



LEARNING JOURNAL UNIT 4

POLS 1503-01 GLOBALIZATION - AY2024-T3



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GLOBALIZATION, TECHNOLOGY, AND INEQUALITY

DO TECHNOLOGY AND GLOBALIZATION INCREASE INEQUALITY?

I agree that technology and globalization do tend to increase inequality in many cases. Automation and offshoring of jobs have displaced some workers in developed countries, concentrating economic gains among highly skilled groups able to leverage these forces. Digital technologies also enable "winner-take-all" markets with network effects that can exacerbate inequality. "They are key forces that drive innovation, productivity, and economic growth. But they also have been important factors behind the rise in inequalities" (Qureshi, 2018).

However, the relationship is nuanced. Technology and globalization also help lift people out of poverty globally by driving economic growth, raising productivity, and enabling upward mobility. The net impact likely depends on a country or region's position and policy responses. But unaddressed, polarized incomes from technological changes and globalization pose risks such as social unrest. Thoughtful reforms around training, taxes, transfers, and inclusive growth strategies are needed to promote shared prosperity.

LOCAL REFLECTIONS ON IMPACTS

In my region, technology and global connectivity have brought conveniences but also some job losses. "Income and wealth inequalities have risen practically in all major economies, and sharply in several of them. In the U.S., for example, the income share of the richest 1 percent has more than doubled since the early 1980s to around 22 percent, with the wealth share rising to almost 40 percent" (Qureshi, 2018). Increased factory automation allows remaining workers to be more productive but has reduced total employment. Offshoring of some jobs has likewise

eliminated certain positions. However, technology also enables new remote work opportunities and global exports for some local businesses and specialty sectors.

Overall, these developments have made some goods and services more affordable via efficiency gains, raising real incomes. But they have also concentrated gains among skilled groups able to leverage digital tools and platforms, while limiting options for lower-skilled workers. Public-private partnerships on job retraining and skills building are attempting to address gaps, but more efforts are required to ensure shared prosperity. Achieving an inclusive economy that works for all may require both technology investments and redistribution programs.

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Reference:

Qureshi, Z. (2018, February 16). Globalization, technology, and inequality: It's the policies, stupid. Brookings.
<https://www.brookings.edu/articles/globalization-technology-and-inequality-its-the-policies-stupid/>