossible to incorporate it here. For post-1950, estimates for a sample of European countries, including Gini coefficients, are presented in Gottschalk and Smelding (2000). As for Latin America, Astorga and Fitzgerald (1998) and Astorga, Berges, and Fitzgerald (2005) present the available evidence for the second half of the twentieth century. A promising alternative is Williamson's (1997) short cut measures of within-country inequality: the GDP per worker-unskilled wage ratio. I have used it to provide trends in Latin American inequality over 1870-2000 (Prados de la Escosura 2007b).

will be explored for the Western World in the long-run. In section III, new measures of international living standards are computed from the original values of life expectancy, literacy, school enrolment, and a new comparable data set for per capita income, that allow me to construct a new, improved human development index (IHDI).[11] Section IV presents different measures of long-run international inequality in the Western World for each well-being indicator. Then, in Section V, overall inequality is decomposed into inequality within and across countries using two generalized entropy indices (MLD and Theil) and polarization investigated.[12] A summary of findings closes the paper.

International Differences in Well-being: Some Stylized Facts

Quantitative assessments of international inequality have been carried out since the 1960s focusing almost exclusively on the late twentieth century. An over time worsening in the international distribution of income has been the dominant conclusion until recently (see, for example, Henri Theil 1979, and Rati Ram 1979). Rising inter-country inequality was led by between-group rather than by within-group inequality (Theil 1989). The widespread view of a widening gap between developed and developing countries was challenged by Berry, Bourguignon, and Morrisson (1983), who claimed that income distribution in the world had hardly changed in the Golden Age.[13] Large countries were major determinants of the exhibited trends: China contributing to reduce inequality while India playing the opposite role.[14] Recently, Milanovic (2005) has shown that international population-weighted inequality declined in the second half of the twentieth century and that a sustained increase is only observable for unweighted measures of cross-country inequality.[15]

'World' rather than 'international' economic inequality, that is, income distribution among individuals, not just across countries, has been the focus of recent research as data on household surveys have been available since the 1980s.[16] The new approach initially confirmed the view of a substantial increase in world inequality as the widening in inter-

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[11] All the basic data for this paper comes from Prados de la Escosura (2007a).

[12] These entropy measures correspond to the generalized entropy index with coefficients 0 and 1, respectively. Henri Theil's population weighted index, also known as Bourguignon's L, is widely known as Mean Logarithmic Deviation (MLD), and Theil's income weighted index is known for short just as Theil.

[13] Phases of improvement (the fifties and early seventies) and worsening (the sixties) tended to cancel each other, and only a moderate increase in income inequality was noticeable for non-socialist economies (Berry et al. 1983). No attempt was made by these authors to include changes in within-country distribution and only its level for 1970 was taken into account. Inequality was measured in constant 1970 dollars (PPP-adjusted).

[14] The determinant role played by China and India in the international income distribution is a recurrent feature in later studies, cf. Glenn Firebaugh (1999), Bourguignon and Morrisson (2002), Milanovic (2005), and Sala-i-Martin (2006).

[15] Also a result in Sala-i-Martin (2006) for the period 1970-2000.

[16] Cf. Berry, Bourguignon, and Morrisson (1983) as the first empirical study on global inequality and Milanovic (2005) for a discussion of the alternative measures of international inequality.

country income differentials more than offset the decline in within-country inequality (R.P. Korzeniewicz and T.P. Moran 1997). The consensus was broken when T. Paul Schultz (1998) showed that inequality had fallen since the mid-1970s, with the contraction in across-country inequality canceling any increases in within-country inequality. Xavier Sala-i-Martin (2006) has confirmed Schultz's findings.[17] The rejection of world income distribution's pessimism was also supported by Firebaugh (1999) who highlighted its remarkable stability between 1960 and 1989. In Firebaugh's view, inter-country inequality remained stable as the divergence in income growth favorable to rich countries was offset by the faster population growth in poor countries.[18] Later, the revisionist view has been assuaged by Steve Dowrick and Muhammad Akmal (2005) who, on the basis of a a 'true' Afriat index of PPP-adjusted income, concluded that inequality increased slightly between 1980 and 1993,[19] while Milanovic's (2005) showed that inequality among world citizens remained stable between 1950 and 2000.

To sum up, a new, less pessimistic consensus has replaced the established view of a widening gap between the world rich and poor that remains, nevertheless, restricted to the late twentieth century.

But what about long-run trends in world or international inequality?. Peter Lindert and Jeffrey Williamson (2003) provided some tentative results using a wide variety of evidence, but did not attempt to systematically quantifying it. More assertively, Bourguignon and Morrisson (2002) concluded that world inequality was much larger in 1992 than in 1820.[20] Such a result derives from a rise in inequality from the early nineteenth century to the mid-twentieth century that tended to stabilize over the last half a century (although cross-country inequality continued to increase until 1992 (Theil) and up to 1980 (MLD)).[21] Within-country income distribution dominated world inequality during the

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[17] See, nonetheless, Milanovic's (2003) critique to Sala i Martin's (2002) estimates.

[18] 'The slower population growth rate of the rich nations reduced weighted inter-country inequality by narrowing the right-hand tail of the income distribution. This narrowing down of the right-hand tail offset the inequality-enhancing effect of divergence in the income ratios (Firebaugh, 1999: 1621).

[19] It should be pointed that Dowrick and Akmal (2005) added new insights on the evolution of world income distribution by showing that inequality measures based on nominal (foreign exchange converted [FX]) and real (purchasing power parity [PPP] adjusted) income tend both to be biased. While nominal income suffers from an upwards 'trade bias', as nontradable goods are not taken into account, the conventional estimates of real income (using Geary-Khamis PPPs and, for the data presented in this paper, Paasche PPPs) exhibits a downwards substitution bias (that is, ' it ignores the fact that a large amount of a good may be consumed not because consumers are rich but because the local price is low').

[20] The partial evidence used by Lindert and Williamson (2003), who rely on real wages and on land value-wage ratios to measure inequality across-country and within-country, respectively, and the oversimplification of the data and the country sample by Bourguignon and Morrisson (2002), make their conclusions, though persuasive, far from definitive.

[21] According to Bourguignon and Morrisson (2002), while long-term inequality resulted from the divergence between Europe (and its offshoots) and the poor performance of China and India, the convergence within

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nineteenth century, while cross-country income distribution prevailed during the twentieth century.[22] The main element behind world income inequality in the long-run has been, according to Bourguignon and Morrisson, the disparity across regions, while the reduction in within-country income distribution of European countries and their offshoots in the early twentieth century acted as a counter-balancing force, a fact that we could relate to the increasing voice of workers in political life (Eichengreen 1992).

The empirical evidence on which Bourguignon and Morrisson's (2002) conclusions about long-run inequality are grounded deserves a few remarks.[23] They combined Maddison's (1995) data on GDP per head (expressed in 1990 Geary-Khamis dollars) built on historical national accounts, with scattered evidence on within-country income distribution, often from household surveys, and carried out some remarkable simplifying assumptions that bias the estimates.[24] Real income for missing Eastern European and non-European countries in the nineteenth century, for example, was interpolated with the growth rates of 'comparable neighboring countries' (sic), carrying Maddison's (1995) explicit assumptions a step further.[25] As regards within-countries income distribution, the procedures used to obtain pre-1950 (and often pre-1970) estimates can be dubbed (with the exception of a few Western countries) of arbitrary, as the available evidence for one country at a given point in time was used over space and time.[26] Countries were, then, grouped in thirty three larger trans-national units, on the basis of 'historical consistency and homogeneity', with the unintended consequence of erasing whatever effect domestic policies, institutions and relative factor endowments may have had on income distribution

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European nations and Europe's and Japan's catch-up to the U.S. (as well as East Asian and China's recent advance) helped to attenuate the inegalitarian trend over the last half a century.

[22] Alas, the evidence supporting these authors' contention about within-country inequality is so thin and questionable (see below) that, at most, provides an explicit hypothesis for future research.

[23] This is no exception. Arbitrary and bald assumptions are also common in the literature on the recent past. Cf. Milanovic (2003).

[24] Bourguignon and Morrisson (2002) electronic data base can be found in www.delta.ens.fr/XIX.

[25] An anecdotal example is provided by the way Portuguese GDP for the early 19th century is derived: 'we estimated GDP per capita in Portugal in 1820 using the rate of growth of Spain's GDP per capita between 1820 and 1850 and Portugal's GDP figure for 1850 (a figure given by Maddison)'. To begin with, there is no such a thing as GDP per capita for 1820 Spain. Maddison (1995: 138) just took my own guesstimate for 1832 (Prados de la Escosura 1982), obtained from Mulhall (1896) and he arbitrarily assumed that it was acceptable for 1820. In addition, no estimate was available for 1850 Portugal at the time Maddison made his estimates. Actually, Maddison (1995) assumed services behaved as population over the long run, and combined it with preliminary volume indices for agriculture and industry using 1890 fixed sectors' weights taken from Pedro Lains (1989), to reach a GDP figure for 1850.

[26] Perhaps an example would suffice, 'Estimates [for Egypt] are those from Bourguignon and Morrisson (1990) for 1970. The distribution was assumed to have remained the same ever since 1820'. Similar assumptions are made for Brazil, Mexico, Argentina and Chile over 1820-1950, while Colombia, Peru and Venezuela had identical distribution as Brazil; As for Iberia, France's income distribution (!?) is accepted for 1950-92 while that one for 1950 was considered acceptable over 1820-1950. The authors admit, however, their arbitrariness (p. 730).

and national growth.[27] Though the economic historian may remain unconvinced by Bourguignon and Morrisson's (2002) empirical evidence, their conclusions provide a most challenging set of hypotheses and conjectures that, no doubt, deserve exploration.[28]

The discussion has dealt, so far, with per capita income inequality. This is, however, only one dimension of material well-being while social scientists are currently looking at multidimensional indicators of well-being and inequality. Rati Ram (1980), using M.D. Morris's (1979) Physical Quality of Life Index (PQLI) showed a sustained decline in inequality over 1950-70 at odds with the rising trend observed in both <u>nominal</u> and <u>real</u> income.[29] The discrepancy between high inter-country inequality in <u>real</u> income per capita and low inequality in human development was confirmed by Ram (1992).[30] Bourguignon and Morrisson (2002) computed cross-country inequality for (the original values of) life expectancy and found sustained increase in inequality between 1820 and 1910 that stabilized during the interwar, declined over the Golden Age (1950-70) and remained unaltered afterwards, so late twentieth century levels were similar to those of the early nineteenth century. [31] Goesling and Firebaugh (2004), in turn, computed inequality of (untransformed) life expectancy and found that it did not change over 1980-2000, as the decline up to 1992 was reversed in the 1990s. Moreover, by combining life expectancy at birth with GDP per head, Bourguignon and Morrisson (2002) observed an increase in world lifetime income inequality that peaked in 1950 to stabilize and, even, to converge, thereafter. Recently, Morrisson and Fabrice Murtin (2005) found a long-term decline in inequality in 'world' education on the basis of (untransformed) average years of schooling for the same 33 trans-national units defined in Bourguignon and Morrisson (2002). Lastly, Morrisson and Murtin (2005) computed inequality for a slightly modified human development index and found an inverted U-shape evolution that rose since the late nineteenth century to peak during the Interwar years and decline thereafter.[32]

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[27] Thus, Australia and Canada were in the same group. In Latin America five regions were considered: Argentina and Chile (actually included in the Western offshoots grouping); Brazil; Mexico; Colombia, Peru and Venezuela; and the rest of countries. A similar aggregation was done for Eastern Europe, Asia and Africa.

[28] Nonetheless, Bourguignon and Morrisson (2002) attempted to minimize their shaky data base by providing measurement error estimates.

[29] Ram (1980), aware that the way PQLI was designed, with 100 as the upper bound, represented a bias against inequality, was unhappy with the results that, nonetheless, were confirmed by the results from a later paper (Ram 1982).

[30] Such discrepant evolution of per capita GDP and Human Development has been observed over the long-run by Nicholas Crafts (1997, 2002).

[31] Bourguignon and Morrisson (2002: 741) apply the same type of assumptions employed in the case of per capita income. Thus, when no direct estimate was available for a country or period, they assume that life expectancy was that of a comparable neighboring country.

[32] Crafts's (1997, 2002) reconstruction of long-run trends in human development also allows to make inferences about tendencies in well-being inequality.

The view that standards of living converged in the late twentieth century has been disputed by Bart Hobijn and P.H. Franses (2001), who, on the basis of 'achievement indices' for different social indicators (included life expectancy and infant mortality), computed inequality measures that pointed to a widening gap between Core and Periphery since the 1960s.[33] Eric Neumayer (2003) rejected the use of 'achievement indices' and, using the original values of social variables, reinstated the view of a reduction in inequality over the last four decades. Alas, their use of unweighted measures of inequality makes their results questionable.[34]

To sum up, the main stylized fact that can be established about the long-run evolution of living standards is a long-term rise in inequality that peaked by the mid-twentieth century and gave way to a decline or, at least, stability during the last fifty years. Paradoxically, no attempt has been made to reconcile two apparently contradictory claims: the widening gap between rich and poor, and the declining world inequality.[35] The possibility of two distinctive processes occurring simultaneously: one of falling global (or international) inequality and another of polarization deserves to be explored. By polarization is meant a tendency to hollow the middle of the distribution that would shift towards the two tails.[36] In the paper, these neglected issues will be taken on board.

New Measures of International Living Standards

In international comparisons, dissatisfaction with <u>nominal</u> income (that is, GDP per head in national currency converted into a common currency using the trading exchange rate) has led to an almost generalized use of <u>real</u> income (the conversion into a common currency is carried out with a purchasing power parity (PPP) exchange rate).[37] Unfortunately, the construction of PPP converters involves high costs in terms of time and resources. Only PPP exchange rates for a restricted country sample, that does not include

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[33] Hobijn and Franses (2001) transformed the original values of the variables to derive Nanak Kakwani's (1993) 'achievement indices', given that as social indicators are bounded, a reduction in inequality is ultimately achieved unless a transformation is introduced.

[34] Neither Hobijn and Franses (2001) nor Neumayer (2003) weighted countries by their size (population or income), in contrast to the inequality literature (but alongside the convergence literature).

[35] Sala-i-Martin (2006: 382) argument stressing the mismeasurement of across countries inequality by the use of unweighted instead of (population) weighted indices reduces the debate to a technicality and does not address a most relevant issue.

[36] Polarization could be described as follows: in a two-region world, a reduction in inequality within each region takes place parallel to an increase in inequality between the two groups. Thus, while polarization rises total inequality can decline. For a discussion of the concept and its measurement, cf. Joan Esteban and Debraj Ray (1994), M.C. Wolfson (1994), and Esteban, J.C. Gradín, Ray (1999). Cf. S. Seshanna and S. Decornez (2003) for an attempt to measure inequality and polarization in the world for 1960-2000.

[37] Empirical evidence gathered in recent years strongly rejects the conventional results obtained through the trading exchange rate converter (Summers and Heston 1991, Bart van Ark 1993). Trading exchange rates only reflect the purchasing power of goods traded internationally, and are influenced by capital movements, exchange controls and speculation (Maddison 1995: 162). In other words, foreign exchange rates do not measure relative price levels and do not move with them overtime (Sultan Ahmad 1998).

Latin America, have been constructed for earlier periods, and most of them for output components.[38]

An indirect method to derive historical estimates of real income levels for a large sample of countries is the backward projection of PPP-adjusted GDP per capita for a recent benchmark with volume indices (or growth rates) of product per head derived from national accounts data.[39] It is worth noting that fixed-base real (PPP-adjusted) product data represent a most convenient alternative to carrying out painstaking direct comparisons across space and time and have the presentation advantage that their growth rates are identical to those calculated from national accounts.[40] Alas, a distant PPP benchmark introduces distortions in inter-temporal comparisons since its validity depends on how stable the basket of goods and services used to construct the original PPP converters remains over time.

Since PPP exchange rates were not computed directly for Latin American countries in 1990 (Maddison 1995, 2001), I have resorted to a set of own-country weights (Paasche) PPP direct computations by Economic Commission for Latin America [ECLA] for 1960 (S.N. Braithwaite 1968, ECLA 1968), never used before in historical studies, that provides a wider spatial coverage.[41] Alternatively, Geary-Khamis PPPs derived by the UN's International Comparisons Project [ICP] for 1980 could have been used for most Latin American countries in 1980 (and, for 1996 covering all Latin America). The choice of the 1960 benchmark obeys to two reasons, namely, the possibility of employing GDP volume series expressed in US relative prices (derived with Paasche PPPs) that facilitated the comparison with available OECD countries' real (PPP-adjusted) income per head

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[38] See Prados de la Escosura (2000). Recently, Marianne Ward and John Devereux (2003a, 2003b) have accepted the challenge to build direct PPP estimates from the expenditure side for twelve western economies at five benchmarks (1872, 1884, 1905, 1930, and 1950).

[39] Maddison's (2003) 1990 Geary-Khamis dollar estimates provide the best example.

[40] A significant strand of the literature defends the view defends that the best estimates of growth rates are those obtained from national accounts (Jagdish Bhagwati and Bent Hansen 1973, Maddison 1991, 1995) on the grounds that "using domestic prices to measure growth rates is more reliable, because those prices characterize the trade offs faced by the decision making agents"(D. A. Nuxoll 1994). I. B. Kravis and R.E. Lipsey (1991:458) argued that growth rates derived from domestic prices were preferable because of the basket of goods used "reflected the preferences of purchasers of final product in one of the years being compared".

[41] The commodity basket included 261 consumption goods and 113 investment goods for capital cities in nineteen Latin American countries and the U.S. (Houston and Los Angeles). Prices were collected in 1960/62. Quantity expenditure weights for a Latin American average and the US in 1960 were used (ECLA 1968, Braithwaite 1968). PPPs in ECLA (1960) appear, thus, to be superior in country coverage but not in commodity coverage to ECIEL benchmark estimates for 1970 and 1975 (Salazar-Carrillo 1983, Salazar-Carrillo and Tirado de Alonso 1988, Salazar-Carrillo and Prasada Rao 1988).
It is worth noticing that the frequently used 1970 benchmark, originally published by CEPAL [the Spanish acronym of ECLA] (1978) is just a projection of the 1960 benchmark levels with each Latin American country's inflation differential with the USA. Astorga and Fitzgerald (1998) and Astorga, Bergés, and Fitzgerald (2005), for example, use the CEPAL's 1970 projected benchmark.

expressed in US relative prices (Prados de la Escosura 2000), and that, in absence of current price PPP-adjusted GDP levels, real income at 1960 US prices provide a intermediate year for the time span considered and it is, hence, preferable to the use of a benchmark year for the end of the twentieth century.[42] A new set of real product per head estimates, that includes western Europe, the Americas, and Oceania, has been constructed at 1960 US relative prices by projecting backwards with volume indices the ECLA (1968) benchmark for Latin America and my own one (Prados de la Escosura, 2000) for rest of countries (OECD).[43]

As regards non-economic indicators of standards of living, two options are available: the direct use of their original values, or its transformation, either linear or non-linear. In this paper I will consider the following social indicators of well-being: life expectancy, literacy, and enrolment, that share the feature of having asymptotic limits that reflect biological or physical maxima. Hence, a transformation is required to measure their changes within upper and lower bounds. A possibility is a linear transformation of the original values of the social variables such as has been the case, for example, of the United Nations Development Programme's (UNDP) index of human development. Thus, indices for each dimension (I_x) are computed according to the following formula,

$$I_x = (x - Mo) / (M - Mo), \qquad [1]$$

where *x* is the observed value of a given dimension of welfare, and *Mo* and *M* represent the maximum and minimum values, or goalposts.

However, if the relationship between the value of each social indicator and its achievement is non linear, because as the standard of living indicator reaches higher limits, its improvement corresponds to a much higher level of achievement than a similar gain from a lower basis, a different transformation of the original value of the social indicator will be needed to reflect its true achievement.[44]

Using an axiomatic approach Kakwani constructed a normalized index from an achievement function that satisfied this proposition, so an increase in the standard of living of a country that it is already at a higher level implies a greater achievement than would

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[42] I am preparing new short-cut current price estimates of real income (at US relative prices) for Latin America that will be used in a next version of the paper. Unfortunately, the lack of current price GDP estimates for late nineteenth and early twentieth century Latin American countries presents a serious obstacle for my purpose.

[43] The sources are provided in Prados de la Escosura (2007a). Alternative computations using the ICP benchmark for 1980 have been also carried out. The results presented in the next sections of the paper are not substantially altered by the alternative use of the 1980 benchmarks.

[44] A non-linear relationship between the original values of social indicators and their real achievement has been suggested by Partha Dasgupta (1990), Kakwani (1993), and T.N. Srinivasan (1994).

have been the case had the increase taken place at a lower level (Kakwani 1993: 308).[45] The achievement function is, following Atkinson (1970),

$$f(x, Mo, M) = ((M - Mo)^{1-\varepsilon} - (M - x)^{1-\varepsilon}) / ((M - Mo)^{1-\varepsilon}), \qquad \text{for } 0 < \varepsilon < 1 \quad [2]$$

where, x is an indicator of a country's standard of living, and M and Mo are the maximum and minimum values, respectively.

The achievement function is a convex function of x, and it is equal to 0, if $x = Mo$, and equal to 1, if $x = M$, ranging, then, between 0 and 1.

In the case favored by Kakwani's axiomatic approach, ε takes a value of 1, turning into,

$$f(x, Mo, M) = (\log (M - Mo) - \log (M - x)) / (\log (M - Mo)), \qquad [3]$$

where log stands for the natural logarithm.

It is worth noting that the UNDP's linear transformation represents a particular case in which $\varepsilon = 0$, yielding expression [1] for each social dimension of the index.[46]

In the transformation of the social or well-being indicators I will use the non-linear transformation proposed by Kakwani. In the case of life expectancy, maximum and minimum values will be 80 and 20 years, respectively, while 0 and 100 will be the upper and lower bounds for literacy and enrolment.[47]

Finally, I computed a new, 'improved' index of human development (IHDI).[48] As a synthetic measure of Human Development, the index captures a country's achievements in longevity, knowledge, and living standards through various indices: the relative achievement in life expectancy at birth, in education and in "all dimensions of human development not reflected in a long and healthy life and in knowledge" for which (the logarithm of) *per capita* GDP is a surrogate (UNDP 2001: 240).[49] I have drawn on the social

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[45] For example, in the case of longevity, "a further increase must be regarded as a greater achievement than an equal increase at lower levels of longevity, f (x, Mo, M) must be a convex function of x, i.e., the achievement must increase at a faster rate than the longevity" (Kakwani 1993: 313).

[46] This particular case does not satisfy, however, one of the axioms of the achievement index defined by Kakwani (1993): namely, that the index should give greater weight to the improvement of a country which has higher level for each social indicator.

[47] Both Dasgupta (1990) and Kakwani (1993: 316) used 80 years as the maximum goalpost for life expectancy at birth in present time developing countries, while as a minimum Kakwani used 30 years. Life expectancy in some late nineteenth century Latin American countries was less than 25 years (Astorga, Bergés, and Fitzgerald 2005). As for literacy, Kakwani employed a lower bound of 10.

[48] Cf. Prados de la Escosura (2007a) for the sources and data of the new human development index and its components.

[49] Human Development was originally defined as "a process of enlarging people's choices" that enables them "to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living" (United Nations Development Programme [UNDP] 1990: 10). Human capability, the doctrinal basis for human development, focuses on "the ability of human beings to lead lives they have reasons to value and to enhance the substantive choices they have" (Sen 1997), as opposed to the concept of human capital, that augments production possibilities through skills and knowledge.

well-being variables previously constructed with a convex achievement function, while I maintained the logarithmic transformation of per capita income (that implies diminishing marginal utility of income) used in UNDP's HDI.[50] The maximum and minimum values are the logarithms of 40,000 and 100 dollars, respectively. The education component combines adult literacy and gross enrolment (primary, secondary and tertiary), with two-thirds and one-third weights, respectively. A geometric average, suggested by Sagar and Najam (1998: 251-2) as a better way of representing the notion that "its three dimensions are equally essential in determining the level of human development", has been employed to combine its three main dimensions (longevity, knowledge, and income) into the new IHDI.[51]

IV. *International Inequality and Polarization*

Was inequality in terms of well-being significantly larger in 2000 than in 1870 in the Western World?, Did polarization between Core and Periphery occur? Were inequality and polarization parallel or opposite phenomena?, are questions addressed in this section.

Different inequality measures are presented: the widely used Gini coefficient, the Mean Logarithmic Deviation (MLD) and the Theil index, that are more sensitive to changes in the middle, the bottom, and the top of the distribution, respectively. The last two represent entropy decomposable measures of inequality (MLD, population-weighted; Theil, income-weighted) and are defined as,

$$\text{MLD}_{yi} = \sum p_i \ln (p_i/y_i) \qquad [4]$$

$$\text{Theil}_{yi} = \sum y_i \ln (y_i/p_i) \qquad [5],$$

with p_i and y_i representing the shares of country i in total population and total well-being indicator (i.e., GDP, life expectancy times population, etc.).

All measures of inequality are simultaneously provided for four alternative country samples starting in 1870, 1900, 1925, and 1950, respectively, and reaching up to 2000. The use of different country samples and time coverage (the longer the time span, the narrower the coverage) allows to test the sensitivity of the results to alternative specifications. The results obtained appear to be robust.

I will look first at average per capita GDP inequality across countries in the Western World. Graph 1 provides Gini, MLD, and Theil indices for four different country

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[50] The rationale is that a decent standard of living does not require unlimited income. Kakwani (1993: 324) considered the logarithm of PPP-adjusted per capita GDP an adequate measure of economic well-being. This transformation of income introduced in 1999, had already been recommended by A.D. Sagar and A. Najam (1998: 254). Unhappiness with the earlier formula was discussed, among others, by P.J. Gormely (1995).
[51] Cf. Prados de la Escosura (2007a) for a discussion of the conventional HDI and an introduction for the 'improved' IHDI. Remember that the upper and lower bounds used here for life expectancy are, for historical constraints, 80 and 20 years, respectively.

samples in an attempt to prevent spurious inequality tendencies derived from differences in sample composition. In the graph a more simplified version, in which two alternative estimates only overlap in one year aims to facilitate its reading (See the Appendix for the complete inequality benchmark estimates for each country sample that include the rates at which inequality declines (positive sign) or rises (negative sign)).

