Economic Inequality: A Widening Gap Between The Have And Have-not

Economic inequality is a term that has been used interchangeably with the term income disparity; in the real sense, it is the disparity that exists in our income, assets, and wealth is distributed among a given population. Economies across the world have witnessed a sudden increase in income and wage inequality for the last many years; this trend is worrying because instead of solving economic issues and challenges that countries both the developed and the developing have, it worsens the situation. First of all, economic inequality is causing much harm to the nation, and this is because it contributes to more poor people and less rich ones. Poverty and disease are alike; there is no difference; when you are poor, you are sick; the two go hand in hand. For instance, between 2000 and 2006, the number of individuals living in poverty surpassed 15% in the US. A good number of these families earn less than $ 10 and less than $ 20,614 annually as their income; this is beyond the poverty level considering a family of four members (Swanstrom et al., .2002 p.357). The issue has seen families disintegrate and some taking their own lives for failing to achieve their ambitions; it's at this point that we should ask ourselves, what causes economic inequality?

Several factors contribute to income inequality, and one includes technological developments, as noted by (Thompson 2012). Advancement in technology in the manufacturing industry and many other industries have influenced income inequality greatly; although technology is good, it has contributed to increased poverty among many people. Advanced technologies such as robots, computer-assisted machines, improved communication technology, and the use of computers have caused a good number of young people in the country to be unemployed (Violante,2008). It is affecting both the skilled and unskilled workers; this is because their work has been taken by the use of computers; employers prefer using machines because it is efficient, effective, and economical. Globalization is the other cause linked to economic inequality; globalization contributes to stiff competition in the market. Workers in developing countries are a threat to those in developed nations; this leads to individuals, especially with low-skills earn less. With no time, these individuals become poor(Arrow et al., .2018). Other factors include educational level, gender, the disparity in access to financial services, financial deepening, the decline of unions, among other factors. Before the decline of trade union in the US, the level of poverty was significantly low; trade unions played a crucial role in championing for better wages and allowances for all employees and more so those with no skills, by doing these, the movements reduced income disparities (Greenwood,1996).

According to Leung, M. L. (2015), there are a number of factors that play a crucial role as far as the issue of economic inequality is a concern. One such factor is the increased use of technology by different companies. Based on the source, technology is good because it leads to increased production of products, but at the same time, it has contributed to increased unemployment levels. The use of technology in production has led to a scenario in which there is a high supply of labor and low demand. Even though both the skilled and the unskilled workforce are affected by the use of technology, the untrained individuals are adversely affected because they are not in a position to use and operation technological equipment; as a result, the unskilled workers will be paid low wages while those with skills are paid higher wages and thus the disparity. Other factors such as educational level, gender, personal factors also

contribute to economic inequality. For instance, individuals who have different abilities are more likely to be successful in life, and those with none are unlikely to be successful, thus the social and economic inequality. According to the source, income inequality is a cycle in which the poor become poorer, and the rich become richer; this is for the simple reason that the rich have an opportunity to invest and earn from it.

The ever-widening income inequality is of international concern; there is a lot that these signals, one is the lack of equal opportunities and the mobility of income, an indication of a constant disadvantage of certain people in the society. According to the source, having a large portion of poor people relative to a few rich people is a risk in any economy because it shows that few individuals have decision making and political power. Several factors contribute to economic inequality, and the major one is technological developments. The other elements are just but minor factors as far as economic inequality is a concern. The primary factor that led to the financial crisis was due to prolonged disparities in the income; this, if not controlled, can lead to political instability. Increased use of technology in production increases the demand for skilled and capital-labor while reducing the demand for unskilled labor. The situation is worse in developing and struggling economies. Other factors playing a role in economic inequality include financial deepening, financial globalization, redistributive policies, education, and the dynamics in the labor markets. Tackling inequality requires combine efforts from employers, policy-makers, and the government; this starts by getting the route cause and the drivers of economic inequality. (Dabla-Norris, 2005)

Economic inequality is directly linked to disparities witnessed in different sectors such as health, education, family, social status, and happiness. Those individuals who are economically disadvantaged don’t receive better health care; this is the same case with workers with low pays; they don’t get pension plans, health insurance, and sick days. Health care inequality further increases the cost of health, making poor individuals poorer. According to Amadeo, cheap labor, outsourcing of jobs, and poor exchange rates are the factors contributing to income inequality lead to economic inequality (Amadeo, 2019), and I consider this leads to social and political inequality as well. Factors such as technological developments, unequal opportunities, unequal incomes contribute to economic inequality. The solution to this problem is not restricting companies from outsourcing nor establishing a wall to prevent the entry of illegal immigrants but to ensure that there is equal and affordable education for all. Coming up with a standardized basic income can also help address economic inequality. Equal education is one tool that can be used to bridge the gap between the poor and the rich. It promotes economic mobility.

Economic inequality is an issue across the world; it is what defines a widening gap between the have and have-not. Inequality in income is what leads to economic inequality, this goes a long way to determine the kind of health care, and the social status one belongs to, which contribute to the political power a person may have. The leading factors contributing to this inequality include advancement in technology. The use of technology and systems have caused a great number of people to lose their jobs, which leads to poverty. We can’t fight technology, as it does great things. What stakeholders need to do is limit what can be done by these technologies, or else it could work against humanity. Factors such as education, gender, globalization, financial deepening.