Book Reviews

The New Geography of Global Income Inequality. By Glenn Firebaugh. Cambridge, Mass.: Harvard University Press, 2003. Pp. 257.

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When I first came to the United States in 1983 as a graduate student at the University of Wisconsin, I was overwhelmed by how much money Americans made. Sure, I also noticed inequality in America, but what struck me the most was that almost all Americans were better-off than all Chinese. My parents were medical doctors and had higher salaries than their peers. With a combined income of about $100 a month, however, they earned only a fraction of what a minimum-wage American worker would earn. As a graduate student in the United States, I was considered rich in China and was therefore expected to bring home luxury items (such as color TVs and cameras), which I did in 1984.

Twenty years later, I am now relatively well paid as a University of Michigan professor. China has changed far more dramatically during that time, however. When I visit China now, I often encounter situations in which friends make a concerted effort to let me know that they are financially more successful. Indeed, the rapid pace of economic development in China over the past 25 years has led to sharp increases in both personal income and income inequality, so that many among the Chinese elite now enjoy standards of living that surpass those commonly seen in America and other industrialized nations.

Personal observations are no substitute for systematic studies. If you want to understand how global income equality has evolved in recent decades and why, look no further. Glenn Firebaugh has provided the most complete, thoughtful, and intriguing study on the subject, *The New Geography of Global Income Inequality*.

Global income inequality can be divided into two components: income inequality *within* countries and income inequality *between* countries. Firebaugh's book centers on the latter—between-nation inequality. We know that income inequality within many countries (such as the United States and China) has been increasing in recent decades. However, the vast majority of global income inequality in the past two centuries has been attributable to between-nation rather than within-nation inequality. Firebaugh divides the history of global inequality into two phases. Phase 1, which occurred between the beginning of Western industrialization in the late 18th century and the middle of the 20th century, was characterized by rapid growth in between-nation inequality. In phase 2, which immediately followed, Firebaugh observes a reversal of that trend—a steady decline in between-nation inequality. Hence his "new geography of global income inequality" is one of a decreasing trend in between-nation income inequality accompanied by a modest increase in within-nation inequality. Firebaugh provides persuasive explanations for his new geography, chief among which is the spread of industrialization to poor countries and the reduction of distance barriers achieved through advances in technology and the culture of globalization.

This is an outstanding book, showcasing what sociology can offer by enhancing our empirical knowledge of the world. While powerfully conceptualized and methodologically sophisticated, Firebaugh's case ultimately rests on the analyses of data from the Penn World Table. It is no small task to draw an empirical generalization from the data. Indeed, much of the book is devoted to discussions of measurement issues that may lead to an alternative conclusion—the continuation of the increase in between-nation inequality. Two issues are crucial. First, Firebaugh argues that an international comparison of economic well-being should be based on purchasing power parity rather than exchange rates. Second, because the focus is on individual-level economic well-being, he presents a compelling case that comparisons between nations should be weighted by population size.

As much as I like the book, I encourage readers to appreciate Firebaugh's excellent scholarship as much for the questions it raises as for the concrete conclusions it reaches. I have a few questions of my own. First, as Firebaugh realizes, his conclusions are mainly driven by a single case: China. China is the most populous nation and has recently experienced rapid economic development. Since his measures are weighted by population size, China exerts overwhelming influence on the decreasing trend of between-nation inequality. How to interpret the rise of economic power in China in the post-1978 period is a complicated issue requiring further research, perhaps into the role of social institutions. Second, the national average of personal income, the raw material for the study, contains no information about within-nation variability. Yet, regional (thus geographical) variation and rural-urban difference in income can be very large in some countries (such as China). Would the trend look the same if we disaggregated China geographically? More broadly, should the "new geography" be based merely on discrete, internally homogeneous units called "countries"? If there is good reason for doing so, one would want to include the role of government and economic exclusivity within national boundaries in the discussion. Finally, despite the word "geography" in the book's title, Firebaugh's measures of between-nation inequality are not truly geographic, as distances between countries (within a continent) are not considered.

In the final analysis, these questions and comments do not detract from the important contributions made by this book. Firebaugh's argument is articulate, forceful, and well presented. All who are concerned with issues of income inequality, scholars and laypersons alike, will find much to learn from this book, as will students seeking to master the art of conducting empirical social science. For these reasons, I highly recommend Firebaugh's latest contribution.

The Pecking Order: Which Siblings Succeed and Why. By Dalton Conley. New York, N.Y.: Pantheon, 2004. Pp. 309. $24.00.

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The American dream notwithstanding, Americans' socioeconomic mobility across generations is limited. More than 40% of children born to families in the bottom quintile of the income distribution themselves end up in the poorest 20% (Bernard Wasow, "Rags to Riches? The American Dream Is Less Common in the United States than Elsewhere" [Century Foundation Guide to the Issues pamphlet, 2004]). The sons of families in the top decile of the income distribution have a greater than 20% chance of arriving in the top decile as adults, and a greater than 40% chance of attaining incomes in the top 20% (Samuel Bowles and Herbert Gintis, "The Inheritance of Inequality," *Journal of Economic Perspectives* 16(2), 2002). Despite this intergenerational rigidity, conventional models consistently find that family background variables explain a small portion of the inequality between individuals. Thirty years ago, Christopher Jencks and his coauthors attributed 15% of income inequality among adult men to family background (*Inequality: A Reassessment of the Effects of Family and Schooling in America* [Harper & Row, 1973]). Dalton Conley, examining the correlation of adult siblings' incomes, suggests that "only one-quarter of all income inequality is between families" (p. 222, note 3). His goal in *The Pecking Order* is to provide some insight into the substantial disparities that remain.

Conley argues that inequality among children from the same family reflects in part the workings of family status orders, in which some siblings are given more attention, encouragement, education, love, and other resources—and less indifference, discouragement, and abuse—than others. While the evidence comes from a variety of sources, including three national surveys and a selection of past research, the main text reports largely on semistructured interviews with a snowball sample of 175 individuals from 68 families.

Conley paints a complex picture of individual social mobility. Position in the family pecking order is not a simple function of any one factor, such as birth order. Further, the effect of childhood rank on adult socioeconomic outcomes is highly contingent. For example, people who are "outsiders" in their own families, such as those who are extremely religious in families that are not especially devout, often experience "downward