A long-term rise in per capita income inequality across countries is confirmed, using alternative country samples, for the Western World (Graph 1), and it is worth noting that inequality rises as the country coverage widens. The increase is more intense when computed with MLD, a measure that gives more weight to changes at the bottom of the distribution. The evolution of inequality was not steady and different phases can be established. A moderate increase in inequality took place between 1890 and 1929. After a decline during the Depression years, the disruption brought about by World War II provoked a dramatic upsurge in inequality. The Golden Age (1950-73) was a period of inequality reduction that gave way to a remarkable increase since 1980, reaching a historical peak in 2000 (except for the Gini coefficient).

How do these results compare with analogous estimates for the whole world?. A comparison can be carried out between the Western World and the 'world', as composed of 33 trans-national units in Bourguignon and Morrisson (2002) (and extended to new benchmarks in Morrisson and Murtin 2005). Graph 2 shows that 'world' inequality grew faster up to 1929 but, in both cases, reached a peak by 1950. 'World' inequality would continue rising at a very moderate pace until 1980 when it initiated a decline until 2000. In the Western World, however, the last two decades of the twentieth century are, instead, a period of rising inequality associated to the 'lost decades' in Latin America.

Alternatively, Graph 3 compares the evolution of 'international' income distribution for the Western World with that for the 'whole' world as covered by Angus Maddison's (2003) data set and, given the relatively high impact of populous countries on distribution, also for the world without China and India. While these three geographical samples present a rise up to 1950, their evolution is quite different in the late twentieth century. In the 'whole' world sample, inter-country inequality fell since 1973. The alternative measures show, nonetheless, quite distinctive patterns: the Gini coefficient, a flat one, while Theil and, especially, MLD present an inverted U pattern. In the two partial-coverage samples (the 'world' excluding China and India, and the Western World), however, inequality in 2000 was higher than in 1950 (with the exception of the Gini for the Western World) resulting from the sustained increase since 1980. Such differential behavior singles out the

singular impact of large countries on aggregate inequality measures and points to the fact that the 'lost decades' not only affected Latin America but also Africa and the former communist countries (Easterly 2001). Moreover, it open question marks about the future evolution of international inequality (Milanovic 2005).

The computation of weighted inequality measures for the 'whole' world allow us to quantify the apparently contradictory trends between 'international' income inequality and the gap between the 'West' (western Europe, North America, Oceania, plus Japan, roughly present day's OECD) and the "Rest" (most of Asia, Africa, and Latin America). While 'world' average per capita income multiplied approximately by 10 between 1820 and 2000 the West-Rest gap rose from 1.9 to 6.5. In the Western World, a similar ratio, in which the 'Rest' is identified with Latin America, rose from 2.5 to 6.3 (Prados de la Escosura 2007c). The comparison between international inequality and the West-Rest gap shows a parallel evolution until 1973 when international inequality fell while the West-Rest gap kept rising up to 1990 (and stabilized, then, at a high value) (Graph 4). Can these opposite trends be reconciled?. I will address this issue below with the help of the concept of 'polarization'.

As one would expect, population and GDP expanded with different intensity across countries between 1870 and 2000. Did inequality rise because per capita income grew at different rates across countries or just because population grew faster in countries with either low or high income?.[52] A way to provide an answer is to simulate the yearly rates at which, other things being equal, inequality would have fallen had all countries in the sample enjoyed identical population (per capita income) growth. The simulation exercise has been carried out for each of the three epochs in which the period studied has been conventionally divided: the early phase of globalization of the late nineteenth and early twentieth century, the Interwar years of globalization backlash, and the post-World War II era of growth and globalization. The actual way of carrying out the simulation was to compute weighted inequality measures in which, *ceteris paribus*, population (per capita income) remained unchanged over each epoch. This amounts to allocate identical growth rates to population (per capita income) for all countries in the sample.

The results in Table 1 suggest that, in the late nineteenth and early twentieth century, both differences in demographic expansion and economic performance prevented a significant increase in inequality. Faster population growth in the rich European Offshoots resulting from higher fertility rates and immigrants' flows provides an

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[52] For a detailed analysis of this decomposition, cf. Firebaugh (1999), and Goesling and Firebaugh (2004).

explanatory hypothesis.[53] Per capita income convergence within the OECD group, largely resulting from catching up with Britain is also part of the explanation. In the Interwar years (1913-38) the variance in income growth contributed to the decline in inequality while prevented a larger increase over 1938-50. Again, in the second half of the twentieth century cross-country dispersion in income growth pulled down inequality, possibly a result of catching up to the U.S., while population growth dispersion, mostly stemming from Latin America's late demographic transition, represented an obstacle to reduce inequality in the Western World.[54] Thus, in the long-run, the variance in per capita GDP growth rates had a mollifying effect on income inequality.

When we turn to life expectancy, international inequality exhibits, contrary to that of per capita income, a decline in the long-run while starts from a higher level (Graph 5). Distinctive phases can be identified in its evolution: a falling trend over 1870-1913; a rise up to the mid-1920s, followed by stability up to the eve of World War II; a sustained, but decelerating, contraction in the Golden Age; and, finally, a gradual increase that peaked in 1990 and resumed the late nineties. Changes in inequality in life expectancy are more intense when measured by the Gini coefficient, that being particularly sensitive to the middle of the distribution, lends support to the intuition that within-country dispersion of life expectancy is lower than that of income (namely, the longevity of the rich is less than proportional to their wealth). One of the main differences between the evolution of inequality in income and life expectancy takes place in World War II and its aftermath (1938-50). While war disruption helps explain the growing trend in income inequality, the diffusion of medical advances might underlie the inequality contraction in life expectancy. The appearance and diffusion of new drugs to cure infectious diseases from the late 1930s onwards (Easterlin 1999) and the introduction of antibiotics in the 1950s played a part but, the generalized improvement across the world in life expectancy –that lies beneath the decline in inequality- suggest that other factors (improvements in public health and the diffusion of knowledge through school education) may have contributed significantly (James Riley 2005b).

How does the evolution of inequality in life expectancy in the Western World compare with that of the world?. Unfortunately strict comparisons cannot be carried out between my estimates and those for the world since in the few instances in which this kind of estimates are available, inequality has been computed for the original values of life

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[53] It has been argued that immigration led to increases in fertility and dependency ratios (Taylor and Williamson 1994).
[54] This finding is at odds with that of Firebaugh's (1999: 1615) for the whole world over 1960-89.

expectancy, and not for their non-linear transformation. Therefore, given the biological bounds of life expectancy, estimates derived with the original values will downward bias inequality estimates. Goesling and Firebaugh (2004: 133), on the basis of Easterlin (1996), suggest –without an attempt to quantify it- that world inequality in life expectancy increased in the late nineteenth and early twentieth century, to peak in the Interwar and, then, experienced a sustained contraction up to 1980. Bourguignon and Morrisson (2002: 731-2) computed the Theil index for untransformed life expectancy in the 'world' and its evolution confirm Goesling and Firebaugh (2004) intuition. For the last two decades of the last century, Goesling and Firebaugh (2004) quantitative estimates point to a decline from 1980 to 1992, with a reversal between 1992 and 2000, so inequality remained roughly unchanged. Thus, trends in 'world' inequality are at odds with those in the Western World for the late nineteenth and early twentieth century, when the latter exhibit a decline, and, again, for the period 1980-2000, when inequality rises (Graph 6).

Are there contradictory trends between 'international' inequality and the *Core-Periphery* gap for life expectancy?. Riley (2005a: 541) estimates of the highest and lowest life expectancy over 1800-2000 allow us to compute the gap that starting at 1.35 in 1800/20 peaked at 1.93 in 1900/13, stabilized up to 1950 (1.82) and declined to 1.51 in 1973, though it remained the same in 1990/2001 (1.52), partly as a result of HIV/AIDS in Africa. In the Western World life expectancy improved in the *Periphery* (Latin America) faster than in the *Core* (OECD) and, consequently, a similar ratio –but computed this time with a non-linearly transformation of life expectancy original values– fell steadily, from 3.5 to 1.2. Hence, no opposite trends are found between the 'rich-poor' or *Core-Periphery* gap and the evolution of inequality for the case of life expectancy.

The cross-country variance in life expectancy improvement, as well as in demographic progress, explained the contraction in inequality over 1870-1913 (Table 2). In the Interwar years, the dispersion in life expectancy progress prevented a worsening of inequality while, conversely, the variance in population growth rates tend to increasing it. Uneven life expectancy gains across countries contributed significantly to inequality decline during 1950-80, while the variance in population growth represented an obstacle to its reduction. Thus, in the long-run, the cross-country variance in life expectancy gains represented a contribution to inequality decline.

Access to knowledge is the third element of well-being considered here. Data constraints prevent me from employing more comprehensive measures, such as, for example, years of schooling that, so far, are only available from 1960 onwards and do not

allow to carry out long-run comparisons (Cohen and Soto 2001).[55] Thus, following the convention in the UNDP Human Development Reports I have used both literacy and overall enrolment (covering primary, secondary, and tertiary education) rates.[56]

Inequality in literacy experienced a steady long-run decline that intensified throughout the second half of the twentieth century (Graph 7). In the case of enrolment a completely different pattern appears, closer to that of life expectancy (Graph 8). After a decline over 1870-1913, inequality increased up to 1929 reaching a plateau in which it remained until 1950. A sustained contraction took place between 1950 and 1990, while a reversal occurred in the 1990s.

How do inequality trends in the Western World compare to those for other geographical aggregates? Morrisson and Murtin (2005) have computed inter-country inequality in 'world' (Bourguignon and Morrisson's (2002) 33 trans-national units) education on the basis of the original values of average years of schooling. As one would expect from untransformed values of bounded social variables, inequality fell more acutely when measured using (the original values of) years of schooling. In any case, both in the 'world' and the Western World education inequality appears to have experienced a steady, long-run decline, more intense when MLD, the measure especially sensitive to the bottom of the distribution, is used.

No contradictory trends appear between 'international' inequality and the *Core-Periphery* gap in the case of education. In literacy, the gap between OECD and Latin America fell from 4.2 in 1870 to only 1.1 in 2000, while for enrolment it went down from 5.6 to 1.1.

Moreover, in the case of literacy, the dispersion of its improvement across countries largely explain the inequality contraction over the long-run (Table 3). The variance in population growth represented an obstacle to a further contraction in inequality during the second half of the twentieth century. As for enrolment gains, cross-country differences played a significant role in the decline in inequality over 1870-1980, while population growth variance stimulated inequality during 1950-80 (Table 4).

When we finally turn to the composite 'improved' index of human development we find that, in the long run, inequality fell, a result clearly at odds with the rise in real income inequality that it is driven by its non-economic components. The steady fall in inequality

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[55] Morrisson and Murtin (2005, 2006) have computed world inequality in education for benchmark estimates of years of schooling for Bourguignon and Morrisson (2002) 33 trans-national units but their data set is not accessible yet.

[56] I would like to stress that my goal is to look at education indicators as measures of well-being and not of human capital. For a human capital approach to inequality, see Morrisson and Murtin (2006).

that took place in the late nineteenth and early twentieth century and, again, in the Golden Age (1950-75), account for most of it (Graph 9). No contradictory trends appear between 'international' inequality and the *Core-Periphery* gap that fell from 3.8 to 1.7 over 1870-2000. The cross-country variance in human development improvement explained most of the long-run contraction in inequality (Table 5). Population growth variance presented an obstacle to its reduction over 1950-80 but the effect reversed since 1980.

A deeper understanding of inequality can be obtained through its decomposition into the share attributable to distribution changes within each region and the share that stems from differences among regions. In particular, I would like to distinguish two regions, the *Core* and the *Periphery* that, in the context of the Western World, will be identified with OECD countries and Latin America.[57] This way the extent to which the gap between *Core* and *Periphery* underlies the changes in aggregate inequality will be uncovered. Furthermore, whether we are in the presence of polarization will be investigated.

Generalized entropy measures of inequality such as MLD and Theil can be decomposed into within-regions and between-regions inequality (Theil 1979, 1989). 'Within-regions' inequality is obtained by adding up the results of weighting each region's inequality measure either by its population share, in the case of MLD, or by its income share, in the case of the Theil index. 'Between-regions' inequality is, then, obtained as the difference between total inequality and 'within-regions' inequality.

Graphs 10A and 10B present the decomposition of aggregate per capita income inequality in the Western World into 'within-regions' and 'between-regions' inequality. It is noticeable that 'between-regions' inequality experienced a sustained rise since 1890, that intensified from 1938 onwards, while 'within-regions' inequality did not change significantly between the beginning and the end of the period considered, except for a marked increase consequence of World War II. The deepening gap between 'OECD' and Latin America appears, hence, as the main element underlying the observed increase in inequality over the long-run.

When inter-country income inequality within each region is examined (Graphs 11A and 11B), two clear trends emerged in Latin America: a steep rise prior to 1914, followed by a sustained decline over the 'short' twentieth century (1914-1989), and a reversal in the

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[57] I must accept that the distinction here between *Core* and *Periphery* is static and somewhat arbitrary as countries in Southern Europe and Japan belonged to the *Periphery* for a significant part of the period under consideration. However, it is a operational one. It is also clearly at odds with Wallerstein's (1983) view of Core and Periphery as 'processes' and with the literature on 'convergence clubs', in which a country can shift from one group or 'club' to another. Cf. Durlauf and Johnson (1995), Desdoigts (1999), Mayer-Foukles (2001), Canova (2004).

1990s. All in all, inequality levels in 2000 were lower than in the late nineteenth century. The long-run fall in twentieth century inequality was conditioned by the collapse in Argentine's international position. A sustained decline in inequality is observed for OECD countries only interrupted by World War II and its aftermath.

When aggregate inequality in life expectancy is decomposed into between-group and within-group, we find that 'within-regions' inequality dominates (Graphs 12A and 12B). Thus, the sharp reduction is inequality over 1870-1913 and, again, during 1938-55, is largely the result of a collapse in 'within' inequality. A life expectancy gap between *Core* and *Periphery*, therefore, remained in 2000. If one now looks at the individual evolution of inequality in each region, the drastic contraction in Latin America between 1938 and 1955 is worth mentioning (Graph 13A and 13B).

When education inequality is decomposed into within-group and between-group inequality we find that, in the case of literacy, 'within-regions' inequality accounts for all of the reduction in aggregate inequality until 1970 (Graphs 14A and 14B). 'Between-regions' and 'within-regions' inequality declined from 1970 onwards. Hence, a literacy gap between OECD and Latin America still persists. In the case of enrolment (Graphs 15A and 15B), most of the reduction in inequality prior to 1950 is associated to 'within-regions' inequality that, in the 1990s suffered a reversal. A closer look into inequality within each region shows that, in Latin America, inequality in literacy rose up to 1929 (Graphs 16A and 16B), and up to 1913 for enrolment (Graphs 17A and 17B), to decline in both cases thereafter, while education inequality experienced a sustained contraction in OECD countries.

In the case of human development, 'within-regions' inequality dominates the long run decline in aggregate inequality, so a gap remained between *Core* and *Periphery* by 2000 (Graphs 18A and 18B). Inequality plummeted both within the OECD and within Latin America (Graphs 19A and 19B), but while a sustained fall occurred in the OECD, in Latin America an upsurge of inequality that peaked in the Interwar was followed by a sharp contraction until the end of the Golden Age (1950-75), that stabilized thereafter.

We have dealt indirectly, so far, with the concept of polarization introduced earlier in the paper, namely, the extent to which population is clustered in terms of income, life expectancy, literacy, etc., around a small number of groups that become internally more homogeneous, while their differences with other groups widen (Esteban 2002). We are now in a position to investigate whether we are in the presence of polarization. Polarization can be depicted as an increase in between-group inequality, that is, a growing gap between *Core* and *Periphery*, simultaneous to a decline in within-group inequality. Thus, we can expect

to find situations in which inequality and polarization exhibit opposite trends. Therefore, a new measure of polarization can be now obtained from the components of the entropy measures: MLD and Theil index. A polarization index can be defined as the difference 'between-group' inequality and 'within-group' inequality,

$$\text{Polarization}_{\text{MLD}} = \text{MLD}_{\text{between}} - \text{MLD}_{\text{within}} \qquad [6]$$

$$\text{Polarization}_{\text{Theil}} = \text{Theil}_{\text{between}} - \text{Theil}_{\text{within}} \qquad [7],$$

Graph 20 compares, for real per capita income, the new measure of polarization with those for inequality. It clearly appears that polarization is a post-1950 phenomenon, especially acute in the Golden Age and, again, in the 1980s. Moreover, polarization and inequality evolve in opposite directions, except in the post-1980 era. How does it compare with the situation described for the Western World with that for the 'whole' world?. Here again, polarization is mainly a post-1950, especially acute since 1980, but also existed prior to 1913 and, contrary to the Western World, it seems more marked when measured with the Theil index (Graphs 21A and 21B).

When polarization in life expectancy is considered, only two mild episodes in 1938-50 and the 1990s are observed (Graph 22). As regards education, we observe, in the case of literacy, a moderate polarization between the mid-1920s and 1970, while inequality declined (Graph 23); in the case of enrolment, polarization was even milder, and only lasted until the 1960s (Graph 24). In terms of human development polarization exhibits a sustained increase between 1913 and 1970, that, since the 1920s was paralleled to a reduction in inequality (Graph 25).

V. *Summary of Findings*

This paper has provided, for the first time, a long-run view of inter-country inequality in living standards. The exercise has focused on the Western World, the best documented part of the world, avoiding the need for data over-simplification. Some tentative answers can be extracted from this preliminary attempt.

A long term rise in real per capita income inequality is found for a partial sample of the world that includes Western Europe, the European Offshoots, Japan -that is, the core of today's OECD-, and Latin America. This finding coincides with the trend observed for the whole world when China and India are excluded. Such coincidence is at odds with the benign view of a decline in world inequality during the late twentieth century, as posit by Bourguignon and Morrisson (2002) and Sala-i-Martin (2006), a result extremely sensitive to by the behavior of two large, populous countries, that makes difficult to forecast its evolution.

However, in the case of non-economic indicators of well-being (longevity, education, and human development) inequality fell in the long run.

The variance in cross-country improvements in well-being contributed to the inequality reduction. Nonetheless, national differences in population growth, largely a consequence of the late demographic transition in Latin America, tended to increase it. Such finding is at odds with Bourguignon and Morrisson (2002) contention that population growth rates are not associated with significant changes in world income distribution.

The deepening gap between OECD and Latin America was the major factor beneath the observed increase in real income inequality. In the case of non-economic well-being indicators, the decline in aggregate inequality in life expectancy, education, and human development did not preclude that, by the dawn of the twentieth-first century, a non-negligible gap remained between OECD and Latin America. Furthermore, the existence of polarization is confirmed for the second half of the twentieth century.

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Table 1

Assessing the Impact of Population and Per Capita GDP Growth Differences on International Inequality: Annual Rates of Inequality Reduction

	MLD			Theil Index		
		Counterfactual Zero Variance in			Counterfactual Zero Variance in	
	Actual Value	per capita GDP growth	population growth	**Actual Value**	per capita GDP growth	population growth
1870-1913	-0.30	-1.00	-1.05	0.11	-0.89	-1.37
1913-1938	0.25	-1.36	0.13	0.27	-1.20	0.10
1913-1950	-1.45	-1.76	-1.56	-1.79	-1.53	-2.02
1950-1980	0.19	-1.60	2.33	0.72	-1.11	2.45
1980-2000	-2.13	-1.05	-1.20	-1.79	-0.75	-1.17
1950-2000	-0.74	-1.38	0.92	-0.28	-0.97	1.00

Sources: See text

Table 2

Assessing the Impact of Population and Life Expectancy Growth Differences on International Inequality: Annual Rates of Inequality Reduction

	MLD			Theil Index		
		Counterfactual Zero Variance in			Counterfactual Zero Variance in	
	Actual Value	Life Expectancy growth	population growth	**Actual Value**	Life Expectancy growth	population growth
1870-1913	1.28	-0.56	0.35	1.16	-0.60	-0.29
1913-1938	-0.87	-1.40	0.02	-0.95	-1.38	-0.43
1913-1950	0.37	-1.93	0.14	0.21	-1.82	-0.26
1950-1980	2.48	-3.22	5.30	2.18	-2.95	4.79
1980-2000	-1.81	-1.71	-2.31	-1.91	-1.60	-2.55
1950-2000	0.76	-2.62	2.26	0.54	-2.41	1.85

Sources: See text

Table 3

Assessing the Impact of Population and Literacy Growth Differences on International Inequality: Annual Rates of Inequality Reduction

	MLD			Theil Index		
		Counterfactual Zero Variance in			Counterfactual Zero Variance in	
	Actual Value	Literacy growth	population growth	**Actual Value**	Literacy growth	population growth
1870-1913	1.04	-0.25	0.48	0.96	-0.15	0.19
1913-1938	0.70	-1.04	0.65	1.06	-1.05	0.93
1913-1950	0.89	-1.53	1.04	0.99	-1.69	0.86
1950-1980	1.47	-2.35	4.26	1.02	-2.12	3.69
1980-2000	2.63	-1.39	2.23	2.40	-1.24	1.69
1950-2000	1.93	-1.97	3.45	1.57	-1.77	2.89

Sources: See text

Table 4

Assessing the Impact of Population and Enrolment Growth Differences on International Inequality: Annual Rates of Inequality Reduction

	MLD			Theil Index		
		Counterfactual Zero Variance in			Counterfactual Zero Variance in	
	Actual Value	Enrolment growth	population growth	Actual Value	Enrolment growth	population growth
1870-1913	0.83	-0.69	0.27	0.65	-0.47	-0.52
1913-1938	0.15	-1.24	-0.44	-0.56	-1.09	-1.08
1913-1950	-0.24	-1.67	-0.72	-0.70	-1.51	-1.24
1950-1980	3.27	-2.14	3.35	2.68	-1.65	2.80
1980-2000	-1.42	-1.36	-2.04	-1.21	-1.07	-2.11
1950-2000	1.40	-1.83	1.19	1.13	-1.42	0.83

Sources: See text

Table 5

Assessing the Impact of Population and Human Development Growth Differences on International Inequality: Annual Rates of Inequality Reduction

	MLD			Theil Index		
		Counterfactual Zero Variance in			Counterfactual Zero Variance in	
	Actual Value	IHDI growth	population growth	Actual Value	IHDI growth	population growth
1870-1913	0.85	-0.80	-0.21	0.79	-0.75	-0.72
1913-1938	0.23	-1.58	0.11	0.31	-1.49	0.14
1913-1950	0.51	-2.13	-0.13	0.44	-2.05	-0.33
1950-1980	1.85	-3.26	4.86	1.58	-2.98	4.43
1980-2000	0.39	-1.76	-1.78	0.33	-1.62	-2.06
1950-2000	1.27	-2.66	2.21	1.08	-2.43	1.83

Sources: See text
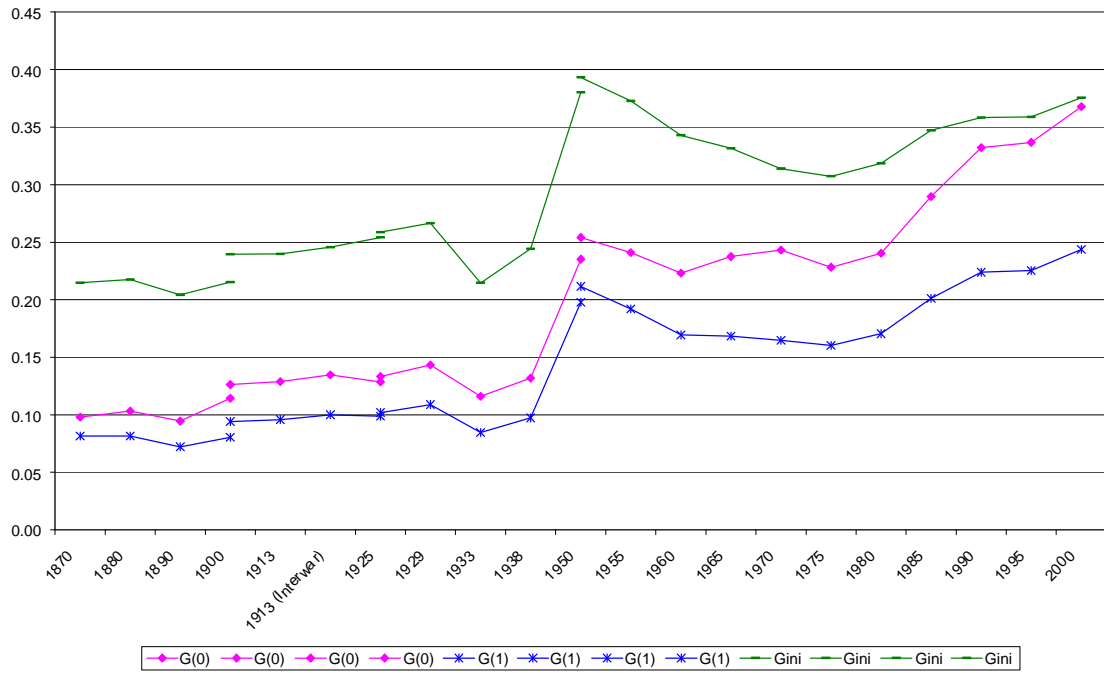
Graph 1. International Per Capita GDP Inequality in the Western World, 1870-2000
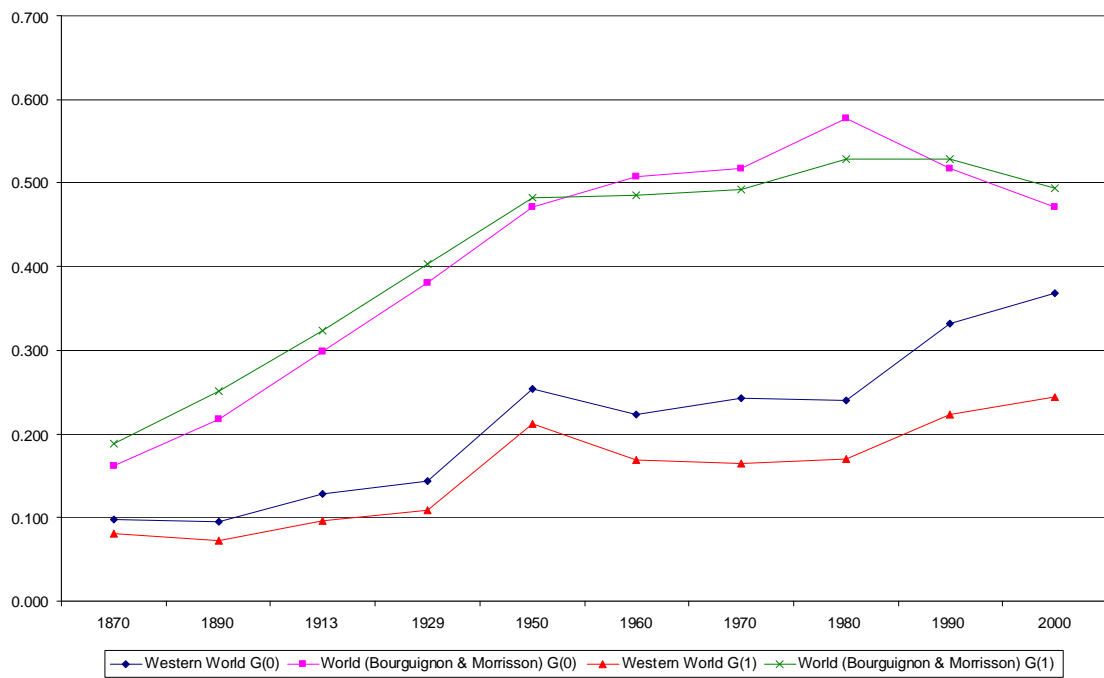
Graph 2. International Per Capita GDP Inequality in the Western World and in Bourguignon & Morrisson's 'World', 1870-2000
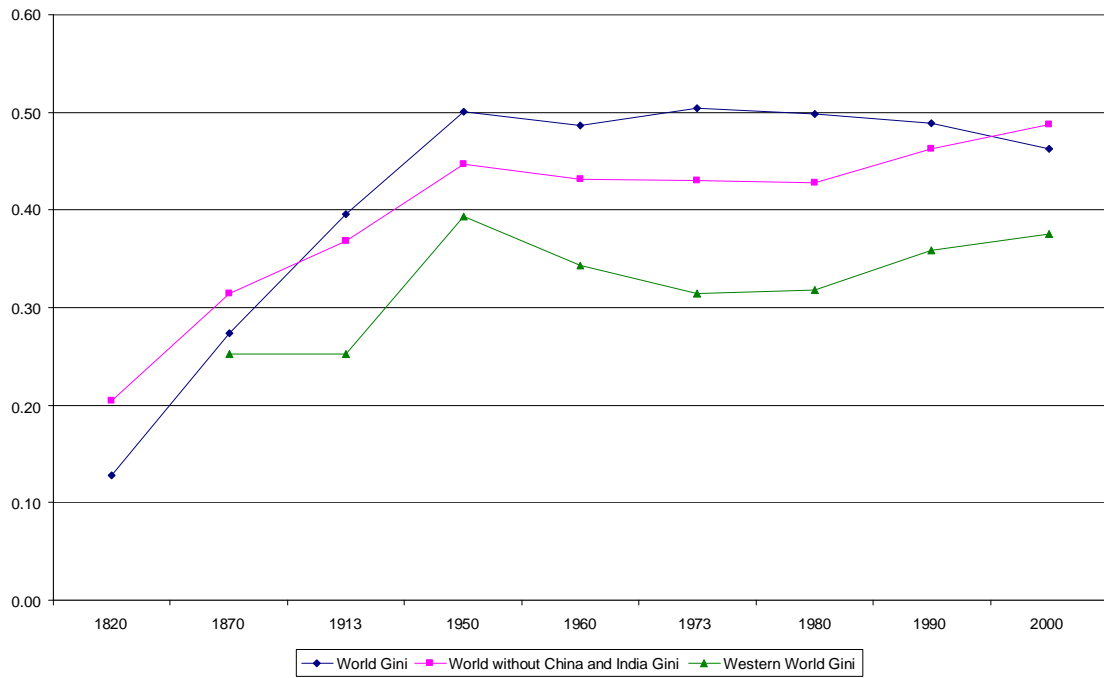
Graph 3a. International Per Capita GDP Inequality in the Western World and in Maddison's 'World' with and without China and India, 1820-2000: Gini
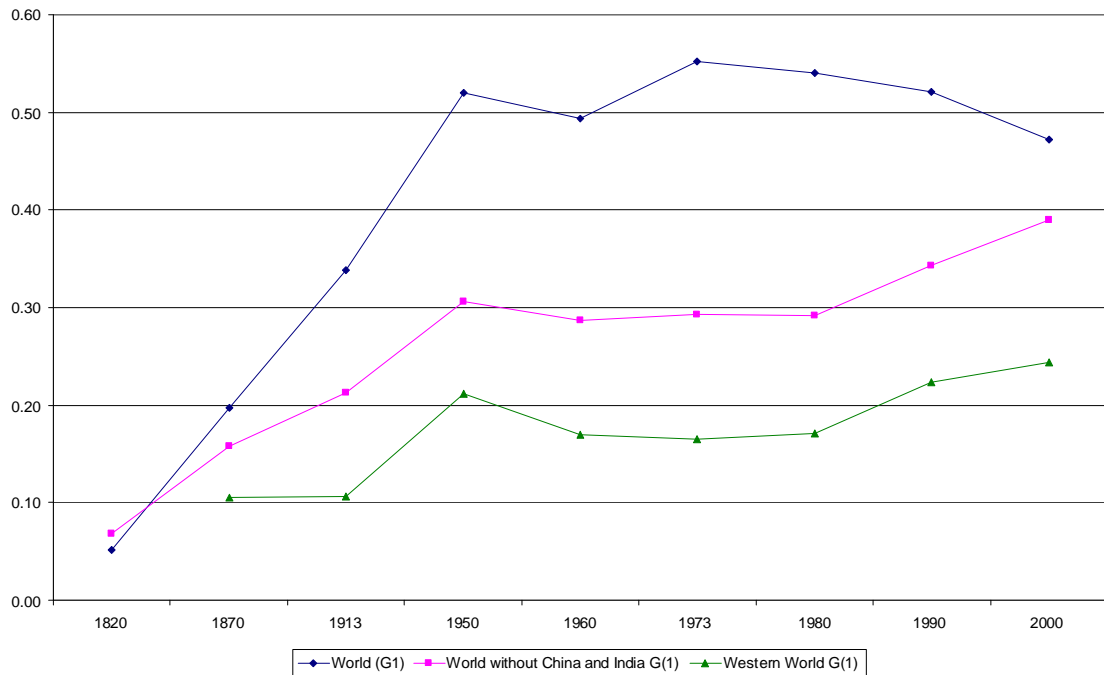
Graph 3b. International Per Capita GDP Inequality in the Western World and in Maddison's 'World' with and without China and India, 1820-2000: G(1)
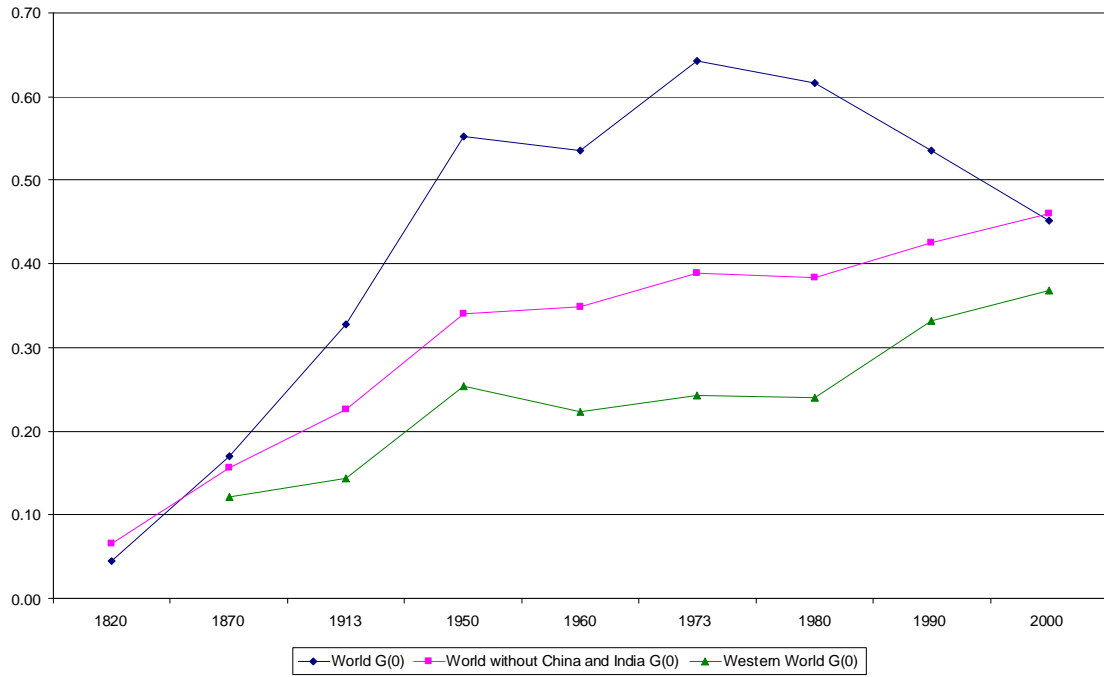
Graph 3c. International Per Capita GDP Inequality in the Western World and in Maddison's 'World' with and without China and India, 1820-2000: G(0)
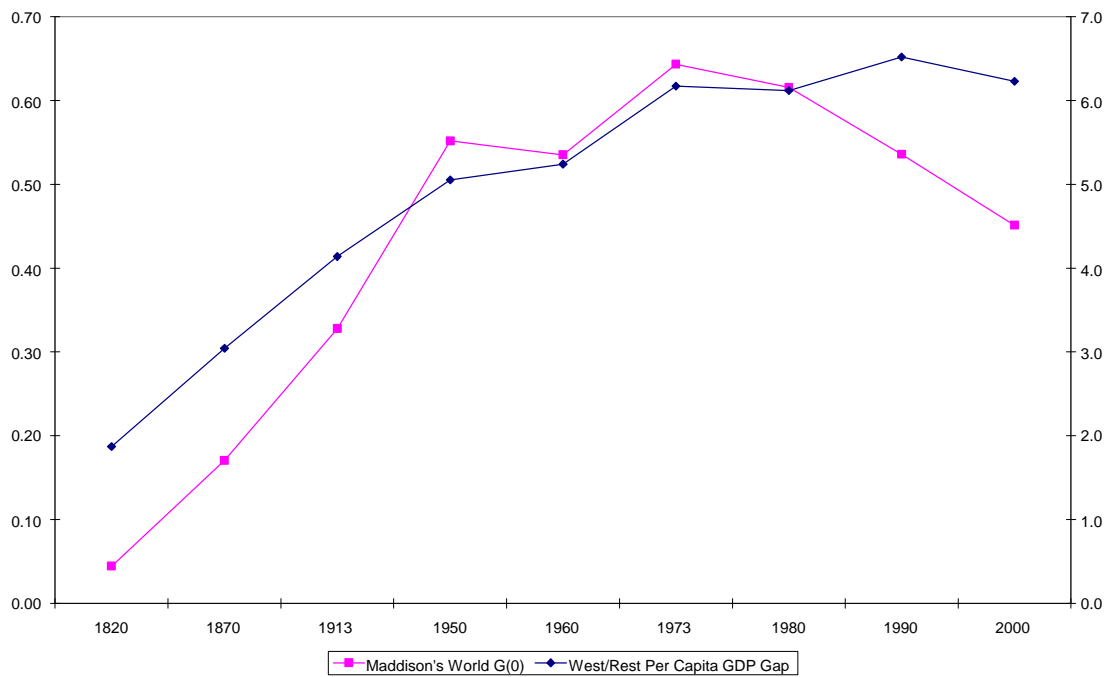
Graph 4. International Per Capita GDP Inequality in Maddison's 'World' (G(0)) and the West-Rest Per Capita GDP Gap, 1820-2000
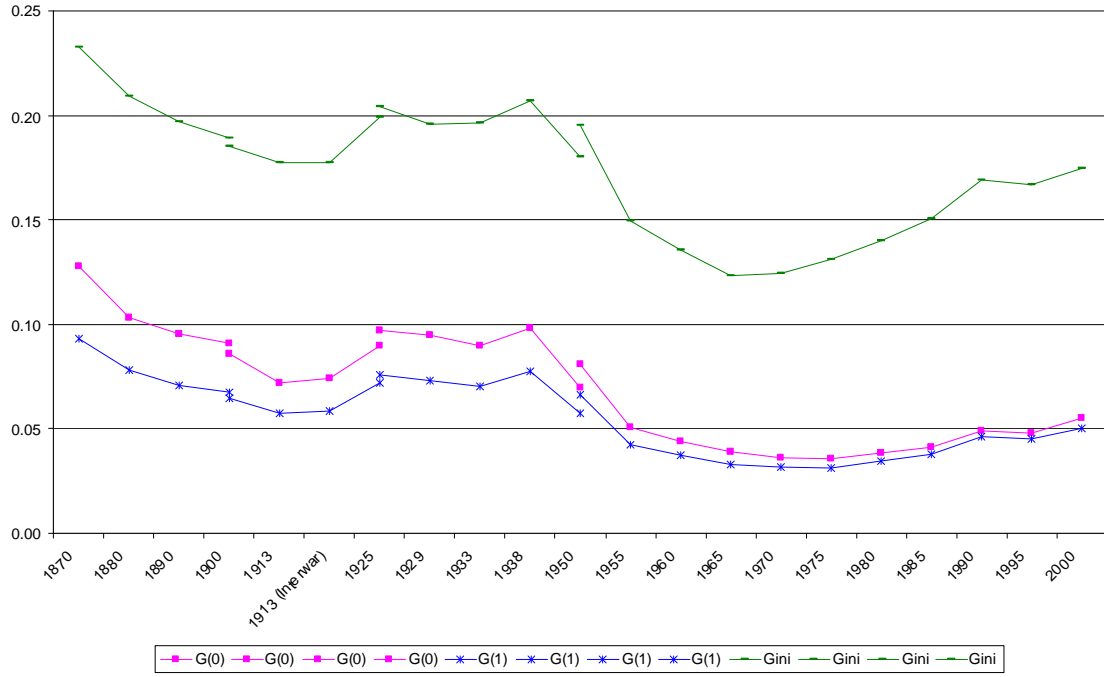
Graph 5. International Life Expectancy Inequality in the Western World, 1870-2000
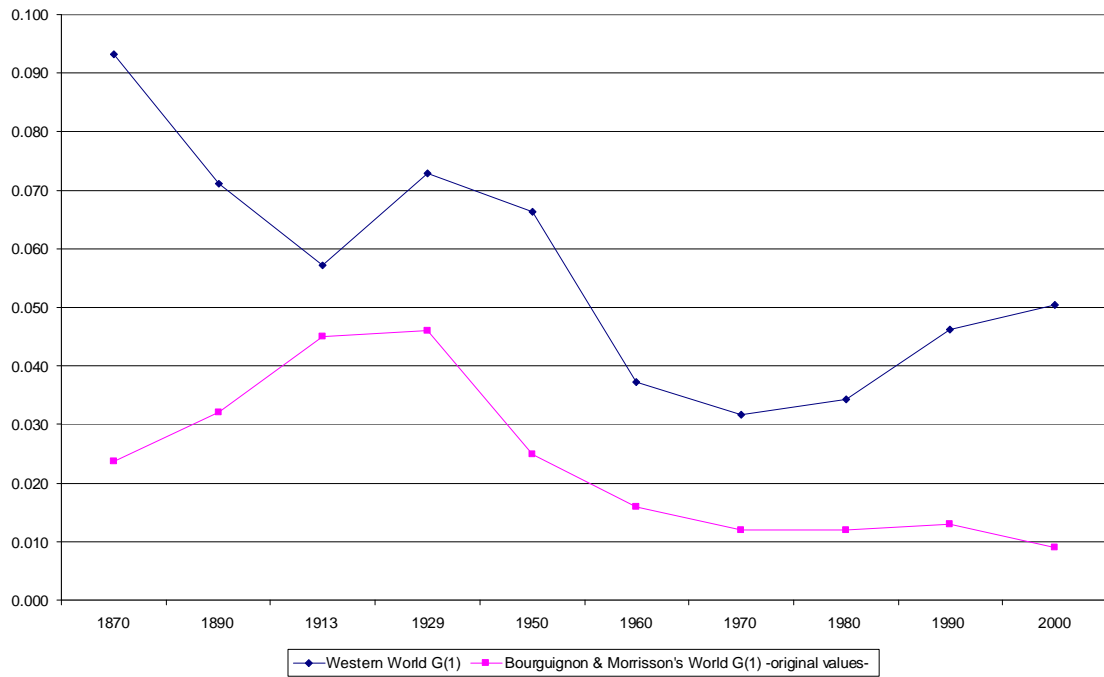
Graph 6. International Life Expectancy Inequality in the Western World and in Bourguignon & Morrisson's 'World' (original values), 1870-2000

Graph 7. International Literacy Inequality in the Western World, 1870-2000

Graph 8. International Enrolment Inequality in the Western World, 1870-2000
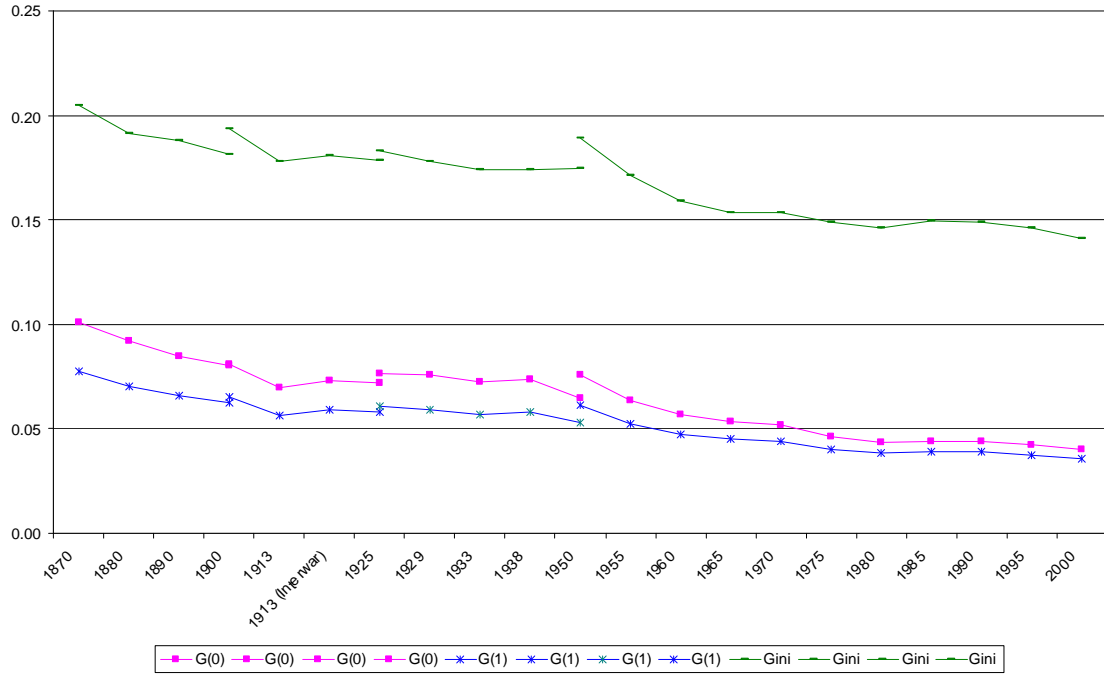
Graph 9. International Human Development Inequality in the Western World, 1870-2000
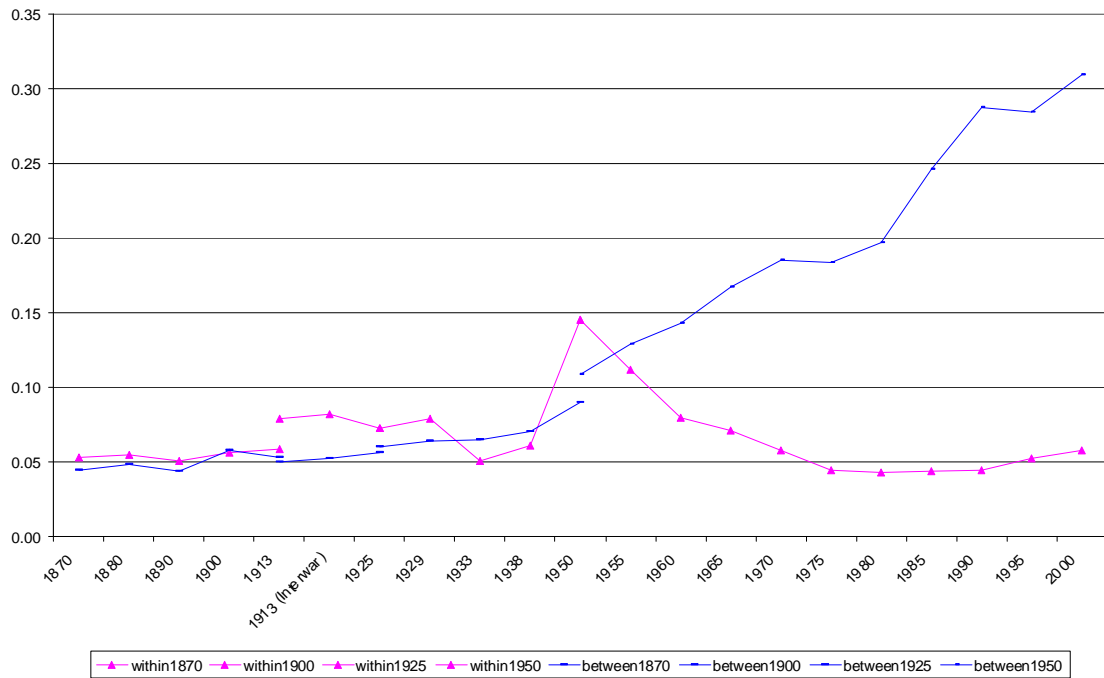
Graph 10a. Decomposing Per Capita GDP Inequality: Within-regions and Between-regions Inequality, 1870-2000: MLD
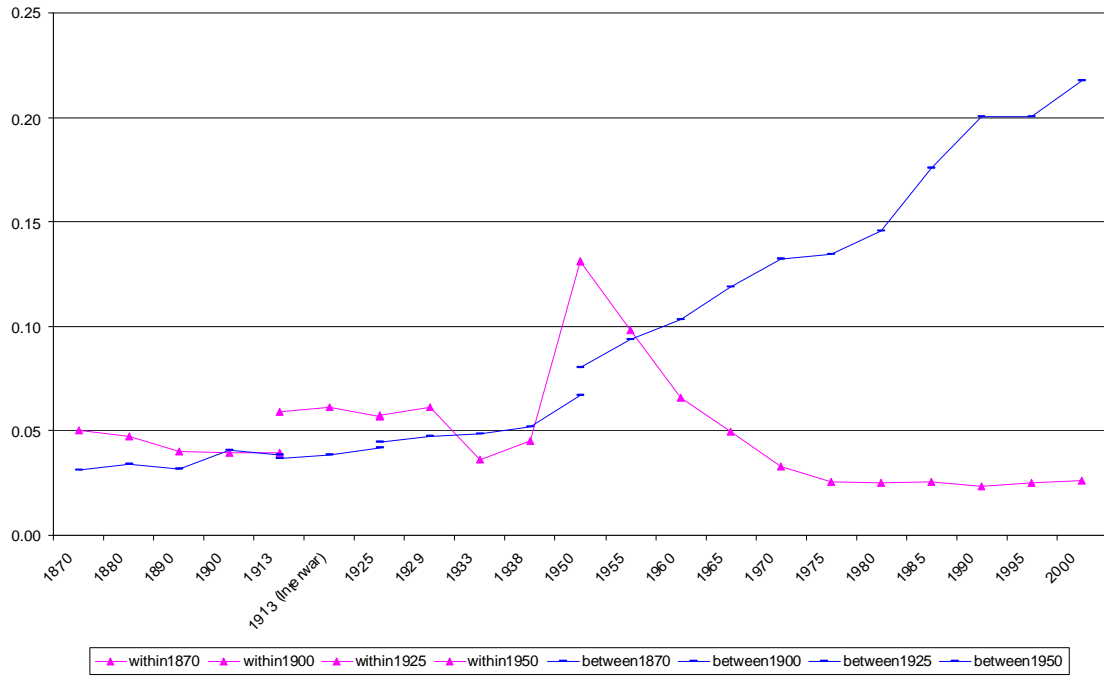
Graph 10b. Decomposing Per Capita GDP Inequality: Within-regions and Between-regions Inequality, 1870-2000: Theil Index
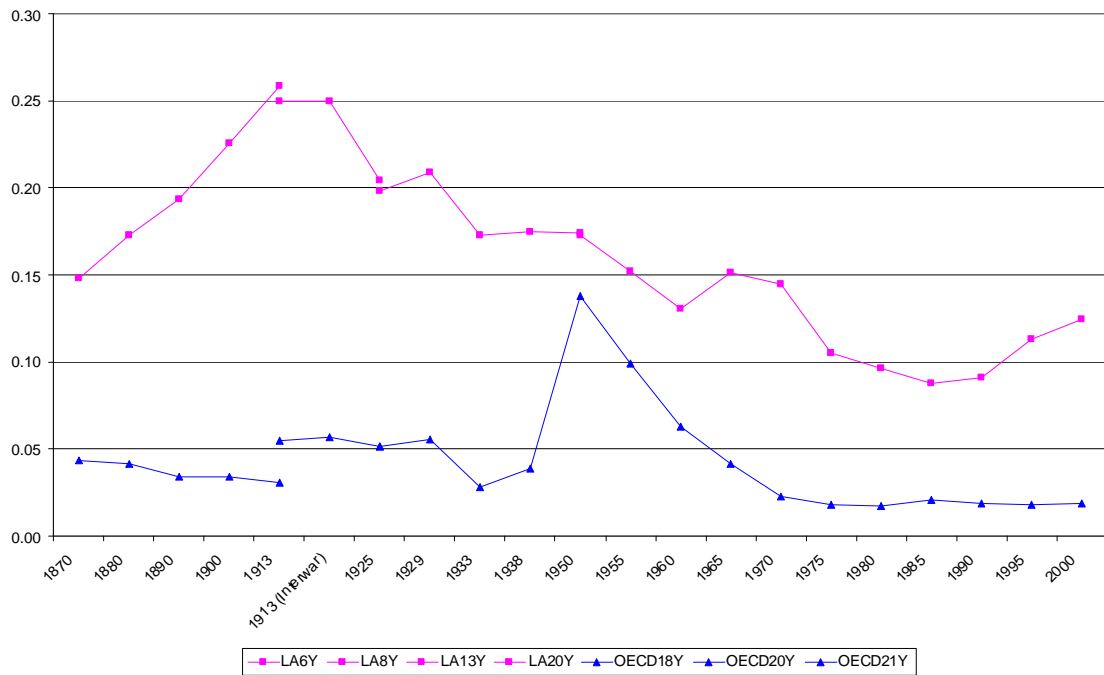
Graph 11a. Per Capita GDP Inequality in Latin America and OECD, 1870-2000: MLD
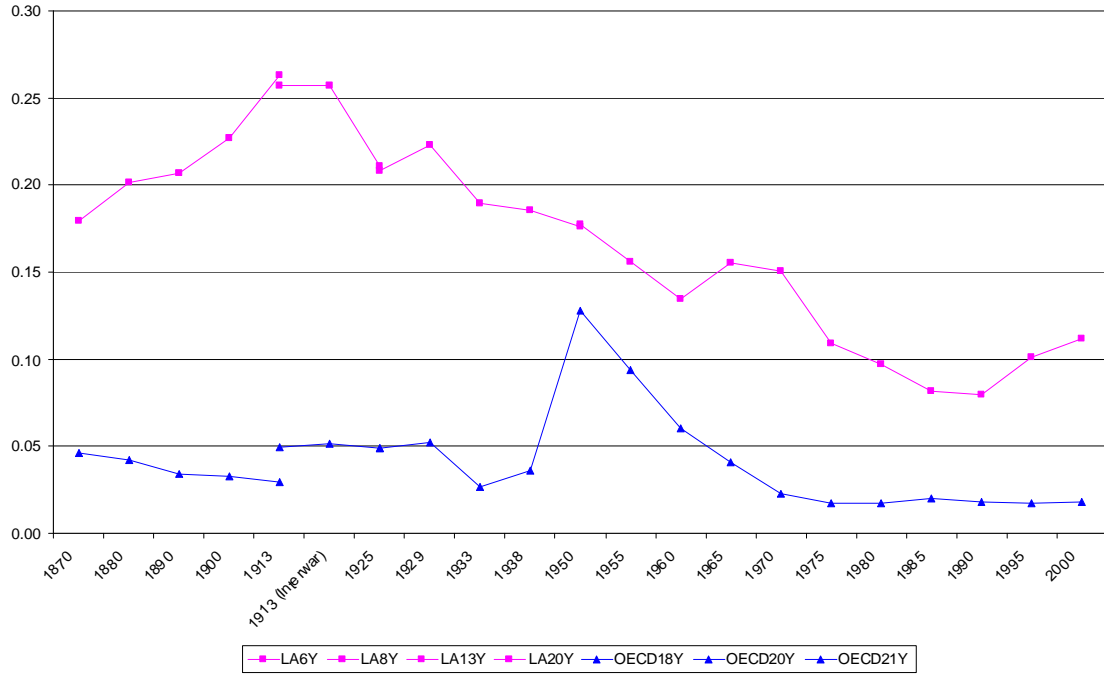
Graph 11b. Per Capita GDP Inequality in Latin America and OECD, 1870-2000: Theil Index

Graph 12a. Decomposing Life Expectancy Inequality: Within-regions and Between-regions Inequality, 1870-2000: MLD
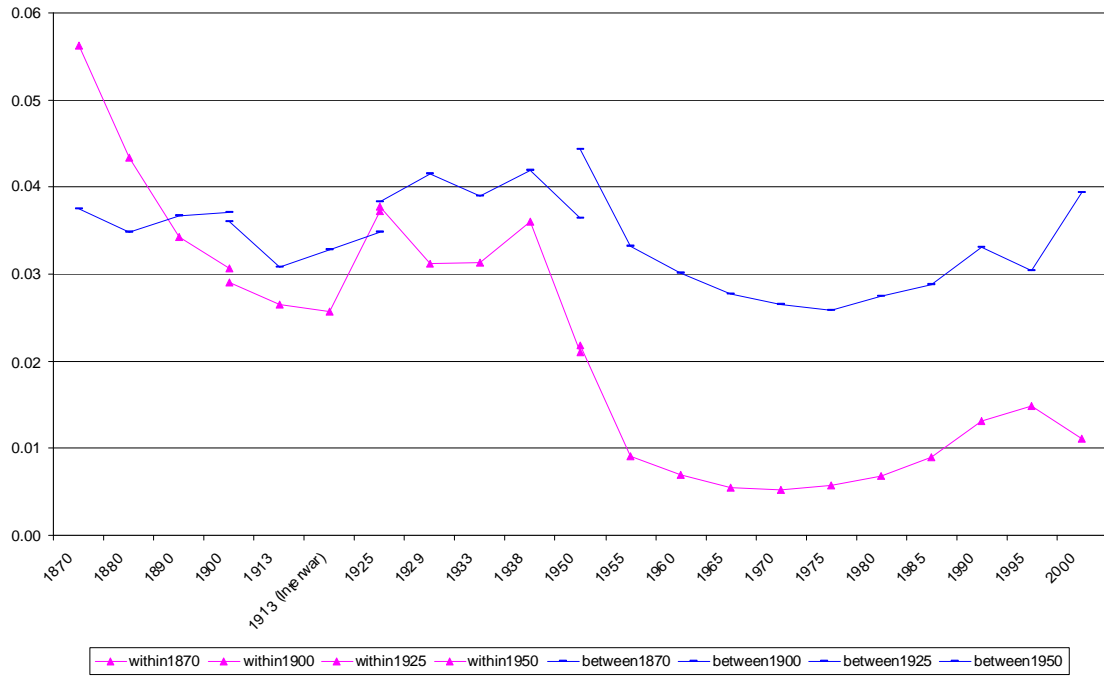
Graph 12b. Decomposing Life Expectancy Inequality: Within-regions and Between-regions Inequality, 1870-2000: Theil Index
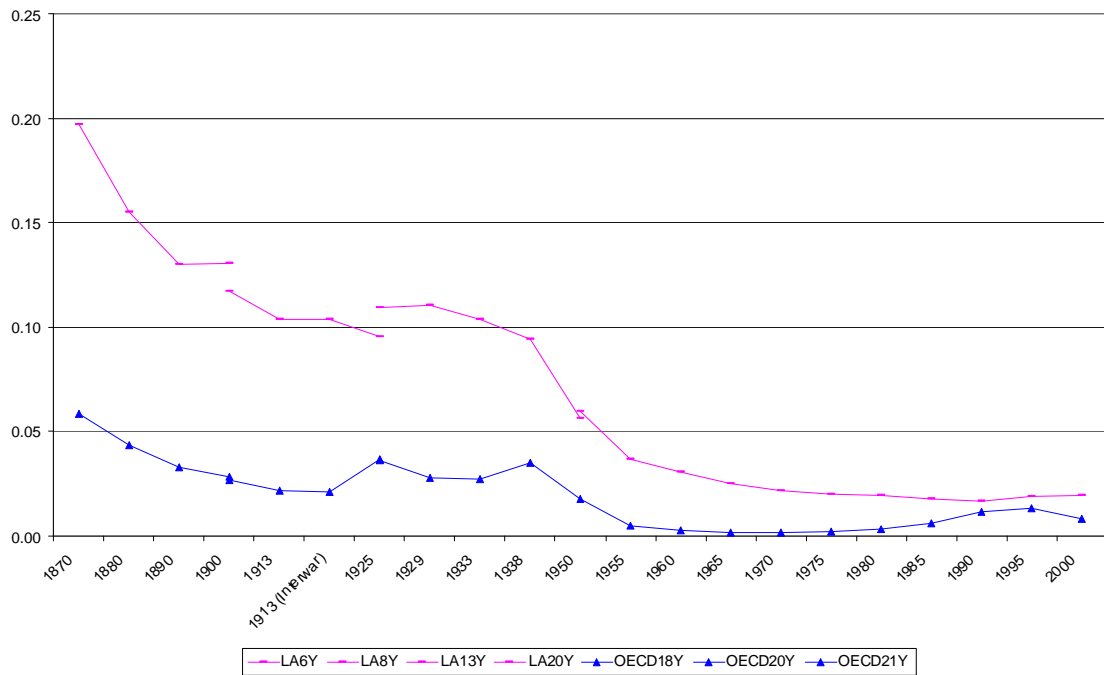
Graph 13a. Life Expectancy Inequality in Latin America and OECD, 1870-2000: MLD
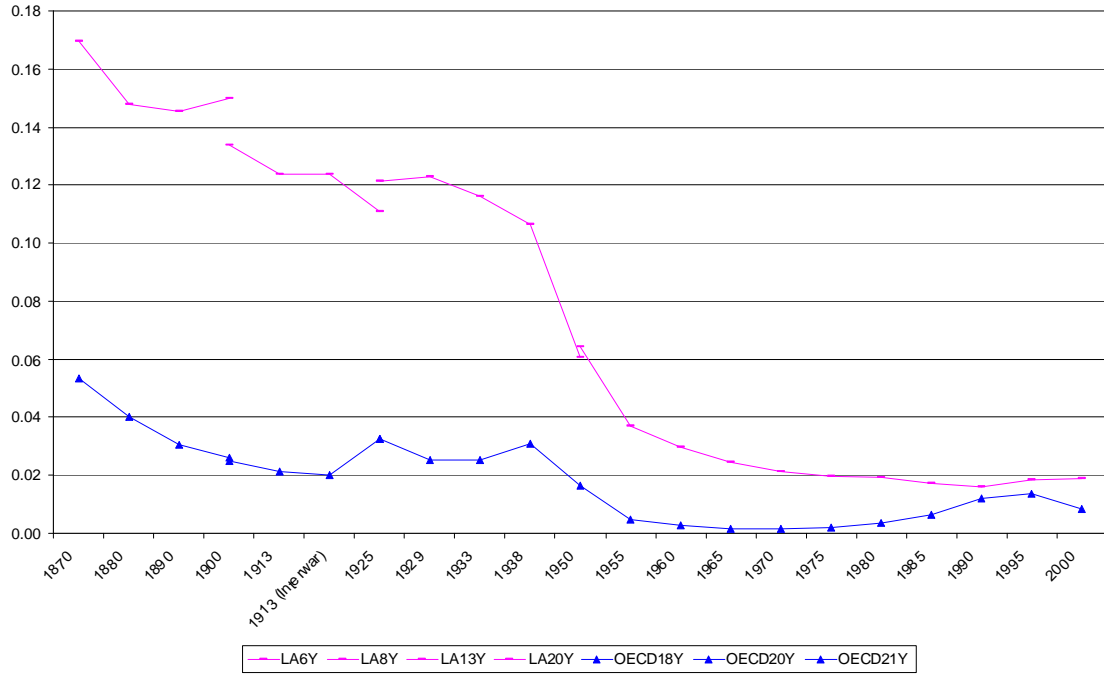
Graph 13b. Life Expectancy Inequality in Latin America and OECD, 1870-2000: Theil Index

Graph 14a. Decomposing Literacy Inequality: Within-regions and Between-regions Inequality, 1870-2000: MLD
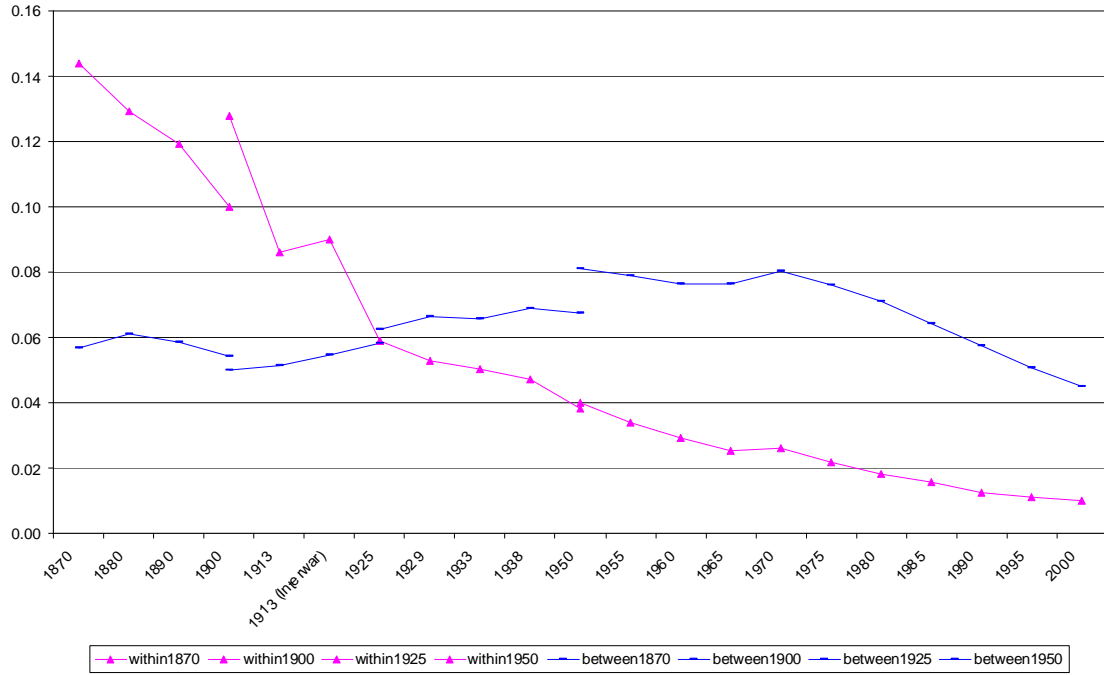
Graph 14b. Decomposing Literacy Inequality: Within-regions and Between-regions Inequality, 1870-2000: Theil Index

Graph 15a. Decomposing Enrolment Inequality: Within-regions and Between-regions Inequality, 1870-2000: MLD
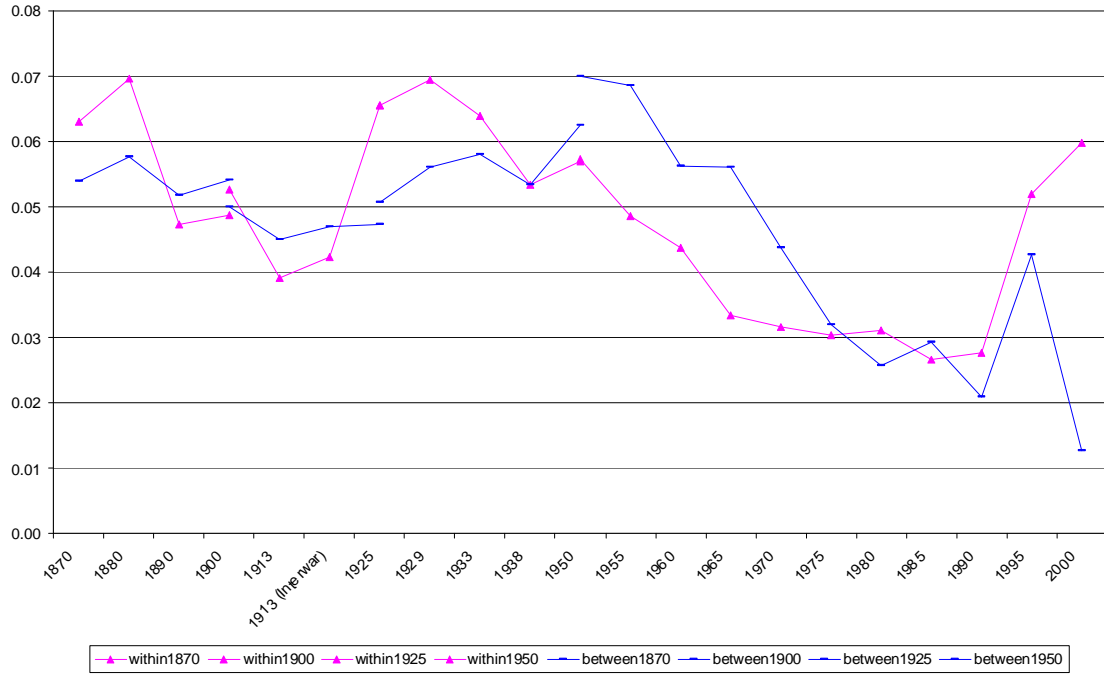
Graph 15b. Decomposing Enrolment Inequality: Within-regions and Between-regions Inequality, 1870-2000: Theil Index
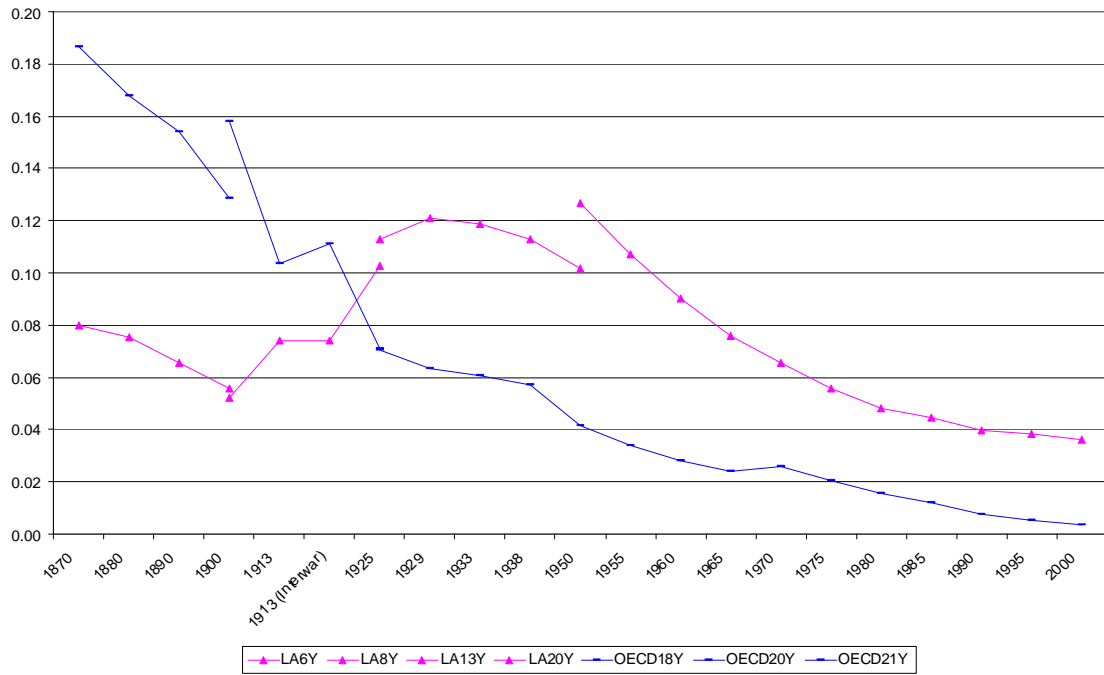
Graph 16a. Literacy Inequality in Latin America and OECD, 1870-2000: MLD

42
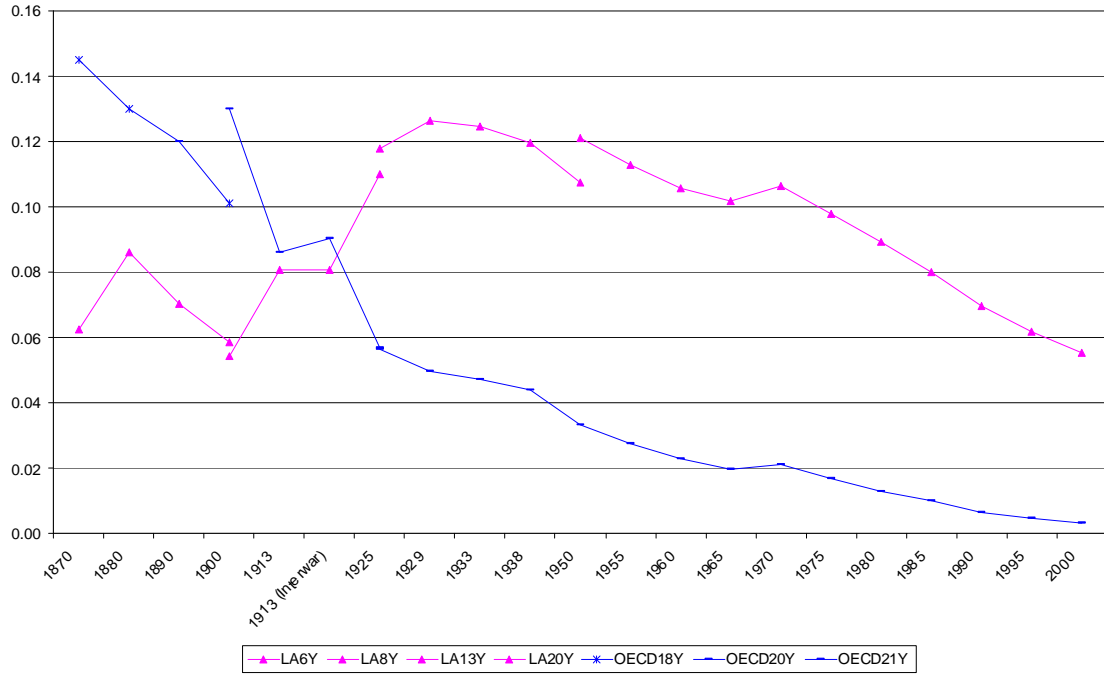
Graph 16b. Literacy Inequality in Latin America and OECD, 1870-2000: Theil Index
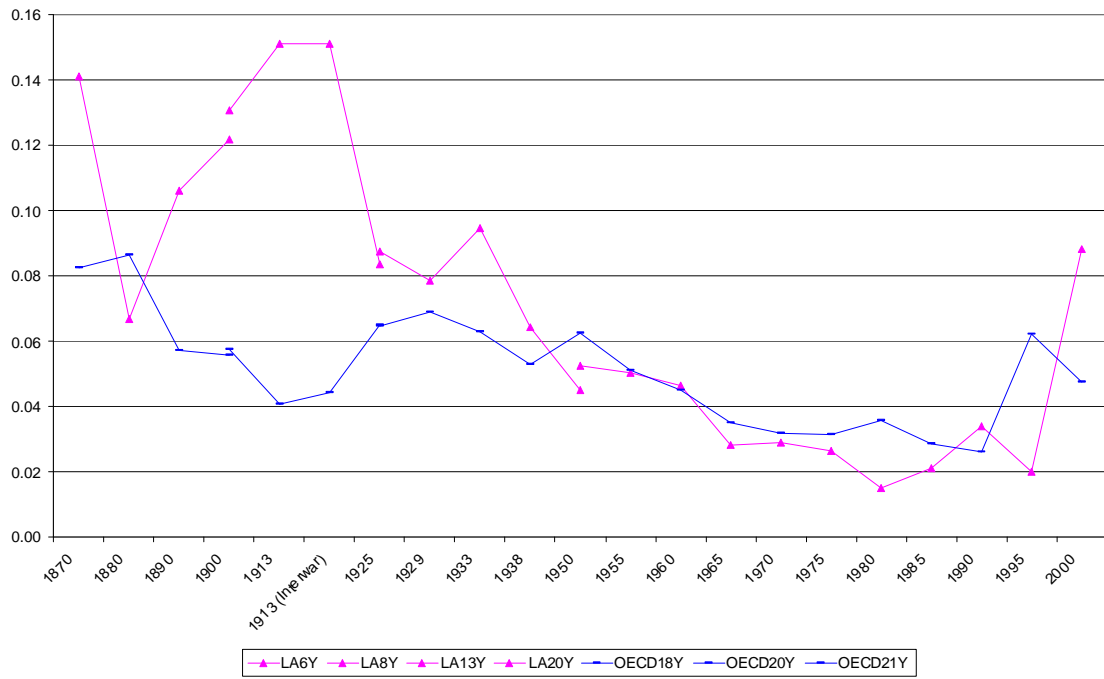
Graph 17a. Enrolment Inequality in Latin America and OECD, 1870-2000: MLD
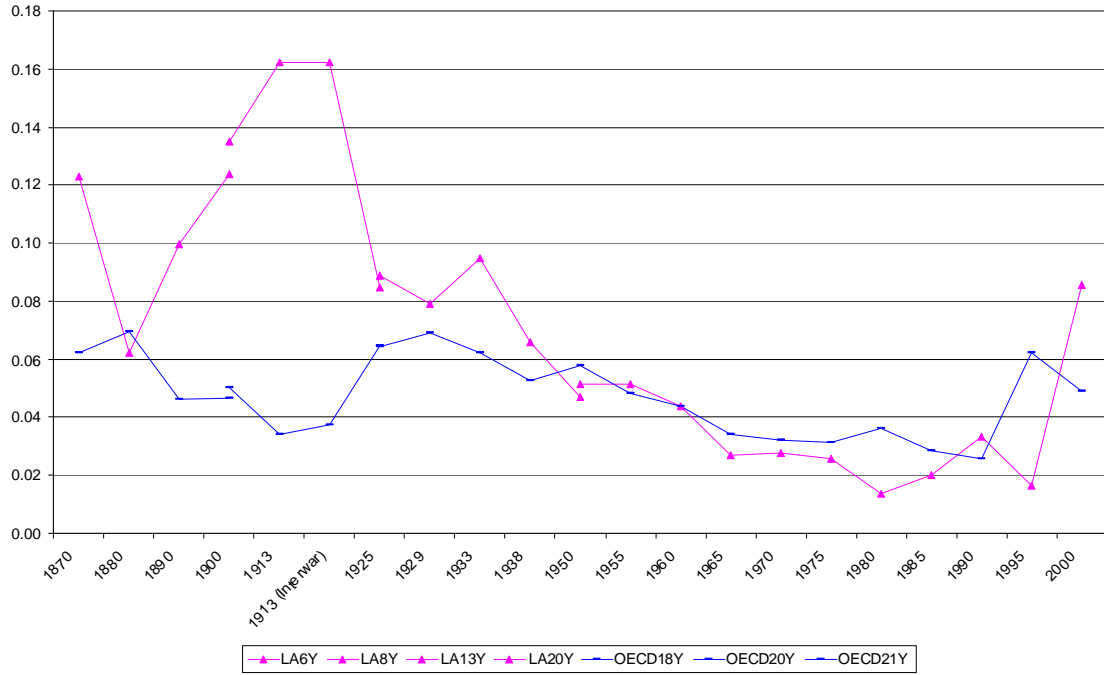
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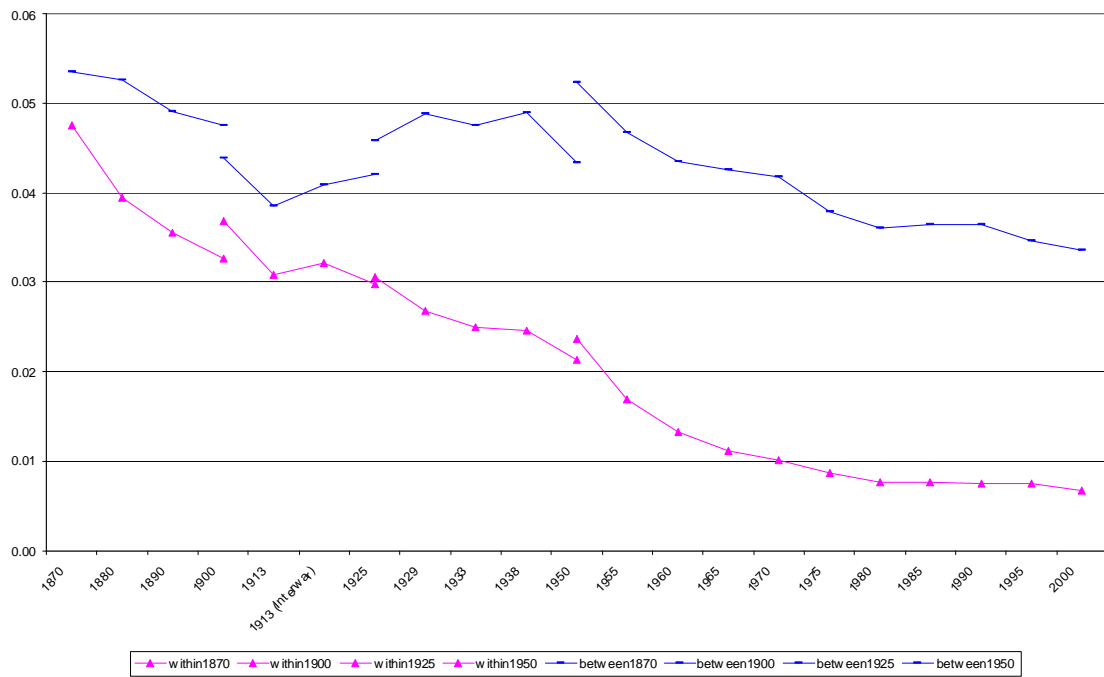
Graph 18a. Decomposing Human Development Inequality: Within-regions and Between-regions Inequality, 1870-2000: MLD
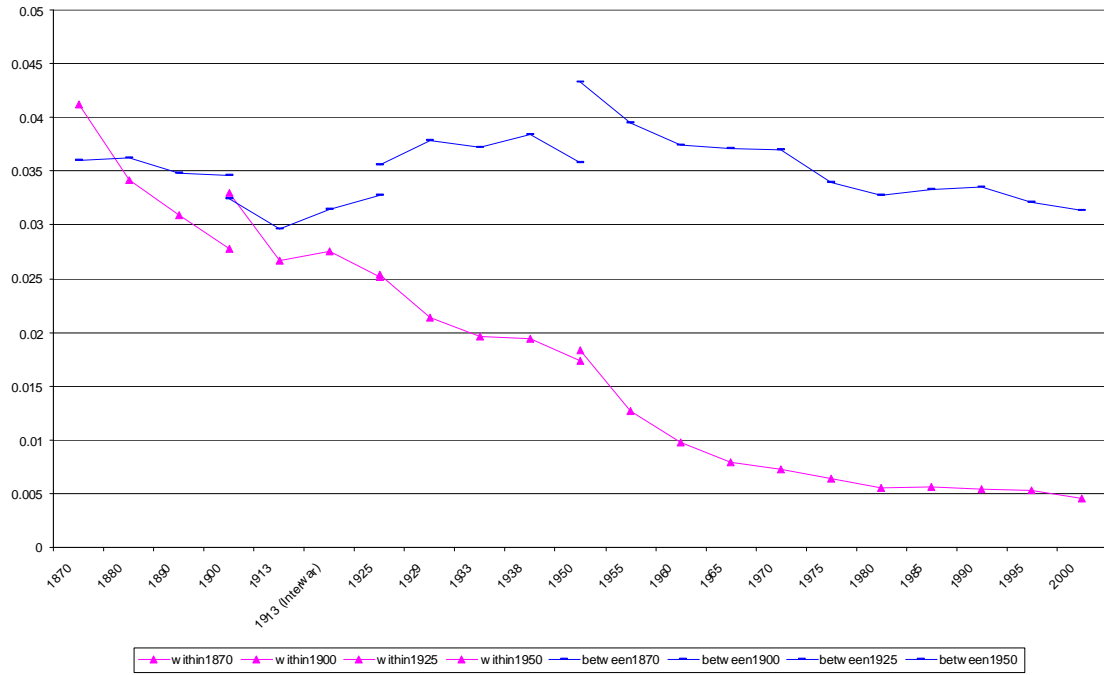
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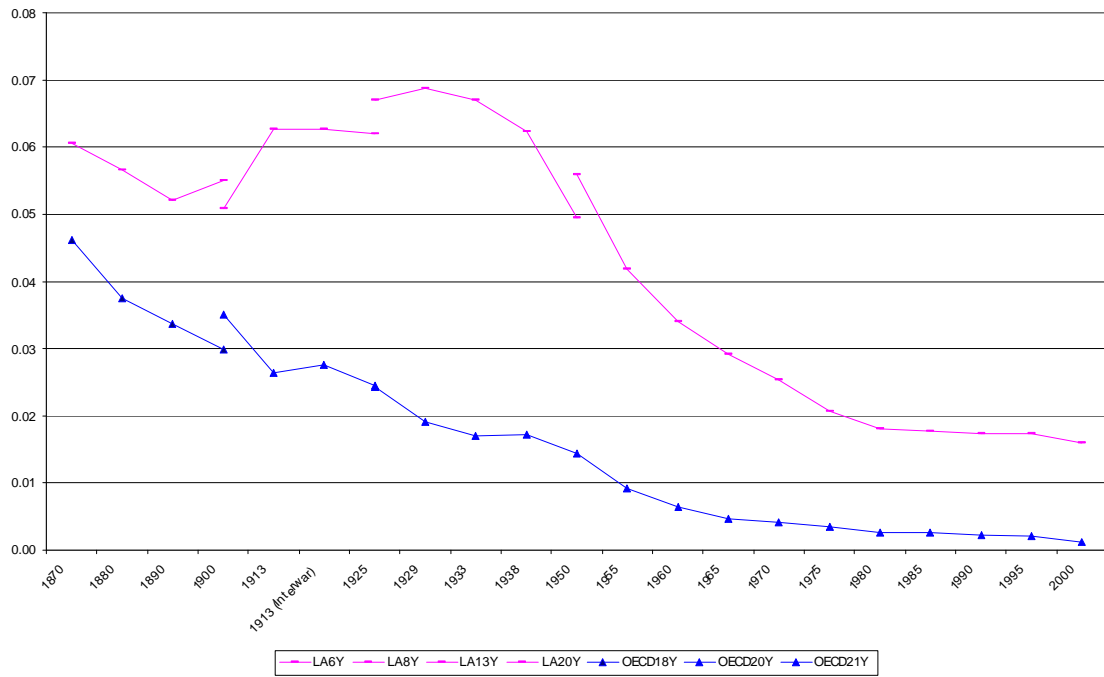
Graph 19a. Human Development Inequality in Latin America and OECD, 1870-2000: MLD

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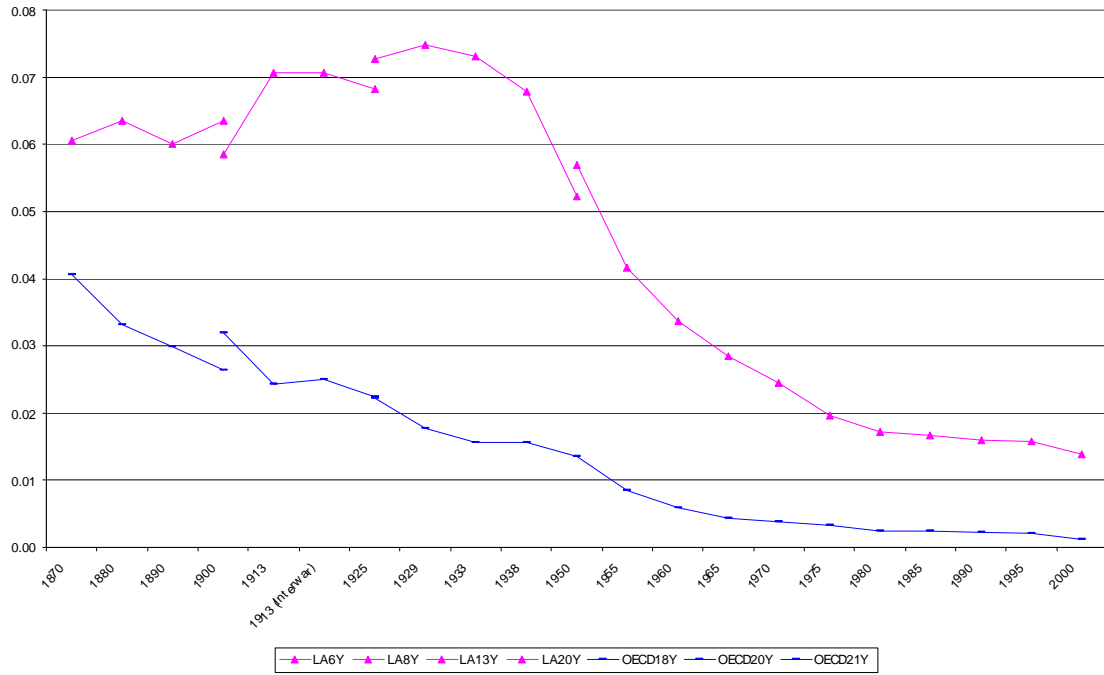
Graph 19b. Human Development Inequality in Latin America and OECD, 1870-2000: Theil Index
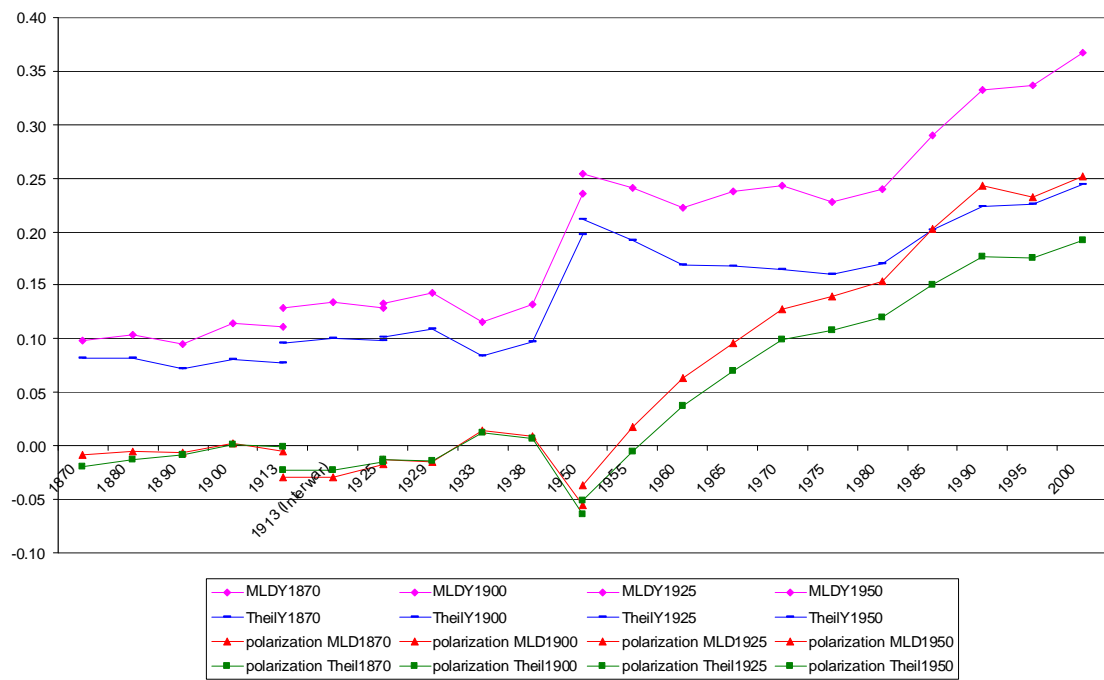
Graph 20. Per Capita GDP Inequality and Polarization in the Western World, 1870-2000: MLD and Theil Indices

Graph 21a. Per Capita GDP Inequality and Polarization in Maddison's World, 1820-2000: MLD (G(0))
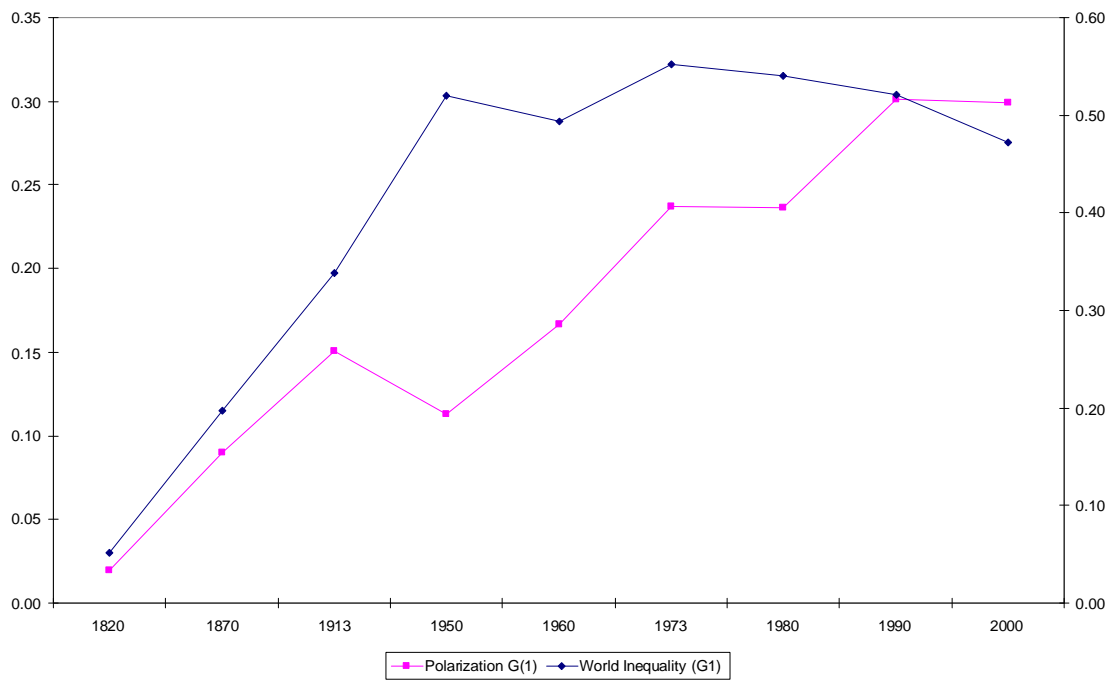
Graph 21b. Per Capita GDP Inequality and Polarization in Maddison's World, 1820-2000: Theil Index (G(1))

Graph 22. Life Expectancy Polarization in the Western World, 1870-2000: MLD and Theil Indices
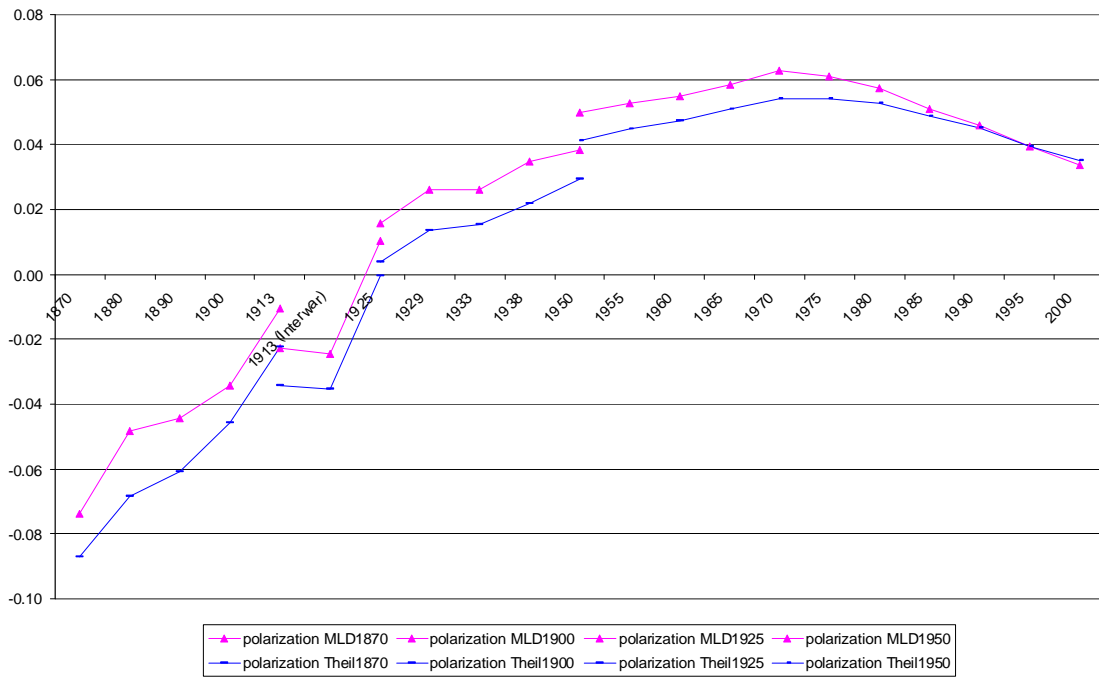
Graph 23. Literacy Polarization in the Western World, 1870-2000: MLD and Theil Indices
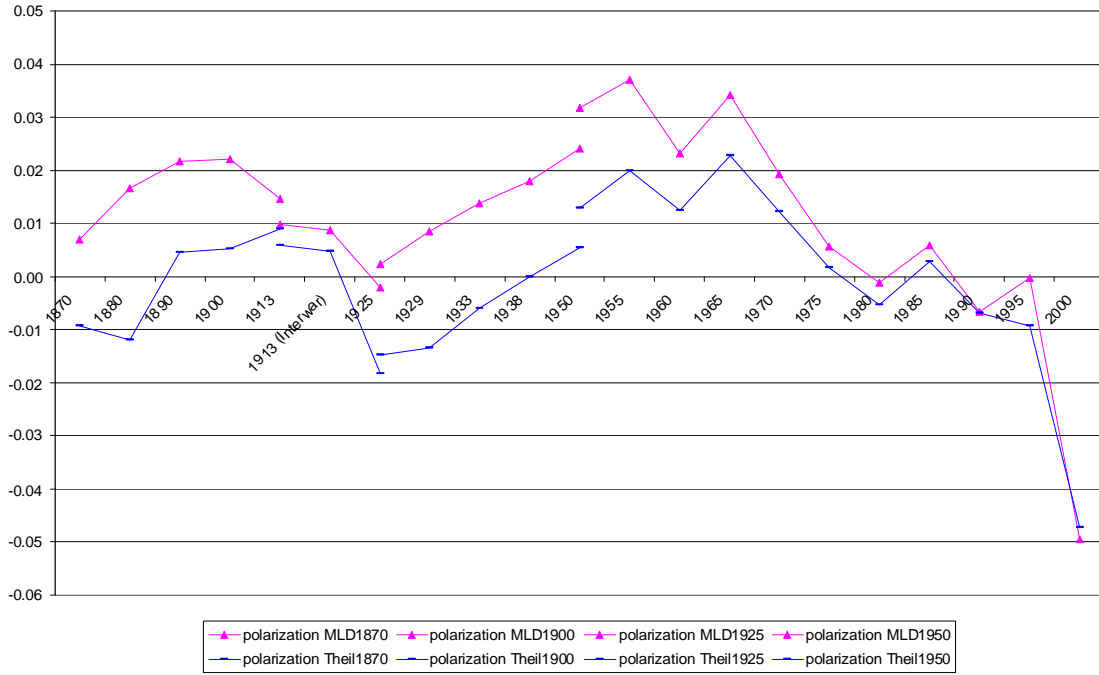
Graph 24. Enrolment Polarization in the Western World, 1870-2000: MLD and Theil Indices

Graph 25. Human Development Polarization in the Western World, 1870-2000: MLD and Theil Indices

International Inequality in Per Capita GDP, 1870-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.0980	0.0437	0.1481	0.9074	0.0926	0.0533	0.0447
1880	0.1032	0.0414	0.1729	0.9006	0.0994	0.0545	0.0488
1890	0.0944	0.0339	0.1934	0.8958	0.1042	0.0505	0.0440
1900	0.1141	0.0344	0.2255	0.8863	0.1137	0.0561	0.0580
1913	0.1116	0.0305	0.2583	0.8766	0.1234	0.0587	0.0530
1913*	0.1178	0.0313	0.2583	0.8690	0.1310	0.0610	0.0568
1925	0.1210	0.0339	0.2263	0.8577	0.1423	0.0613	0.0598
1929	0.1300	0.0344	0.2434	0.8509	0.1491	0.0655	0.0645
1933	0.1123	0.0206	0.2017	0.8461	0.1539	0.0485	0.0639
1938	0.1305	0.0332	0.2029	0.8405	0.1595	0.0603	0.0702
1950	0.2160	0.0967	0.2019	0.8047	0.1953	0.1172	0.0988
1955	0.2061	0.0703	0.1700	0.7918	0.2082	0.0911	0.1150
1960	0.1925	0.0499	0.1384	0.7795	0.2205	0.0694	0.1231
1965	0.2052	0.0365	0.1607	0.7646	0.2354	0.0657	0.1395
1970	0.2009	0.0262	0.1409	0.7478	0.2522	0.0552	0.1457
1975	0.1811	0.0207	0.0832	0.7300	0.2700	0.0376	0.1435
1980	0.1862	0.0203	0.0646	0.7088	0.2912	0.0332	0.1530
1985	0.2231	0.0232	0.0471	0.6956	0.3044	0.0305	0.1926
1990	0.2508	0.0189	0.0418	0.6853	0.3147	0.0261	0.2247
1995	0.2499	0.0182	0.0582	0.6821	0.3179	0.0309	0.2190
2000	0.2745	0.0203	0.0694	0.6709	0.3291	0.0364	0.2380

Annual Rates of Inequality Reduction (%)

1870-1913	-0.30	0.83	-1.29			-0.22	-0.40
1900-1950	-1.28	-2.07	0.22			-1.47	-1.07
1913-1938	-0.41	-0.24	0.97			0.05	-0.85
1913-1950	-1.64	-3.05	0.67			-1.76	-1.50
1950-1980	0.50	5.20	3.80			4.20	-1.46
1938-1980	-0.85	1.17	2.73			1.42	-1.86
1980-2000	-1.94	0.01	-0.36			-0.46	-2.21
1950-2000	-0.48	3.12	2.14			2.34	-1.76

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.1 (b)

International Inequality in Per Capita GDP, 1870-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.0817	0.0464	0.1793	0.9704	0.0296	0.0503	0.0314
1880	0.0817	0.0424	0.2016	0.9685	0.0315	0.0474	0.0342
1890	0.0721	0.0340	0.2071	0.9635	0.0365	0.0403	0.0319
1900	0.0803	0.0329	0.2272	0.9648	0.0352	0.0398	0.0405
1913	0.0780	0.0294	0.2630	0.9569	0.0431	0.0394	0.0385
1913*	0.0818	0.0298	0.2630	0.9544	0.0456	0.0404	0.0414
1925	0.0864	0.0326	0.2278	0.9493	0.0507	0.0425	0.0440
1929	0.0914	0.0328	0.2485	0.9477	0.0523	0.0441	0.0473
1933	0.0775	0.0195	0.2135	0.9445	0.0555	0.0302	0.0473
1938	0.0914	0.0299	0.2097	0.9444	0.0556	0.0399	0.0515
1950	0.1679	0.0895	0.1977	0.9371	0.0629	0.0963	0.0715
1955	0.1546	0.0659	0.1681	0.9368	0.0632	0.0724	0.0822
1960	0.1404	0.0461	0.1384	0.9332	0.0668	0.0522	0.0882
1965	0.1428	0.0350	0.1591	0.9315	0.0685	0.0436	0.0993
1970	0.1396	0.0256	0.1437	0.9245	0.0755	0.0345	0.1052
1975	0.1329	0.0204	0.0917	0.9134	0.0866	0.0266	0.1063
1980	0.1396	0.0200	0.0717	0.9050	0.0950	0.0249	0.1147
1985	0.1649	0.0228	0.0512	0.9132	0.0868	0.0253	0.1396
1990	0.1798	0.0186	0.0441	0.9186	0.0814	0.0207	0.1590
1995	0.1786	0.0180	0.0643	0.9150	0.0850	0.0219	0.1567
2000	0.1938	0.0200	0.0738	0.9152	0.0848	0.0245	0.1692

Annual Rates of Inequality Reduction (%)

1870-1913	0.11	1.06	-0.89			0.57	-0.48
1900-1950	-1.47	-2.00	0.28			-1.77	-1.14
1913-1938	-0.45	-0.01	0.91			0.05	-0.88
1913-1950	-1.94	-2.97	0.77			-2.35	-1.48
1950-1980	0.61	5.00	3.38			4.51	-1.57
1938-1980	-1.01	0.96	2.55			1.12	-1.91
1980-2000	-1.64	0.00	-0.14			0.07	-1.94
1950-2000	-0.29	3.00	1.97			2.73	-1.72

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.2 (a)

International Inequality in Per Capita GDP, 1900-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.1259	0.0517	0.2149	0.8872	0.1128	0.0701	0.0559
1913	0.1287	0.0546	0.2500	0.8765	0.1235	0.0787	0.0499
1913*	0.1346	0.0569	0.2500	0.8705	0.1295	0.0819	0.0526
1925	0.1288	0.0512	0.2041	0.8589	0.1411	0.0728	0.0560
1929	0.1387	0.0554	0.2162	0.8530	0.1470	0.0790	0.0597
1933	0.1112	0.0280	0.1774	0.8485	0.1515	0.0506	0.0605
1938	0.1264	0.0388	0.1774	0.8431	0.1569	0.0606	0.0658
1950	0.2299	0.1383	0.1780	0.8110	0.1890	0.1458	0.0841
1955	0.2113	0.0995	0.1506	0.7988	0.2012	0.1098	0.1016
1960	0.1897	0.0632	0.1244	0.7860	0.2140	0.0763	0.1134
1965	0.1994	0.0412	0.1467	0.7712	0.2288	0.0654	0.1340
1970	0.1988	0.0228	0.1336	0.7554	0.2446	0.0499	0.1489
1975	0.1822	0.0176	0.0831	0.7395	0.2605	0.0347	0.1475
1980	0.1892	0.0173	0.0672	0.7202	0.2798	0.0313	0.1579
1985	0.2263	0.0205	0.0474	0.7071	0.2929	0.0284	0.1979
1990	0.2565	0.0187	0.0408	0.6966	0.3034	0.0254	0.2312
1995	0.2591	0.0183	0.0616	0.6920	0.3080	0.0316	0.2275
2000	0.2830	0.0185	0.0707	0.6783	0.3217	0.0353	0.2477

Annual Rates of Inequality Reduction (%)

1900-1950	-1.20	-1.97	0.38			-1.47	-0.82
1913-1938	0.25	1.53	1.37			1.21	-0.90
1913-1950	-1.45	-2.40	0.92			-1.56	-1.27
1950-1980	0.65	6.92	3.25			5.13	-2.10
1938-1980	-0.96	1.92	2.31			1.57	-2.08
1980-2000	-2.01	-0.33	-0.25			-0.60	-2.25
1950-2000	-0.42	4.02	1.85			2.84	-2.16

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.2 (b)

International Inequality in Per Capita GDP, 1900-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.0940	0.0485	0.2218	0.9643	0.0357	0.0547	0.0393
1913	0.0958	0.0497	0.2571	0.9552	0.0448	0.0590	0.0367
1913*	0.0999	0.0515	0.2571	0.9531	0.0469	0.0612	0.0388
1925	0.0987	0.0486	0.2113	0.9480	0.0520	0.0571	0.0416
1929	0.1055	0.0519	0.2275	0.9464	0.0536	0.0613	0.0443
1933	0.0812	0.0268	0.1925	0.9441	0.0559	0.0361	0.0451
1938	0.0935	0.0363	0.1871	0.9437	0.0563	0.0448	0.0487
1950	0.1936	0.1280	0.1775	0.9339	0.0661	0.1313	0.0623
1955	0.1715	0.0939	0.1530	0.9350	0.0650	0.0977	0.0737
1960	0.1467	0.0602	0.1282	0.9329	0.0671	0.0647	0.0820
1965	0.1433	0.0406	0.1507	0.9330	0.0670	0.0479	0.0954
1970	0.1364	0.0223	0.1410	0.9300	0.0700	0.0306	0.1058
1975	0.1307	0.0174	0.0932	0.9206	0.0794	0.0234	0.1073
1980	0.1380	0.0170	0.0752	0.9138	0.0862	0.0220	0.1160
1985	0.1628	0.0199	0.0521	0.9213	0.0787	0.0224	0.1404
1990	0.1798	0.0181	0.0437	0.9264	0.0736	0.0199	0.1599
1995	0.1805	0.0177	0.0666	0.9230	0.0770	0.0215	0.1591
2000	0.1950	0.0180	0.0759	0.9220	0.0780	0.0225	0.1725

Annual Rates of Inequality Reduction (%)

1900-1950	-1.45	-1.94	0.45			-1.75	-0.92
1913-1938	0.27	1.40	1.27			1.25	-0.91
1913-1950	-1.79	-2.46	1.00			-2.06	-1.28
1950-1980	1.13	6.74	2.86			5.96	-2.07
1938-1980	-0.93	1.81	2.17			1.69	-2.07
1980-2000	-1.73	-0.29	-0.05			-0.11	-1.98
1950-2000	-0.01	3.93	1.70			3.53	-2.04

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan,
the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.3 (a)

International Inequality in Per Capita GDP, 1925-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.1332	0.0513	0.1981	0.8521	0.1479	0.0730	0.0602
1929	0.1431	0.0554	0.2086	0.8459	0.1541	0.0790	0.0641
1933	0.1160	0.0279	0.1727	0.8410	0.1590	0.0509	0.0651
1938	0.1319	0.0389	0.1749	0.8354	0.1646	0.0613	0.0706
1950	0.2352	0.1377	0.1744	0.8022	0.1978	0.1450	0.0902
1955	0.2187	0.0993	0.1496	0.7893	0.2107	0.1099	0.1088
1960	0.1984	0.0632	0.1249	0.7760	0.2240	0.0770	0.1214
1965	0.2092	0.0414	0.1454	0.7606	0.2394	0.0663	0.1429
1970	0.2112	0.0231	0.1357	0.7438	0.2562	0.0519	0.1593
1975	0.1965	0.0179	0.0915	0.7271	0.2729	0.0380	0.1585
1980	0.2062	0.0176	0.0806	0.7072	0.2928	0.0361	0.1701
1985	0.2482	0.0209	0.0658	0.6931	0.3069	0.0347	0.2135
1990	0.2816	0.0189	0.0622	0.6819	0.3181	0.0326	0.2489
1995	0.2855	0.0183	0.0837	0.6764	0.3236	0.0395	0.2461
2000	0.3120	0.0184	0.0930	0.6617	0.3383	0.0436	0.2684

Annual Rates of Inequality Reduction (%)

1925-1938	0.08	2.14	0.96			1.35	-1.23
1925-1950	-2.27	-3.95	0.51			-2.74	-1.62
1950-1980	0.44	6.85	2.57			4.64	-2.12
1938-1980	-1.06	1.88	1.84			1.26	-2.09
1980-2000	-2.07	-0.22	-0.71			-0.95	-2.28
1950-2000	-0.57	4.02	1.26			2.40	-2.18

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.3 (b)

International Inequality in Per Capita GDP, 1925-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.1020	0.0488	0.2079	0.9461	0.0539	0.0573	0.0446
1929	0.1089	0.0520	0.2228	0.9445	0.0555	0.0615	0.0474
1933	0.0846	0.0268	0.1896	0.9421	0.0579	0.0362	0.0484
1938	0.0973	0.0364	0.1857	0.9416	0.0584	0.0451	0.0522
1950	0.1977	0.1277	0.1764	0.9317	0.0683	0.1310	0.0667
1955	0.1768	0.0938	0.1538	0.9328	0.0672	0.0978	0.0790
1960	0.1528	0.0603	0.1298	0.9306	0.0694	0.0651	0.0877
1965	0.1502	0.0408	0.1509	0.9305	0.0695	0.0484	0.1017
1970	0.1446	0.0226	0.1439	0.9275	0.0725	0.0314	0.1132
1975	0.1398	0.0177	0.1002	0.9179	0.0821	0.0244	0.1153
1980	0.1483	0.0172	0.0857	0.9112	0.0888	0.0233	0.1250
1985	0.1754	0.0202	0.0660	0.9191	0.0809	0.0239	0.1515
1990	0.1936	0.0182	0.0591	0.9242	0.0758	0.0213	0.1723
1995	0.1950	0.0177	0.0822	0.9206	0.0794	0.0228	0.1722
2000	0.2110	0.0179	0.0919	0.9196	0.0804	0.0238	0.1871

Annual Rates of Inequality Reduction (%)

1925-1938	0.36	2.25	0.87			1.85	-1.20
1925-1950	-2.65	-3.85	0.66			-3.30	-1.61
1950-1980	0.96	6.67	2.41			5.75	-2.09
1938-1980	-1.00	1.78	1.84			1.57	-2.08
1980-2000	-1.76	-0.19	-0.35			-0.11	-2.02
1950-2000	-0.13	3.93	1.30			3.41	-2.06

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.4 (a)

International Inequality in Per Capita GDP, 1950-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.2541	0.1377	0.1729	0.7768	0.2232	0.1456	0.1086
1955	0.2408	0.0993	0.1522	0.7635	0.2365	0.1118	0.1290
1960	0.2229	0.0632	0.1304	0.7497	0.2503	0.0800	0.1429
1965	0.2376	0.0414	0.1514	0.7333	0.2667	0.0708	0.1668
1970	0.2432	0.0231	0.1450	0.7155	0.2845	0.0577	0.1854
1975	0.2281	0.0179	0.1051	0.6978	0.3022	0.0443	0.1838
1980	0.2402	0.0176	0.0966	0.6768	0.3232	0.0432	0.1970
1985	0.2895	0.0209	0.0878	0.6613	0.3387	0.0435	0.2460
1990	0.3320	0.0189	0.0909	0.6487	0.3513	0.0442	0.2878
1995	0.3367	0.0183	0.1129	0.6423	0.3577	0.0521	0.2846
2000	0.3677	0.0184	0.1246	0.6268	0.3732	0.0581	0.3097

Annual Rates of Inequality Reduction (%)

1950-1980	0.19	6.85	1.94			4.05	-1.99
1980-2000	-2.13	-0.22	-1.27			-1.48	-2.26
1950-2000	-0.74	4.02	0.66			1.84	-2.10

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.4 (b)

International Inequality in Per Capita GDP, 1950-2000: Theil Indices

	Theil Indices			**GDP Shares**		**within regions inequality**	**between regions inequality**
	OECD & Latin America	**OECD**	**Latin America**	**OECD**	**Latin America**		
1950	0.2116	0.1277	0.1772	0.9254	0.0746	0.1314	0.0802
1955	0.1920	0.0938	0.1563	0.9266	0.0734	0.0984	0.0936
1960	0.1692	0.0603	0.1349	0.9245	0.0755	0.0659	0.1033
1965	0.1684	0.0408	0.1556	0.9245	0.0755	0.0494	0.1190
1970	0.1648	0.0226	0.1506	0.9215	0.0785	0.0327	0.1322
1975	0.1601	0.0177	0.1091	0.9112	0.0888	0.0258	0.1344
1980	0.1704	0.0172	0.0973	0.9042	0.0958	0.0249	0.1455
1985	0.2012	0.0202	0.0814	0.9126	0.0874	0.0256	0.1756
1990	0.2237	0.0182	0.0799	0.9185	0.0815	0.0233	0.2004
1995	0.2254	0.0177	0.1012	0.9144	0.0856	0.0249	0.2005
2000	0.2437	0.0179	0.1121	0.9136	0.0864	0.0260	0.2177

Annual Rates of Inequality Reduction (%)

1950-1980	0.72	6.67	2.00			5.54	-1.99
1980-2000	-1.79	-0.19	-0.71			-0.22	-2.02
1950-2000	-0.28	3.93	0.92			3.24	-2.00

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.5 (a)

International Inequality in Life Expectancy (Kakwani Transformation), 1870-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.1280	0.0588	0.1971	0.9074	0.0926	0.0716	0.0564
1880	0.1044	0.0433	0.1553	0.9006	0.0994	0.0545	0.0499
1890	0.0956	0.0329	0.1301	0.8958	0.1042	0.0430	0.0526
1900	0.0917	0.0282	0.1308	0.8863	0.1137	0.0399	0.0518
1913	0.0738	0.0201	0.1146	0.8766	0.1234	0.0317	0.0421
1913*	0.0761	0.0177	0.1146	0.8690	0.1310	0.0304	0.0458
1925	0.0788	0.0155	0.1046	0.8577	0.1423	0.0282	0.0506
1929	0.0801	0.0104	0.1069	0.8509	0.1491	0.0248	0.0552
1933	0.0775	0.0125	0.1034	0.8461	0.1539	0.0265	0.0510
1938	0.0846	0.0156	0.0971	0.8405	0.1595	0.0286	0.0560
1950	0.0664	0.0072	0.0580	0.8047	0.1953	0.0171	0.0493
1955	0.0385	0.0042	0.0219	0.7918	0.2082	0.0079	0.0306
1960	0.0333	0.0024	0.0164	0.7795	0.2205	0.0055	0.0278
1965	0.0289	0.0019	0.0117	0.7646	0.2354	0.0042	0.0247
1970	0.0272	0.0018	0.0093	0.7478	0.2522	0.0037	0.0235
1975	0.0252	0.0015	0.0085	0.7300	0.2700	0.0034	0.0218
1980	0.0272	0.0018	0.0090	0.7088	0.2912	0.0039	0.0232
1985	0.0274	0.0020	0.0104	0.6956	0.3044	0.0046	0.0228
1990	0.0308	0.0033	0.0115	0.6853	0.3147	0.0059	0.0250
1995	0.0320	0.0061	0.0145	0.6821	0.3179	0.0087	0.0233
2000	0.0422	0.0068	0.0130	0.6709	0.3291	0.0088	0.0334

Annual Rates of Inequality Reduction (%)

1870-1913	1.28	2.50	1.26			1.89	0.68
1900-1950	0.64	2.73	1.63			1.69	0.10
1913-1938	-0.42	0.50	0.66			0.24	-0.81
1913-1950	0.37	2.42	1.84			1.55	-0.20
1950-1980	2.98	4.54	6.20			4.90	2.51
1938-1980	2.71	5.08	5.65			4.72	2.10
1980-2000	-2.20	-6.49	-1.80			-4.02	-1.82
1950-2000	0.91	0.13	3.00			1.33	0.78

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.5 (b)

International Inequality in Life Expectancy (Kakwani Transformation), 1870-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.0938	0.0534	0.1698	0.9751	0.0249	0.0563	0.0375
1880	0.0782	0.0401	0.1478	0.9690	0.0310	0.0434	0.0348
1890	0.0711	0.0306	0.1454	0.9676	0.0324	0.0343	0.0367
1900	0.0677	0.0259	0.1498	0.9619	0.0381	0.0307	0.0371
1913	0.0569	0.0192	0.1364	0.9507	0.0493	0.0250	0.0319
1913*	0.0577	0.0169	0.1364	0.9482	0.0518	0.0230	0.0347
1925	0.0586	0.0143	0.1211	0.9441	0.0559	0.0203	0.0384
1929	0.0581	0.0099	0.1237	0.9426	0.0574	0.0165	0.0417
1933	0.0580	0.0120	0.1193	0.9369	0.0631	0.0187	0.0392
1938	0.0628	0.0138	0.1119	0.9365	0.0635	0.0200	0.0428
1950	0.0522	0.0069	0.0641	0.9076	0.0924	0.0122	0.0400
1955	0.0330	0.0041	0.0240	0.8794	0.1206	0.0065	0.0265
1960	0.0288	0.0023	0.0177	0.8660	0.1340	0.0044	0.0244
1965	0.0256	0.0019	0.0125	0.8494	0.1506	0.0035	0.0221
1970	0.0244	0.0018	0.0098	0.8334	0.1666	0.0031	0.0212
1975	0.0228	0.0015	0.0088	0.8152	0.1848	0.0029	0.0199
1980	0.0247	0.0019	0.0091	0.7993	0.2007	0.0033	0.0213
1985	0.0249	0.0020	0.0104	0.7871	0.2129	0.0038	0.0211
1990	0.0282	0.0033	0.0115	0.7818	0.2182	0.0051	0.0231
1995	0.0297	0.0062	0.0145	0.7759	0.2241	0.0081	0.0216
2000	0.0388	0.0069	0.0130	0.7830	0.2170	0.0082	0.0306

Annual Rates of Inequality Reduction (%)

1870-1913	1.16	2.37	0.51			1.89	0.38
1900-1950	0.52	2.64	1.70			1.84	-0.15
1913-1938	-0.34	0.80	0.79			0.56	-0.85
1913-1950	0.27	2.41	2.04			1.72	-0.39
1950-1980	2.50	4.35	6.49			4.32	2.10
1938-1980	2.23	4.75	5.96			4.27	1.66
1980-2000	-2.27	-6.52	-1.75			-4.51	-1.80
1950-2000	0.59	0.00	3.19			0.79	0.54

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

International Inequality in Life Expectancy (Kakwani Transformation), 1900-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.0870	0.0268	0.1173	0.8872	0.1128	0.0370	0.0500
1913	0.0724	0.0219	0.1038	0.8765	0.1235	0.0321	0.0404
1913*	0.0747	0.0209	0.1038	0.8705	0.1295	0.0317	0.0430
1925	0.0901	0.0366	0.0954	0.8589	0.1411	0.0449	0.0452
1929	0.0877	0.0279	0.0975	0.8530	0.1470	0.0382	0.0495
1933	0.0831	0.0275	0.0936	0.8485	0.1515	0.0375	0.0455
1938	0.0930	0.0351	0.0872	0.8431	0.1569	0.0432	0.0497
1950	0.0652	0.0179	0.0530	0.8110	0.1890	0.0245	0.0407
1955	0.0358	0.0049	0.0210	0.7988	0.2012	0.0081	0.0276
1960	0.0306	0.0030	0.0161	0.7860	0.2140	0.0058	0.0247
1965	0.0269	0.0017	0.0129	0.7712	0.2288	0.0042	0.0227
1970	0.0258	0.0015	0.0118	0.7554	0.2446	0.0040	0.0218
1975	0.0261	0.0022	0.0114	0.7395	0.2605	0.0046	0.0215
1980	0.0290	0.0034	0.0118	0.7202	0.2798	0.0057	0.0233
1985	0.0328	0.0063	0.0114	0.7071	0.2929	0.0078	0.0250
1990	0.0414	0.0117	0.0119	0.6966	0.3034	0.0118	0.0296
1995	0.0411	0.0132	0.0151	0.6920	0.3080	0.0138	0.0273
2000	0.0451	0.0085	0.0132	0.6783	0.3217	0.0100	0.0351

Annual Rates of Inequality Reduction (%)

1900-1950	0.58	0.81	1.59	0.82	0.41
1913-1938	-0.87	-2.06	0.69	-1.25	-0.58
1913-1950	0.37	0.42	1.82	0.69	0.15
1950-1980	2.70	5.59	5.02	4.86	1.85
1938-1980	2.77	5.59	4.77	4.82	1.80
1980-2000	-2.21	-4.66	-0.59	-2.82	-2.05
1950-2000	0.74	1.49	2.78	1.79	0.29

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan,
the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.6 (b)

International Inequality in Life Expectancy (Kakwani Transformation), 1900-2000: Theil Indices

| | Theil Indices | | | GDP Shares | | | |
	OECD & Latin America	OECD	Latin America	OECD	Latin America	within regions inequality	between regions inequality
1900	0.0650	0.0248	0.1338	0.9615	0.0385	0.0290	0.0360
1913	0.0574	0.0214	0.1238	0.9495	0.0505	0.0266	0.0308
1913*	0.0586	0.0203	0.1238	0.9474	0.0526	0.0257	0.0328
1925	0.0721	0.0327	0.1108	0.9414	0.0586	0.0373	0.0348
1929	0.0685	0.0254	0.1131	0.9404	0.0596	0.0306	0.0379
1933	0.0665	0.0255	0.1084	0.9348	0.0652	0.0309	0.0356
1938	0.0743	0.0311	0.1011	0.9341	0.0659	0.0357	0.0386
1950	0.0543	0.0168	0.0577	0.9046	0.0954	0.0207	0.0336
1955	0.0309	0.0048	0.0229	0.8812	0.1188	0.0070	0.0240
1960	0.0267	0.0030	0.0173	0.8671	0.1329	0.0049	0.0218
1965	0.0237	0.0017	0.0137	0.8517	0.1483	0.0034	0.0203
1970	0.0230	0.0015	0.0125	0.8370	0.1630	0.0033	0.0197
1975	0.0235	0.0022	0.0121	0.8228	0.1772	0.0039	0.0196
1980	0.0264	0.0034	0.0123	0.8094	0.1906	0.0051	0.0213
1985	0.0305	0.0066	0.0115	0.8010	0.1990	0.0075	0.0229
1990	0.0392	0.0122	0.0120	0.7994	0.2006	0.0122	0.0270
1995	0.0390	0.0136	0.0152	0.7916	0.2084	0.0140	0.0251
2000	0.0415	0.0086	0.0133	0.7919	0.2081	0.0096	0.0320

Annual Rates of Inequality Reduction (%)

1900-1950	0.36	0.79	1.68			0.68	0.14
1913-1938	-0.95	-1.71	0.81			-1.31	-0.65
1913-1950	0.21	0.51	2.06			0.59	-0.06
1950-1980	2.40	5.32	5.16			4.67	1.52
1938-1980	2.46	5.27	5.02			4.64	1.41
1980-2000	-2.26	-4.62	-0.42			-3.15	-2.02
1950-2000	0.53	1.34	2.93			1.54	0.10

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.7 (a)

International Inequality in Life Expectancy (Kakwani Transformation), 1925-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.0972	0.0364	0.1091	0.8521	0.1479	0.0472	0.0500
1929	0.0950	0.0278	0.1103	0.8459	0.1541	0.0405	0.0545
1933	0.0896	0.0274	0.1037	0.8410	0.1590	0.0395	0.0501
1938	0.0988	0.0349	0.0941	0.8354	0.1646	0.0446	0.0541
1950	0.0695	0.0178	0.0563	0.8022	0.1978	0.0254	0.0441
1955	0.0400	0.0049	0.0265	0.7893	0.2107	0.0094	0.0305
1960	0.0344	0.0030	0.0211	0.7760	0.2240	0.0071	0.0274
1965	0.0302	0.0016	0.0168	0.7606	0.2394	0.0053	0.0250
1970	0.0288	0.0015	0.0148	0.7438	0.2562	0.0049	0.0238
1975	0.0289	0.0022	0.0141	0.7271	0.2729	0.0054	0.0234
1980	0.0321	0.0034	0.0148	0.7072	0.2928	0.0067	0.0254
1985	0.0356	0.0064	0.0140	0.6931	0.3069	0.0087	0.0269
1990	0.0437	0.0117	0.0135	0.6819	0.3181	0.0123	0.0314
1995	0.0425	0.0132	0.0157	0.6764	0.3236	0.0140	0.0285
2000	0.0480	0.0086	0.0150	0.6617	0.3383	0.0107	0.0372

Annual Rates of Inequality Reduction (%)

1925-1938	-0.12	0.34	1.14			0.43	-0.61
1925-1950	1.34	2.86	2.65			2.48	0.50
1950-1980	2.58	5.54	4.44			4.43	1.85
1938-1980	2.68	5.56	4.40			4.50	1.81
1980-2000	-2.01	-4.65	-0.05			-2.33	-1.92
1950-2000	0.74	1.47	2.65			1.72	0.34

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela

OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.7 (b)

International Inequality in Life Expectancy (Kakwani Transformation), 1925-2000: Theil Indices

| | Theil Indices | | | GDP Shares | | | |
	OECD & Latin America	OECD	Latin America	OECD	Latin America	within regions inequality	between regions inequality
1925	0.0761	0.0325	0.1213	0.9401	0.0599	0.0378	0.0383
1929	0.0727	0.0252	0.1228	0.9390	0.0610	0.0312	0.0415
1933	0.0703	0.0253	0.1162	0.9330	0.0670	0.0314	0.0389
1938	0.0779	0.0309	0.1065	0.9320	0.0680	0.0360	0.0419
1950	0.0574	0.0167	0.0608	0.9014	0.0986	0.0210	0.0364
1955	0.0340	0.0048	0.0277	0.8774	0.1226	0.0076	0.0264
1960	0.0297	0.0030	0.0216	0.8626	0.1374	0.0056	0.0241
1965	0.0264	0.0017	0.0171	0.8464	0.1536	0.0040	0.0223
1970	0.0254	0.0015	0.0152	0.8305	0.1695	0.0038	0.0216
1975	0.0259	0.0022	0.0146	0.8155	0.1845	0.0045	0.0214
1980	0.0290	0.0034	0.0152	0.8016	0.1984	0.0058	0.0232
1985	0.0329	0.0066	0.0142	0.7920	0.2080	0.0082	0.0247
1990	0.0413	0.0122	0.0137	0.7894	0.2106	0.0126	0.0287
1995	0.0404	0.0136	0.0160	0.7800	0.2200	0.0142	0.0263
2000	0.0441	0.0086	0.0151	0.7808	0.2192	0.0100	0.0341

Annual Rates of Inequality Reduction (%)

	OECD & Latin America	OECD	Latin America			within regions inequality	between regions inequality
1925-1938	-0.18	0.39	1.00			0.37	-0.69
1925-1950	1.13	2.67	2.76			2.35	0.20
1950-1980	2.28	5.28	4.62			4.31	1.50
1938-1980	2.35	5.24	4.63			4.37	1.40
1980-2000	-2.10	-4.62	0.02			-2.78	-1.91
1950-2000	0.53	1.32	2.78			1.48	0.13

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.8 (a)

International Inequality in Life Expectancy (Kakwani Transformation), 1950-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.0809	0.0178	0.0598	0.7768	0.2232	0.0272	0.0537
1955	0.0509	0.0049	0.0368	0.7635	0.2365	0.0124	0.0385
1960	0.0442	0.0030	0.0304	0.7497	0.2503	0.0099	0.0343
1965	0.0390	0.0016	0.0253	0.7333	0.2667	0.0080	0.0310
1970	0.0366	0.0015	0.0219	0.7155	0.2845	0.0073	0.0293
1975	0.0358	0.0022	0.0198	0.6978	0.3022	0.0075	0.0283
1980	0.0385	0.0034	0.0194	0.6768	0.3232	0.0085	0.0299
1985	0.0414	0.0064	0.0177	0.6613	0.3387	0.0102	0.0312
1990	0.0493	0.0117	0.0165	0.6487	0.3513	0.0134	0.0359
1995	0.0480	0.0132	0.0190	0.6423	0.3577	0.0153	0.0327
2000	0.0553	0.0086	0.0195	0.6268	0.3732	0.0126	0.0426

Annual Rates of Inequality Reduction (%)

1950-1980	2.48	5.54	3.76			3.86	1.95
1980-2000	-1.81	-4.65	-0.04			-1.96	-1.77
1950-2000	0.76	1.47	2.24			1.53	0.46

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.8 (b)

International Inequality in Life Expectancy (Kakwani Transformation), 1950-2000: Theil Indices

	Theil Indices			**GDP Shares**		**within regions inequality**	**between regions inequality**
	OECD & Latin America	**OECD**	**Latin America**	**OECD**	**Latin America**		
1950	0.0661	0.0167	0.0643	0.8913	0.1087	0.0219	0.0443
1955	0.0423	0.0048	0.0368	0.8663	0.1337	0.0091	0.0332
1960	0.0372	0.0030	0.0299	0.8503	0.1497	0.0070	0.0301
1965	0.0332	0.0017	0.0246	0.8325	0.1675	0.0055	0.0277
1970	0.0317	0.0015	0.0215	0.8149	0.1851	0.0052	0.0265
1975	0.0316	0.0022	0.0196	0.7982	0.2018	0.0057	0.0258
1980	0.0344	0.0034	0.0192	0.7827	0.2173	0.0068	0.0275
1985	0.0379	0.0066	0.0173	0.7712	0.2288	0.0090	0.0288
1990	0.0462	0.0122	0.0163	0.7674	0.2326	0.0132	0.0331
1995	0.0452	0.0136	0.0186	0.7569	0.2431	0.0149	0.0304
2000	0.0504	0.0086	0.0187	0.7582	0.2418	0.0111	0.0393

Annual Rates of Inequality Reduction (%)

1950-1980	2.18	5.28	4.04			3.87	1.59
1980-2000	-1.91	-4.62	0.12			-2.40	-1.79
1950-2000	0.54	1.32	2.47			1.36	0.24

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.9 (a)

International Inequality in Literacy (Kakwani Transformation), 1870-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.2798	0.1868	0.0801	0.9074	0.0926	0.1769	0.1030
1880	0.2691	0.1678	0.0754	0.9006	0.0994	0.1586	0.1105
1890	0.2454	0.1540	0.0658	0.8958	0.1042	0.1448	0.1006
1900	0.2060	0.1284	0.0560	0.8863	0.1137	0.1202	0.0858
1913	0.1792	0.0973	0.0778	0.8766	0.1234	0.0949	0.0843
1913*	0.1893	0.1009	0.0778	0.8690	0.1310	0.0978	0.0915
1925	0.1700	0.0700	0.1096	0.8577	0.1423	0.0756	0.0944
1929	0.1719	0.0661	0.1189	0.8509	0.1491	0.0740	0.0980
1933	0.1665	0.0633	0.1166	0.8461	0.1539	0.0715	0.0950
1938	0.1598	0.0557	0.1108	0.8405	0.1595	0.0645	0.0953
1950	0.1425	0.0437	0.1012	0.8047	0.1953	0.0549	0.0876
1955	0.1297	0.0358	0.0850	0.7918	0.2082	0.0460	0.0837
1960	0.1193	0.0295	0.0729	0.7795	0.2205	0.0391	0.0802
1965	0.1118	0.0243	0.0592	0.7646	0.2354	0.0325	0.0793
1970	0.1164	0.0265	0.0486	0.7478	0.2522	0.0321	0.0844
1975	0.1046	0.0206	0.0401	0.7300	0.2700	0.0259	0.0788
1980	0.0933	0.0155	0.0328	0.7088	0.2912	0.0205	0.0728
1985	0.0812	0.0118	0.0290	0.6956	0.3044	0.0171	0.0642
1990	0.0681	0.0078	0.0231	0.6853	0.3147	0.0126	0.0555
1995	0.0600	0.0055	0.0244	0.6821	0.3179	0.0115	0.0485
2000	0.0523	0.0036	0.0227	0.6709	0.3291	0.0099	0.0424

Annual Rates of Inequality Reduction (%)

1870-1913	1.04	1.52	0.07			1.45	0.46
1900-1950	0.74	2.16	-1.18			1.57	-0.04
1913-1938	0.68	2.37	-1.41			1.67	-0.16
1913-1950	0.77	2.26	-0.71			1.56	0.12
1950-1980	1.41	3.46	3.75			3.28	0.62
1938-1980	1.28	3.05	2.90			2.73	0.64
1980-2000	2.90	7.26	1.86			3.65	2.70
1950-2000	2.00	4.98	2.99			3.43	1.45

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.9 (b)

International Inequality in Literacy (Kakwani Transformation), 1870-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.2005	0.1450	0.0624	0.9866	0.0134	0.1439	0.0566
1880	0.1902	0.1299	0.0859	0.9855	0.0145	0.1292	0.0610
1890	0.1778	0.1201	0.0702	0.9820	0.0180	0.1192	0.0586
1900	0.1543	0.1010	0.0587	0.9745	0.0255	0.1000	0.0543
1913	0.1325	0.0772	0.0862	0.9695	0.0305	0.0774	0.0551
1913*	0.1377	0.0778	0.0862	0.9682	0.0318	0.0780	0.0596
1925	0.1190	0.0539	0.1204	0.9637	0.0363	0.0563	0.0627
1929	0.1205	0.0521	0.1302	0.9615	0.0385	0.0551	0.0654
1933	0.1174	0.0495	0.1279	0.9581	0.0419	0.0528	0.0646
1938	0.1123	0.0433	0.1225	0.9553	0.0447	0.0468	0.0655
1950	0.1056	0.0355	0.1107	0.9319	0.0681	0.0406	0.0650
1955	0.0980	0.0292	0.0947	0.9219	0.0781	0.0343	0.0637
1960	0.0917	0.0242	0.0825	0.9120	0.0880	0.0293	0.0624
1965	0.0873	0.0200	0.0664	0.9016	0.0984	0.0245	0.0628
1970	0.0925	0.0218	0.0539	0.8935	0.1065	0.0252	0.0673
1975	0.0849	0.0172	0.0441	0.8773	0.1227	0.0205	0.0645
1980	0.0774	0.0129	0.0357	0.8572	0.1428	0.0162	0.0612
1985	0.0686	0.0099	0.0312	0.8396	0.1604	0.0134	0.0552
1990	0.0587	0.0067	0.0248	0.8229	0.1771	0.0099	0.0487
1995	0.0519	0.0048	0.0257	0.8125	0.1875	0.0087	0.0432
2000	0.0457	0.0032	0.0237	0.7956	0.2044	0.0074	0.0383

Annual Rates of Inequality Reduction (%)

1870-1913	0.96	1.47	-0.75			1.44	0.06
1900-1950	0.76	2.09	-1.27			1.80	-0.36
1913-1938	0.82	2.34	-1.41			2.04	-0.37
1913-1950	0.72	2.12	-0.68			1.77	-0.23
1950-1980	1.04	3.37	3.77			3.07	0.20
1938-1980	0.89	2.88	2.93			2.53	0.16
1980-2000	2.63	6.98	2.06			3.92	2.35
1950-2000	1.67	4.82	3.08			3.41	1.06

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.10 (a)

International Inequality in Literacy (Kakwani Transformation), 1900-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.2233	0.1582	0.0521	0.8872	0.1128	0.1462	0.0770
1913	0.1769	0.1034	0.0742	0.8765	0.1235	0.0998	0.0771
1913*	0.1883	0.1112	0.0742	0.8705	0.1295	0.1064	0.0820
1925	0.1614	0.0711	0.1025	0.8589	0.1411	0.0755	0.0859
1929	0.1617	0.0636	0.1107	0.8530	0.1470	0.0706	0.0912
1933	0.1575	0.0613	0.1084	0.8485	0.1515	0.0684	0.0890
1938	0.1579	0.0573	0.1032	0.8431	0.1569	0.0645	0.0934
1950	0.1356	0.0417	0.0913	0.8110	0.1890	0.0511	0.0845
1955	0.1231	0.0342	0.0758	0.7988	0.2012	0.0425	0.0805
1960	0.1131	0.0282	0.0643	0.7860	0.2140	0.0359	0.0772
1965	0.1072	0.0241	0.0537	0.7712	0.2288	0.0309	0.0763
1970	0.1112	0.0260	0.0457	0.7554	0.2446	0.0309	0.0803
1975	0.0996	0.0205	0.0379	0.7395	0.2605	0.0250	0.0746
1980	0.0884	0.0158	0.0316	0.7202	0.2798	0.0202	0.0682
1985	0.0766	0.0119	0.0281	0.7071	0.2929	0.0167	0.0600
1990	0.0642	0.0075	0.0227	0.6966	0.3034	0.0121	0.0521
1995	0.0563	0.0053	0.0238	0.6920	0.3080	0.0110	0.0453
2000	0.0490	0.0034	0.0219	0.6783	0.3217	0.0094	0.0397

Annual Rates of Inequality Reduction (%)

1900-1950	1.00	2.67	-1.12			2.10	-0.18
1913-1938	0.70	2.65	-1.32			2.00	-0.52
1913-1950	0.89	2.65	-0.56			1.98	-0.08
1950-1980	1.43	3.24	3.53			3.09	0.72
1938-1980	1.38	3.07	2.81			2.76	0.75
1980-2000	2.95	7.61	1.85			3.85	2.71
1950-2000	2.03	4.99	2.86			3.39	1.51

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.10 (b)

International Inequality in Literacy (Kakwani Transformation), 1900-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.1780	0.1299	0.0541	0.9723	0.0277	0.1278	0.0501
1913	0.1375	0.0861	0.0807	0.9671	0.0329	0.0859	0.0516
1913*	0.1448	0.0904	0.0807	0.9658	0.0342	0.0900	0.0548
1925	0.1170	0.0567	0.1099	0.9613	0.0387	0.0588	0.0583
1929	0.1145	0.0501	0.1181	0.9602	0.0398	0.0528	0.0617
1933	0.1115	0.0473	0.1158	0.9571	0.0429	0.0503	0.0612
1938	0.1111	0.0440	0.1112	0.9560	0.0440	0.0470	0.0641
1950	0.1003	0.0334	0.0986	0.9341	0.0659	0.0377	0.0625
1955	0.0929	0.0276	0.0837	0.9245	0.0755	0.0318	0.0611
1960	0.0871	0.0230	0.0722	0.9145	0.0855	0.0272	0.0600
1965	0.0837	0.0196	0.0593	0.9041	0.0959	0.0234	0.0603
1970	0.0882	0.0212	0.0498	0.8960	0.1040	0.0242	0.0641
1975	0.0807	0.0169	0.0410	0.8809	0.1191	0.0198	0.0610
1980	0.0732	0.0130	0.0339	0.8618	0.1382	0.0159	0.0573
1985	0.0646	0.0100	0.0298	0.8446	0.1554	0.0131	0.0515
1990	0.0552	0.0065	0.0241	0.8283	0.1717	0.0095	0.0457
1995	0.0486	0.0046	0.0247	0.8168	0.1832	0.0083	0.0403
2000	0.0429	0.0031	0.0226	0.7983	0.2017	0.0070	0.0359

Annual Rates of Inequality Reduction (%)

1900-1950	1.15	2.72	-1.20			2.44	-0.44
1913-1938	1.06	2.88	-1.28			2.60	-0.63
1913-1950	0.99	2.69	-0.54			2.35	-0.36
1950-1980	1.05	3.14	3.56			2.88	0.29
1938-1980	0.99	2.90	2.83			2.58	0.27
1980-2000	2.68	7.26	2.02			4.11	2.34
1950-2000	1.70	4.79	2.95			3.37	1.11

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan,
the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.11 (a)

International Inequality in Literacy (Kakwani Transformation), 1925-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.1695	0.0706	0.1128	0.8521	0.1479	0.0769	0.0927
1929	0.1705	0.0633	0.1209	0.8459	0.1541	0.0721	0.0984
1933	0.1663	0.0609	0.1187	0.8410	0.1590	0.0701	0.0962
1938	0.1671	0.0570	0.1130	0.8354	0.1646	0.0662	0.1009
1950	0.1451	0.0416	0.1018	0.8022	0.1978	0.0535	0.0917
1955	0.1327	0.0341	0.0867	0.7893	0.2107	0.0452	0.0876
1960	0.1227	0.0281	0.0753	0.7760	0.2240	0.0387	0.0841
1965	0.1165	0.0240	0.0638	0.7606	0.2394	0.0335	0.0830
1970	0.1207	0.0259	0.0554	0.7438	0.2562	0.0335	0.0872
1975	0.1090	0.0204	0.0476	0.7271	0.2729	0.0279	0.0812
1980	0.0975	0.0157	0.0412	0.7072	0.2928	0.0232	0.0744
1985	0.0858	0.0119	0.0379	0.6931	0.3069	0.0199	0.0659
1990	0.0735	0.0075	0.0332	0.6819	0.3181	0.0157	0.0578
1995	0.0649	0.0053	0.0332	0.6764	0.3236	0.0143	0.0506
2000	0.0576	0.0034	0.0315	0.6617	0.3383	0.0129	0.0446

Annual Rates of Inequality Reduction (%)

1925-1938	0.11	1.65	-0.02			1.14	-0.65
1925-1950	0.62	2.12	0.41			1.45	0.04
1950-1980	1.32	3.24	3.01			2.79	0.70
1938-1980	1.28	3.07	2.40			2.50	0.73
1980-2000	2.64	7.61	1.34			2.92	2.55
1950-2000	1.85	4.99	2.34			2.84	1.44

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.11 (b)

International Inequality in Literacy (Kakwani Transformation), 1925-2000: Theil Indices

	Theil Indices			GDP Shares			
	OECD & Latin America	OECD	Latin America	OECD	Latin America	within regions inequality	between regions inequality
1925	0.1214	0.0563	0.1180	0.9603	0.0397	0.0588	0.0626
1929	0.1192	0.0498	0.1265	0.9591	0.0409	0.0529	0.0663
1933	0.1164	0.0471	0.1245	0.9559	0.0441	0.0505	0.0659
1938	0.1162	0.0438	0.1197	0.9547	0.0453	0.0472	0.0690
1950	0.1060	0.0333	0.1075	0.9324	0.0676	0.0383	0.0676
1955	0.0988	0.0275	0.0927	0.9225	0.0775	0.0325	0.0663
1960	0.0931	0.0229	0.0812	0.9121	0.0879	0.0280	0.0651
1965	0.0898	0.0195	0.0676	0.9012	0.0988	0.0243	0.0655
1970	0.0946	0.0211	0.0580	0.8927	0.1073	0.0251	0.0695
1975	0.0872	0.0168	0.0491	0.8770	0.1230	0.0208	0.0664
1980	0.0796	0.0130	0.0419	0.8573	0.1427	0.0171	0.0625
1985	0.0711	0.0100	0.0380	0.8393	0.1607	0.0145	0.0567
1990	0.0618	0.0065	0.0329	0.8225	0.1775	0.0112	0.0507
1995	0.0549	0.0046	0.0328	0.8102	0.1898	0.0100	0.0450
2000	0.0492	0.0030	0.0308	0.7908	0.2092	0.0089	0.0404

Annual Rates of Inequality Reduction (%)

1925-1938	0.34	1.94	-0.11			1.69	-0.75
1925-1950	0.54	2.10	0.37			1.71	-0.31
1950-1980	0.95	3.13	3.14			2.68	0.26
1938-1980	0.90	2.89	2.50			2.41	0.24
1980-2000	2.40	7.27	1.54			3.30	2.18
1950-2000	1.53	4.79	2.50			2.93	1.03

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.12 (a)

International Inequality in Literacy (Kakwani Transformation), 1950-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.1709	0.0416	0.1269	0.7768	0.2232	0.0606	0.1103
1955	0.1553	0.0341	0.1069	0.7635	0.2365	0.0513	0.1040
1960	0.1421	0.0281	0.0901	0.7497	0.2503	0.0436	0.0985
1965	0.1341	0.0240	0.0758	0.7333	0.2667	0.0378	0.0962
1970	0.1373	0.0259	0.0657	0.7155	0.2845	0.0373	0.1000
1975	0.1234	0.0204	0.0560	0.6978	0.3022	0.0312	0.0922
1980	0.1100	0.0157	0.0484	0.6768	0.3232	0.0263	0.0837
1985	0.0970	0.0119	0.0447	0.6613	0.3387	0.0230	0.0740
1990	0.0835	0.0075	0.0396	0.6487	0.3513	0.0188	0.0647
1995	0.0735	0.0053	0.0384	0.6423	0.3577	0.0171	0.0564
2000	0.0650	0.0034	0.0362	0.6268	0.3732	0.0157	0.0493

Annual Rates of Inequality Reduction (%)

1950-1980	1.47	3.24	3.21			2.78	0.92
1980-2000	2.63	7.61	1.45			2.59	2.64
1950-2000	1.93	4.99	2.51			2.71	1.61

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.12 (b)

International Inequality in Literacy (Kakwani Transformation), 1950-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.1210	0.0333	0.1214	0.9262	0.0738	0.0398	0.0812
1955	0.1127	0.0275	0.1034	0.9151	0.0849	0.0339	0.0788
1960	0.1057	0.0229	0.0885	0.9034	0.0966	0.0292	0.0765
1965	0.1017	0.0195	0.0736	0.8912	0.1088	0.0254	0.0763
1970	0.1063	0.0211	0.0630	0.8816	0.1184	0.0261	0.0802
1975	0.0978	0.0168	0.0532	0.8640	0.1360	0.0218	0.0760
1980	0.0891	0.0130	0.0455	0.8422	0.1578	0.0181	0.0710
1985	0.0798	0.0100	0.0415	0.8219	0.1781	0.0156	0.0642
1990	0.0697	0.0065	0.0363	0.8029	0.1971	0.0124	0.0573
1995	0.0618	0.0046	0.0355	0.7887	0.2113	0.0111	0.0507
2000	0.0552	0.0030	0.0333	0.7671	0.2329	0.0101	0.0451

Annual Rates of Inequality Reduction (%)

1950-1980	1.02	3.13	3.27			2.62	0.45
1980-2000	2.40	7.27	1.56			2.93	2.27
1950-2000	1.57	4.79	2.59			2.74	1.18

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.13 (a)

International Inequality in Enrolment (Kakwani Transformation), 1870-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.1830	0.0826	0.1409	0.9074	0.0926	0.0880	0.0950
1880	0.1859	0.0866	0.0668	0.9006	0.0994	0.0846	0.1013
1890	0.1461	0.0571	0.1060	0.8958	0.1042	0.0622	0.0839
1900	0.1486	0.0558	0.1217	0.8863	0.1137	0.0633	0.0853
1913	0.1279	0.0428	0.1545	0.8766	0.1234	0.0566	0.0713
1913*	0.1354	0.0458	0.1545	0.8690	0.1310	0.0600	0.0754
1925	0.1452	0.0746	0.0926	0.8577	0.1423	0.0771	0.0681
1929	0.1550	0.0781	0.0782	0.8509	0.1491	0.0781	0.0769
1933	0.1551	0.0716	0.0986	0.8461	0.1539	0.0758	0.0793
1938	0.1282	0.0601	0.0598	0.8405	0.1595	0.0601	0.0681
1950	0.1446	0.0744	0.0388	0.8047	0.1953	0.0675	0.0772
1955	0.1320	0.0606	0.0434	0.7918	0.2082	0.0570	0.0750
1960	0.1073	0.0535	0.0327	0.7795	0.2205	0.0489	0.0584
1965	0.0949	0.0407	0.0179	0.7646	0.2354	0.0354	0.0595
1970	0.0783	0.0331	0.0156	0.7478	0.2522	0.0287	0.0495
1975	0.0621	0.0362	0.0079	0.7300	0.2700	0.0286	0.0335
1980	0.0559	0.0411	0.0030	0.7088	0.2912	0.0300	0.0259
1985	0.0532	0.0318	0.0111	0.6956	0.3044	0.0255	0.0277
1990	0.0460	0.0280	0.0212	0.6853	0.3147	0.0258	0.0202
1995	0.0887	0.0564	0.0055	0.6821	0.3179	0.0402	0.0484
2000	0.0566	0.0384	0.0707	0.6709	0.3291	0.0491	0.0075

Annual Rates of Inequality Reduction (%)

1870-1913	0.83	1.53	-0.21			1.03	0.67
1900-1950	0.05	-0.58	2.29			-0.13	0.20
1913-1938	0.22	-1.09	3.80			0.00	0.41
1913-1950	-0.18	-1.31	3.73			-0.32	-0.06
1950-1980	3.17	1.98	8.58			2.70	3.64
1938-1980	1.98	0.91	7.16			1.65	2.30
1980-2000	-0.06	0.34	-15.87			-2.46	6.18
1950-2000	1.88	1.32	-1.20			0.64	4.66

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

International Inequality in Enrolment (Kakwani Transformation), 1870-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.1169	0.0621	0.1230	0.9852	0.0148	0.0630	0.0539
1880	0.1273	0.0697	0.0625	0.9839	0.0161	0.0696	0.0577
1890	0.0991	0.0461	0.0998	0.9781	0.0219	0.0473	0.0518
1900	0.1028	0.0468	0.1238	0.9743	0.0257	0.0488	0.0541
1913	0.0884	0.0350	0.1723	0.9650	0.0350	0.0398	0.0486
1913*	0.0940	0.0374	0.1723	0.9626	0.0374	0.0424	0.0516
1925	0.1226	0.0728	0.0944	0.9534	0.0466	0.0738	0.0488
1929	0.1308	0.0762	0.0802	0.9535	0.0465	0.0764	0.0544
1933	0.1268	0.0692	0.0991	0.9519	0.0481	0.0706	0.0562
1938	0.1092	0.0588	0.0618	0.9434	0.0566	0.0589	0.0503
1950	0.1248	0.0682	0.0412	0.9263	0.0737	0.0662	0.0586
1955	0.1142	0.0569	0.0465	0.9168	0.0832	0.0561	0.0581
1960	0.0971	0.0514	0.0331	0.8970	0.1030	0.0495	0.0475
1965	0.0863	0.0398	0.0183	0.8873	0.1127	0.0373	0.0490
1970	0.0726	0.0326	0.0163	0.8658	0.1342	0.0304	0.0422
1975	0.0609	0.0356	0.0086	0.8332	0.1668	0.0311	0.0299
1980	0.0567	0.0404	0.0030	0.8038	0.1962	0.0331	0.0237
1985	0.0523	0.0309	0.0115	0.7955	0.2045	0.0269	0.0254
1990	0.0450	0.0268	0.0241	0.7729	0.2271	0.0262	0.0189
1995	0.0884	0.0544	0.0057	0.8124	0.1876	0.0453	0.0431
2000	0.0541	0.0399	0.0652	0.7266	0.2734	0.0468	0.0073

Annual Rates of Inequality Reduction (%)

1870-1913	0.65	1.34	-0.78			1.07	0.24
1900-1950	-0.39	-0.75	2.20			-0.61	-0.16
1913-1938	-0.60	-1.81	4.10			-1.31	0.10
1913-1950	-0.77	-1.63	3.87			-1.20	-0.34
1950-1980	2.63	1.75	8.75			2.32	3.02
1938-1980	1.56	0.89	7.22			1.38	1.79
1980-2000	0.24	0.07	-15.43			-1.74	5.91
1950-2000	1.67	1.07	-0.92			0.69	4.18

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.14 (a)

International Inequality in Enrolment (Kakwani Transformation), 1900-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.1428	0.0577	0.1307	0.8872	0.1128	0.0659	0.0769
1913	0.1188	0.0408	0.1512	0.8765	0.1235	0.0545	0.0643
1913*	0.1250	0.0443	0.1512	0.8705	0.1295	0.0581	0.0669
1925	0.1334	0.0652	0.0835	0.8589	0.1411	0.0678	0.0657
1929	0.1429	0.0692	0.0717	0.8530	0.1470	0.0696	0.0733
1933	0.1426	0.0631	0.0892	0.8485	0.1515	0.0671	0.0755
1938	0.1204	0.0528	0.0573	0.8431	0.1569	0.0535	0.0669
1950	0.1367	0.0626	0.0422	0.8110	0.1890	0.0588	0.0780
1955	0.1235	0.0511	0.0410	0.7988	0.2012	0.0491	0.0745
1960	0.1004	0.0454	0.0353	0.7860	0.2140	0.0432	0.0572
1965	0.0897	0.0349	0.0215	0.7712	0.2288	0.0318	0.0579
1970	0.0713	0.0320	0.0198	0.7554	0.2446	0.0290	0.0423
1975	0.0563	0.0315	0.0158	0.7395	0.2605	0.0274	0.0289
1980	0.0505	0.0360	0.0053	0.7202	0.2798	0.0274	0.0231
1985	0.0513	0.0287	0.0140	0.7071	0.2929	0.0244	0.0269
1990	0.0436	0.0262	0.0212	0.6966	0.3034	0.0247	0.0189
1995	0.0853	0.0626	0.0053	0.6920	0.3080	0.0449	0.0404
2000	0.0641	0.0475	0.0773	0.6783	0.3217	0.0571	0.0070

Annual Rates of Inequality Reduction (%)

1900-1950	0.09	-0.17	2.26			0.23	-0.03
1913-1938	0.15	-0.71	3.89			0.33	0.00
1913-1950	-0.24	-0.94	3.45			-0.03	-0.41
1950-1980	3.32	1.85	6.92			2.54	4.06
1938-1980	2.07	0.91	5.67			1.59	2.53
1980-2000	-1.20	-1.39	-13.41			-3.67	5.95
1950-2000	1.51	0.55	-1.21			0.06	4.81

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan,
the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.14 (b)

International Inequality in Enrolment (Kakwani Transformation), 1900-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.1028	0.0504	0.1350	0.9722	0.0278	0.0527	0.0501
1913	0.0841	0.0343	0.1625	0.9622	0.0378	0.0392	0.0449
1913*	0.0892	0.0372	0.1625	0.9600	0.0400	0.0422	0.0469
1925	0.1129	0.0646	0.0850	0.9529	0.0471	0.0656	0.0473
1929	0.1216	0.0692	0.0735	0.9531	0.0469	0.0694	0.0522
1933	0.1177	0.0625	0.0898	0.9516	0.0484	0.0638	0.0539
1938	0.1025	0.0527	0.0597	0.9443	0.0557	0.0531	0.0494
1950	0.1155	0.0579	0.0443	0.9307	0.0693	0.0569	0.0586
1955	0.1055	0.0485	0.0444	0.9210	0.0790	0.0482	0.0573
1960	0.0895	0.0439	0.0358	0.9007	0.0993	0.0431	0.0464
1965	0.0805	0.0343	0.0220	0.8907	0.1093	0.0329	0.0476
1970	0.0672	0.0323	0.0212	0.8642	0.1358	0.0308	0.0364
1975	0.0552	0.0316	0.0178	0.8346	0.1654	0.0293	0.0258
1980	0.0515	0.0362	0.0054	0.8090	0.1910	0.0303	0.0211
1985	0.0504	0.0286	0.0144	0.8042	0.1958	0.0258	0.0246
1990	0.0431	0.0259	0.0241	0.7803	0.2197	0.0255	0.0176
1995	0.0878	0.0623	0.0054	0.8107	0.1893	0.0515	0.0362
2000	0.0626	0.0492	0.0737	0.7318	0.2682	0.0558	0.0068

Annual Rates of Inequality Reduction (%)

1900-1950	-0.23	-0.28	2.23			-0.15	-0.31
1913-1938	-0.56	-1.39	4.01			-0.92	-0.20
1913-1950	-0.70	-1.19	3.51			-0.81	-0.60
1950-1980	2.70	1.56	7.02			2.10	3.40
1938-1980	1.64	0.90	5.72			1.34	2.02
1980-2000	-0.98	-1.54	-13.06			-3.05	5.68
1950-2000	1.23	0.32	-1.02			0.04	4.31

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.15 (a)

International Inequality in Enrolment (Kakwani Transformation), 1925-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.1388	0.0648	0.0877	0.8521	0.1479	0.0682	0.0706
1929	0.1493	0.0689	0.0785	0.8459	0.1541	0.0704	0.0789
1933	0.1495	0.0629	0.0945	0.8410	0.1590	0.0679	0.0816
1938	0.1272	0.0527	0.0644	0.8354	0.1646	0.0546	0.0726
1950	0.1422	0.0625	0.0450	0.8022	0.1978	0.0590	0.0832
1955	0.1291	0.0509	0.0444	0.7893	0.2107	0.0496	0.0796
1960	0.1050	0.0452	0.0385	0.7760	0.2240	0.0437	0.0613
1965	0.0942	0.0348	0.0246	0.7606	0.2394	0.0324	0.0618
1970	0.0763	0.0319	0.0254	0.7438	0.2562	0.0303	0.0460
1975	0.0620	0.0315	0.0246	0.7271	0.2729	0.0296	0.0324
1980	0.0552	0.0359	0.0126	0.7072	0.2928	0.0291	0.0261
1985	0.0567	0.0286	0.0207	0.6931	0.3069	0.0262	0.0305
1990	0.0477	0.0262	0.0259	0.6819	0.3181	0.0261	0.0216
1995	0.0904	0.0623	0.0111	0.6764	0.3236	0.0458	0.0446
2000	0.0713	0.0474	0.0893	0.6617	0.3383	0.0615	0.0097

Annual Rates of Inequality Reduction (%)

1925-1938	0.67	1.59	2.37			1.71	-0.21
1925-1950	-0.10	0.15	2.66			0.58	-0.66
1950-1980	3.15	1.85	4.25			2.36	3.86
1938-1980	1.99	0.91	3.89			1.50	2.43
1980-2000	-1.28	-1.39	-9.80			-3.75	4.95
1950-2000	1.38	0.55	-1.37			-0.08	4.30

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.15 (b)

International Inequality in Enrolment (Kakwani Transformation), 1925-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1925	0.1162	0.0643	0.0887	0.9514	0.0486	0.0655	0.0508
1929	0.1254	0.0690	0.0790	0.9516	0.0484	0.0694	0.0560
1933	0.1219	0.0623	0.0950	0.9501	0.0499	0.0639	0.0580
1938	0.1067	0.0526	0.0659	0.9426	0.0574	0.0534	0.0533
1950	0.1195	0.0578	0.0470	0.9281	0.0719	0.0570	0.0625
1955	0.1095	0.0484	0.0474	0.9180	0.0820	0.0483	0.0613
1960	0.0930	0.0438	0.0387	0.8969	0.1031	0.0433	0.0498
1965	0.0840	0.0343	0.0248	0.8862	0.1138	0.0332	0.0508
1970	0.0710	0.0323	0.0258	0.8591	0.1409	0.0314	0.0396
1975	0.0593	0.0315	0.0248	0.8292	0.1708	0.0304	0.0289
1980	0.0552	0.0361	0.0114	0.8029	0.1971	0.0312	0.0239
1985	0.0546	0.0285	0.0201	0.7977	0.2023	0.0268	0.0278
1990	0.0465	0.0258	0.0282	0.7725	0.2275	0.0264	0.0201
1995	0.0919	0.0621	0.0104	0.8031	0.1969	0.0519	0.0400
2000	0.0683	0.0491	0.0851	0.7253	0.2747	0.0590	0.0093

Annual Rates of Inequality Reduction (%)

1925-1938	0.66	1.54	2.28			1.57	-0.38
1925-1950	-0.11	0.43	2.54			0.55	-0.83
1950-1980	2.58	1.57	4.71			2.01	3.20
1938-1980	1.57	0.90	4.17			1.28	1.91
1980-2000	-1.07	-1.53	-10.04			-3.18	4.70
1950-2000	1.12	0.33	-1.19			-0.07	3.80

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.16 (a)

International Inequality in Enrolment (Kakwani Transformation), 1950-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.1523	0.0625	0.0527	0.7768	0.2232	0.0603	0.0920
1955	0.1387	0.0509	0.0505	0.7635	0.2365	0.0508	0.0879
1960	0.1141	0.0452	0.0464	0.7497	0.2503	0.0455	0.0687
1965	0.1003	0.0348	0.0281	0.7333	0.2667	0.0330	0.0673
1970	0.0815	0.0319	0.0290	0.7155	0.2845	0.0311	0.0504
1975	0.0654	0.0315	0.0264	0.6978	0.3022	0.0299	0.0355
1980	0.0571	0.0359	0.0150	0.6768	0.3232	0.0291	0.0279
1985	0.0578	0.0286	0.0210	0.6613	0.3387	0.0260	0.0318
1990	0.0510	0.0262	0.0338	0.6487	0.3513	0.0289	0.0222
1995	0.0942	0.0623	0.0201	0.6423	0.3577	0.0472	0.0470
2000	0.0758	0.0474	0.0883	0.6268	0.3732	0.0626	0.0131

Annual Rates of Inequality Reduction (%)

1950-1980	3.27	1.85	4.18			2.42	3.97
1980-2000	-1.42	-1.39	-8.86			-3.83	3.77
1950-2000	1.40	0.55	-1.03			-0.08	3.89

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.16 (b)

International Inequality in Enrolment (Kakwani Transformation), 1950-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.1274	0.0578	0.0516	0.9170	0.0830	0.0573	0.0701
1955	0.1172	0.0484	0.0512	0.9062	0.0938	0.0486	0.0685
1960	0.1000	0.0438	0.0438	0.8838	0.1162	0.0438	0.0562
1965	0.0893	0.0343	0.0269	0.8708	0.1292	0.0333	0.0560
1970	0.0753	0.0323	0.0276	0.8415	0.1585	0.0315	0.0438
1975	0.0624	0.0315	0.0256	0.8090	0.1910	0.0304	0.0320
1980	0.0569	0.0361	0.0136	0.7794	0.2206	0.0311	0.0258
1985	0.0560	0.0285	0.0202	0.7722	0.2278	0.0266	0.0294
1990	0.0486	0.0258	0.0333	0.7438	0.2562	0.0277	0.0209
1995	0.0947	0.0621	0.0167	0.7773	0.2227	0.0520	0.0427
2000	0.0725	0.0491	0.0855	0.7025	0.2975	0.0599	0.0127

Annual Rates of Inequality Reduction (%)

1950-1980	2.68	1.57	4.46			2.03	3.33
1980-2000	-1.21	-1.53	-9.20			-3.27	3.56
1950-2000	1.13	0.33	-1.01			-0.09	3.42

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.17 (a)

International Inequality in IHDI, 1870-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1870	0.1009	0.0461	0.0605	0.9074	0.0926	0.0475	0.0535
1880	0.0920	0.0376	0.0565	0.9006	0.0994	0.0394	0.0525
1890	0.0847	0.0337	0.0520	0.8958	0.1042	0.0356	0.0491
1900	0.0802	0.0298	0.0550	0.8863	0.1137	0.0327	0.0475
1913	0.0700	0.0231	0.0671	0.8766	0.1234	0.0285	0.0415
1913*	0.0736	0.0230	0.0671	0.8690	0.1310	0.0288	0.0448
1925	0.0722	0.0186	0.0683	0.8577	0.1423	0.0257	0.0465
1929	0.0735	0.0159	0.0712	0.8509	0.1491	0.0242	0.0494
1933	0.0714	0.0154	0.0703	0.8461	0.1539	0.0239	0.0475
1938	0.0734	0.0171	0.0656	0.8405	0.1595	0.0248	0.0486
1950	0.0662	0.0135	0.0519	0.8047	0.1953	0.0210	0.0451
1955	0.0529	0.0098	0.0330	0.7918	0.2082	0.0146	0.0383
1960	0.0465	0.0066	0.0258	0.7795	0.2205	0.0109	0.0356
1965	0.0435	0.0049	0.0216	0.7646	0.2354	0.0088	0.0347
1970	0.0419	0.0044	0.0175	0.7478	0.2522	0.0077	0.0341
1975	0.0362	0.0034	0.0124	0.7300	0.2700	0.0059	0.0304
1980	0.0336	0.0023	0.0103	0.7088	0.2912	0.0047	0.0290
1985	0.0331	0.0020	0.0102	0.6956	0.3044	0.0045	0.0286
1990	0.0318	0.0012	0.0096	0.6853	0.3147	0.0038	0.0280
1995	0.0311	0.0014	0.0097	0.6821	0.3179	0.0040	0.0270
2000	0.0281	0.0012	0.0054	0.6709	0.3291	0.0026	0.0255

Annual Rates of Inequality Reduction (%)

1870-1913	0.85	1.61	-0.24			1.19	0.59
1900-1950	0.38	1.58	0.11			0.88	0.10
1913-1938	0.01	1.20	0.09			0.60	-0.32
1913-1950	0.29	1.43	0.69			0.85	-0.02
1950-1980	2.26	5.86	5.38			5.02	1.48
1938-1980	1.86	4.73	4.40			3.98	1.23
1980-2000	0.90	3.42	3.24			2.98	0.63
1950-2000	1.71	4.88	4.52			4.20	1.14

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.17 (b)

International Inequality in IHDI, 1870-2000: Theil Indices

	Theil Indices			**GDP Shares**		**within regions inequality**	**between regions inequality**
	OECD & Latin America	**OECD**	**Latin America**	**OECD**	**Latin America**		
1870	0.0772	0.0407	0.0605	0.9740	0.0260	0.0412	0.0360
1880	0.0704	0.0332	0.0636	0.9701	0.0299	0.0341	0.0362
1890	0.0657	0.0299	0.0601	0.9660	0.0340	0.0309	0.0348
1900	0.0624	0.0263	0.0636	0.9598	0.0402	0.0278	0.0346
1913	0.0549	0.0206	0.0761	0.9503	0.0497	0.0233	0.0315
1913*	0.0571	0.0201	0.0761	0.9477	0.0523	0.0231	0.0341
1925	0.0555	0.0163	0.0757	0.9415	0.0585	0.0198	0.0358
1929	0.0560	0.0141	0.0790	0.9390	0.0610	0.0181	0.0380
1933	0.0550	0.0138	0.0781	0.9346	0.0654	0.0180	0.0370
1938	0.0569	0.0149	0.0726	0.9316	0.0684	0.0189	0.0380
1950	0.0534	0.0122	0.0555	0.9041	0.0959	0.0164	0.0371
1955	0.0442	0.0089	0.0356	0.8880	0.1120	0.0119	0.0324
1960	0.0393	0.0060	0.0277	0.8756	0.1244	0.0087	0.0306
1965	0.0372	0.0045	0.0228	0.8628	0.1372	0.0070	0.0302
1970	0.0363	0.0041	0.0184	0.8485	0.1515	0.0063	0.0300
1975	0.0321	0.0032	0.0130	0.8288	0.1712	0.0049	0.0272
1980	0.0302	0.0022	0.0107	0.8088	0.1912	0.0038	0.0263
1985	0.0298	0.0019	0.0105	0.7970	0.2030	0.0036	0.0262
1990	0.0287	0.0011	0.0099	0.7869	0.2131	0.0030	0.0257
1995	0.0282	0.0014	0.0099	0.7826	0.2174	0.0032	0.0249
2000	0.0259	0.0012	0.0056	0.7701	0.2299	0.0022	0.0237

Annual Rates of Inequality Reduction (%)

1870-1913	0.79	1.58	-0.53			1.32	0.31
1900-1950	0.31	1.53	0.27			1.06	-0.14
1913-1938	0.02	1.19	0.19			0.80	-0.44
1913-1950	0.18	1.35	0.85			0.92	-0.23
1950-1980	1.91	5.72	5.48			4.85	1.14
1938-1980	1.51	4.56	4.56			3.80	0.87
1980-2000	0.76	3.17	3.25			2.80	0.52
1950-2000	1.45	4.70	4.59			4.03	0.89

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA6): Argentina, Brazil, Chile, Mexico, Uruguay, and Venezuela
OECD (OECD18): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.18 (a)

International Inequality in IHDI, 1900-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.0806	0.0350	0.0509	0.8872	0.1128	0.0368	0.0439
1913	0.0694	0.0264	0.0627	0.8765	0.1235	0.0309	0.0385
1913*	0.0730	0.0276	0.0627	0.8705	0.1295	0.0322	0.0408
1925	0.0717	0.0245	0.0620	0.8589	0.1411	0.0298	0.0420
1929	0.0708	0.0193	0.0641	0.8530	0.1470	0.0259	0.0449
1933	0.0675	0.0171	0.0624	0.8485	0.1515	0.0239	0.0436
1938	0.0688	0.0173	0.0585	0.8431	0.1569	0.0238	0.0450
1950	0.0605	0.0146	0.0467	0.8110	0.1890	0.0206	0.0399
1955	0.0487	0.0093	0.0296	0.7988	0.2012	0.0134	0.0353
1960	0.0432	0.0064	0.0231	0.7860	0.2140	0.0100	0.0332
1965	0.0411	0.0046	0.0197	0.7712	0.2288	0.0081	0.0330
1970	0.0399	0.0042	0.0163	0.7554	0.2446	0.0072	0.0328
1975	0.0354	0.0035	0.0120	0.7395	0.2605	0.0057	0.0297
1980	0.0332	0.0026	0.0100	0.7202	0.2798	0.0047	0.0285
1985	0.0336	0.0026	0.0096	0.7071	0.2929	0.0047	0.0289
1990	0.0333	0.0023	0.0089	0.6966	0.3034	0.0043	0.0290
1995	0.0317	0.0020	0.0087	0.6920	0.3080	0.0041	0.0276
2000	0.0285	0.0013	0.0050	0.6783	0.3217	0.0025	0.0260

Annual Rates of Inequality Reduction (%)

1900-1950	0.57	1.75	0.17			1.16	0.19
1913-1938	0.23	1.86	0.28			1.20	-0.39
1913-1950	0.51	1.73	0.80			1.20	0.06
1950-1980	2.00	5.69	5.14			4.93	1.12
1938-1980	1.74	4.48	4.21			3.86	1.09
1980-2000	0.76	3.66	3.46			3.21	0.45
1950-2000	1.51	4.88	4.47			4.24	0.85

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan,
the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.18 (b)

International Inequality in IHDI, 1900-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1900	0.0654	0.0319	0.0585	0.9583	0.0417	0.0330	0.0324
1913	0.0563	0.0243	0.0706	0.9483	0.0517	0.0267	0.0296
1913*	0.0589	0.0251	0.0706	0.9460	0.0540	0.0275	0.0314
1925	0.0578	0.0223	0.0682	0.9392	0.0608	0.0251	0.0327
1929	0.0560	0.0178	0.0706	0.9373	0.0627	0.0211	0.0349
1933	0.0536	0.0158	0.0689	0.9334	0.0666	0.0193	0.0343
1938	0.0545	0.0157	0.0644	0.9308	0.0692	0.0191	0.0355
1950	0.0501	0.0136	0.0495	0.9039	0.0961	0.0171	0.0330
1955	0.0411	0.0086	0.0318	0.8902	0.1098	0.0112	0.0299
1960	0.0368	0.0059	0.0247	0.8779	0.1221	0.0082	0.0286
1965	0.0352	0.0043	0.0207	0.8660	0.1340	0.0065	0.0287
1970	0.0346	0.0039	0.0171	0.8530	0.1470	0.0058	0.0288
1975	0.0313	0.0033	0.0126	0.8357	0.1643	0.0048	0.0265
1980	0.0297	0.0025	0.0103	0.8178	0.1822	0.0039	0.0258
1985	0.0302	0.0025	0.0098	0.8073	0.1927	0.0039	0.0263
1990	0.0301	0.0023	0.0092	0.7984	0.2016	0.0037	0.0265
1995	0.0288	0.0020	0.0089	0.7922	0.2078	0.0034	0.0254
2000	0.0262	0.0013	0.0052	0.7775	0.2225	0.0021	0.0241

Annual Rates of Inequality Reduction (%)

1900-1950	0.53	1.70	0.33			1.32	-0.04
1913-1938	0.31	1.87	0.37			1.47	-0.49
1913-1950	0.44	1.65	0.96			1.29	-0.14
1950-1980	1.74	5.66	5.23			4.90	0.83
1938-1980	1.45	4.38	4.36			3.77	0.76
1980-2000	0.62	3.45	3.45			3.06	0.34
1950-2000	1.30	4.77	4.51			4.17	0.63

Sources: Prados de la Escosura (2007a) and text

* Interwar borders

Latin America (LA8): Argentina, Brazil, Chile, Colombia, Cuba, Mexico, Uruguay, and Venezuela
OECD (OECD20): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain,Sweden, Switzerland, the U.K., and the U.S.A.

Table A.19 (a)

International Inequality in IHDI, 1925-2000: MLD Indices

	MLD Indices			**Population Shares**		**within regions inequality**	**between regions inequality**
	OECD & Latin America	**OECD**	**Latin America**	**OECD**	**Latin America**		
1925	0.0764	0.0243	0.0669	0.8521	0.1479	0.0306	0.0458
1929	0.0757	0.0192	0.0688	0.8459	0.1541	0.0268	0.0489
1933	0.0724	0.0170	0.0671	0.8410	0.1590	0.0249	0.0475
1938	0.0735	0.0173	0.0623	0.8354	0.1646	0.0247	0.0489
1950	0.0647	0.0145	0.0495	0.8022	0.1978	0.0214	0.0433
1955	0.0530	0.0093	0.0336	0.7893	0.2107	0.0144	0.0386
1960	0.0473	0.0064	0.0271	0.7760	0.2240	0.0110	0.0363
1965	0.0449	0.0046	0.0230	0.7606	0.2394	0.0090	0.0359
1970	0.0438	0.0042	0.0197	0.7438	0.2562	0.0081	0.0357
1975	0.0394	0.0035	0.0158	0.7271	0.2729	0.0069	0.0325
1980	0.0372	0.0027	0.0140	0.7072	0.2928	0.0060	0.0313
1985	0.0378	0.0026	0.0137	0.6931	0.3069	0.0060	0.0318
1990	0.0375	0.0023	0.0128	0.6819	0.3181	0.0056	0.0318
1995	0.0356	0.0020	0.0119	0.6764	0.3236	0.0052	0.0303
2000	0.0331	0.0013	0.0096	0.6617	0.3383	0.0041	0.0290

Annual Rates of Inequality Reduction (%)

1925-1938	0.29	2.64	0.55			1.66	-0.50
1925-1950	0.67	2.07	1.21			1.43	0.22
1950-1980	1.84	5.65	4.21			4.25	1.09
1938-1980	1.62	4.46	3.55			3.37	1.06
1980-2000	0.59	3.68	1.87			1.89	0.38
1950-2000	1.34	4.86	3.27			3.31	0.80

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.19 (b)

International Inequality in IHDI, 1925-2000: Theil Indices

	Theil Indices			GDP Shares			
	OECD & Latin America	OECD	Latin America	OECD	Latin America	within regions inequality	between regions inequality
1925	0.0609	0.0222	0.0727	0.9373	0.0627	0.0254	0.0356
1929	0.0592	0.0177	0.0749	0.9354	0.0646	0.0213	0.0379
1933	0.0568	0.0157	0.0731	0.9312	0.0688	0.0196	0.0372
1938	0.0578	0.0156	0.0679	0.9284	0.0716	0.0194	0.0384
1950	0.0532	0.0135	0.0523	0.9006	0.0994	0.0174	0.0358
1955	0.0443	0.0086	0.0355	0.8864	0.1136	0.0116	0.0327
1960	0.0399	0.0059	0.0283	0.8737	0.1263	0.0087	0.0312
1965	0.0382	0.0043	0.0237	0.8610	0.1390	0.0070	0.0312
1970	0.0377	0.0039	0.0201	0.8473	0.1527	0.0063	0.0314
1975	0.0345	0.0033	0.0160	0.8294	0.1706	0.0055	0.0290
1980	0.0330	0.0025	0.0140	0.8109	0.1891	0.0047	0.0283
1985	0.0336	0.0025	0.0135	0.7997	0.2003	0.0047	0.0289
1990	0.0336	0.0023	0.0127	0.7901	0.2099	0.0044	0.0291
1995	0.0320	0.0020	0.0119	0.7830	0.2170	0.0042	0.0279
2000	0.0300	0.0013	0.0093	0.7680	0.2320	0.0031	0.0269

Annual Rates of Inequality Reduction (%)

1925-1938	0.41	2.69	0.52			2.07	-0.59
1925-1950	0.54	1.97	1.32			1.51	-0.03
1950-1980	1.60	5.62	4.40			4.38	0.79
1938-1980	1.34	4.36	3.77			3.38	0.73
1980-2000	0.47	3.46	2.03			2.01	0.26
1950-2000	1.15	4.76	3.45			3.43	0.57

Sources: Prados de la Escosura (2007a) and text

Latin America (LA13): Argentina, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Uruguay, and Venezuela
OECD (21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.20 (a)

International Inequality in IHDI, 1950-2000: MLD Indices

	MLD Indices			Population Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.0761	0.0145	0.0559	0.7768	0.2232	0.0237	0.0524
1955	0.0636	0.0093	0.0417	0.7635	0.2365	0.0169	0.0467
1960	0.0568	0.0064	0.0341	0.7497	0.2503	0.0133	0.0435
1965	0.0537	0.0046	0.0291	0.7333	0.2667	0.0112	0.0425
1970	0.0520	0.0042	0.0253	0.7155	0.2845	0.0102	0.0418
1975	0.0465	0.0035	0.0206	0.6978	0.3022	0.0087	0.0378
1980	0.0437	0.0027	0.0181	0.6768	0.3232	0.0076	0.0360
1985	0.0441	0.0026	0.0177	0.6613	0.3387	0.0077	0.0364
1990	0.0440	0.0023	0.0173	0.6487	0.3513	0.0076	0.0364
1995	0.0422	0.0020	0.0174	0.6423	0.3577	0.0075	0.0346
2000	0.0404	0.0013	0.0160	0.6268	0.3732	0.0068	0.0336

Annual Rates of Inequality Reduction (%)

1950-1980	1.85	5.65	3.77			3.78	1.25
1980-2000	0.39	3.68	0.61			0.60	0.35
1950-2000	1.27	4.86	2.50			2.51	0.89

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.

Table A.20 (b)

International Inequality in IHDI, 1950-2000: Theil Indices

	Theil Indices			GDP Shares		within regions inequality	between regions inequality
	OECD & Latin America	OECD	Latin America	OECD	Latin America		
1950	0.0616	0.0135	0.0570	0.8901	0.1099	0.0183	0.0433
1955	0.0522	0.0086	0.0416	0.8749	0.1251	0.0127	0.0395
1960	0.0472	0.0059	0.0337	0.8610	0.1390	0.0098	0.0374
1965	0.0451	0.0043	0.0284	0.8470	0.1530	0.0080	0.0371
1970	0.0443	0.0039	0.0244	0.8319	0.1681	0.0073	0.0369
1975	0.0403	0.0033	0.0196	0.8122	0.1878	0.0064	0.0340
1980	0.0383	0.0025	0.0171	0.7919	0.2081	0.0056	0.0328
1985	0.0389	0.0025	0.0166	0.7791	0.2209	0.0056	0.0333
1990	0.0390	0.0023	0.0160	0.7683	0.2317	0.0055	0.0336
1995	0.0374	0.0020	0.0157	0.7599	0.2401	0.0053	0.0321
2000	0.0359	0.0013	0.0140	0.7446	0.2554	0.0045	0.0314

Annual Rates of Inequality Reduction (%)

1950-1980	1.58	5.62	4.00	3.98	0.93
1980-2000	0.33	3.46	1.02	1.05	0.22
1950-2000	1.08	4.76	2.81	2.81	0.65

Sources: Prados de la Escosura (2007a) and text

Latin America (LA20): Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela
OECD (OECD21): Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the U.K., and the U.S.A.