Name

Professor name

Subject

July 16, 2019

Wealth and poverty

International division of labor and global markets involve positive and negative aspects. The opponents claims that it caused inequality of wealth in the world as the society has become segregated and the consumption level of the people varies significantly. The financial crisis also revealed that the salaries of the bankers and financial agents are different from most of the Americans. the common view on global markets is that it increased the gap between rich and the poor that cannot be removed due to the unfair forces. The wealthy have always received favors due to their money that allowed them to maximize their wealth. This creates negative pressure on the poor who are unable to compete with the rich and powerful.

The argument claims that division of labor widened the gap between rich and poor. Facts reveals that “from the total pie of wealth (100%) what percent do you think the bottom 40% (that is, the first two buckets together) of Americans possess? And what about the top 20%?” (Arielly, 2018). This reflects that majority of the country’s wealth is possessed by the few rich. On contrary the percentage of poor is much high. The bottom 40 percent of the population is acquiring 0.3% of the country’s wealth. While the top 20% is possessing 84% of the wealth. This gap confirms the prevalence of inequality in wealth. This gap has provided better opportunities to the rich for expanding their wealth. They invest their resources in businesses that guarantee maximization of profits. While this wealth don’t do any good to the poor because they continue to suffer and live in the same deprived state. This is also confirmed by the facts that poor have not benefited form global markets. they are still managing toi find low-level jobs of laboring which is not adequate for changing their status. Where one group of the world is enjoying most of the world’s resources the other group is undergoing misery and hardships.

Economists presents a different view on international division of label and global markets. They support these aspects by stating that certain level of division is desirable because it leads to economic efficiency. It impacts mobility and mutual dependence of people on each other. The desires of rich and poor varies because the former wants to enjoy significant degree of privilege while the later stresses on distribution of wealth. Rawl in his book ‘Theory of Justice’ states that, “a society is just if a person understands all the conditions within that society and is willing to enter it in a random place (in terms of socio-economic status, gender, race, and so on)” (Arielly, 2018). However the current situation created by global markets depicts that the society is unjust and lacks equality. The rich manages to get most of the world’s wealth that creates disadvantage for the poor. This puts poor a condition of never ending poverty because resources are controlled by the few rich. The opponents of global markets have claimed that people belonging to low socio-economic status are entrapped in vicious circle of poverty that they are unable to escape. The decision of individuals to enter a society is not linked to their knowledge of wealth or desire of possessing certain amount of money.

The conservative commentators offer an indifferent view by emphasizing on the benefits of global markets. They argue that unequal distribution of wealth is not a problem for America. They state that the reason for poverty is not inequality but inability of the people to take advantage of the opportunity. The poor are lazy and fail to make best choice that results in their downfall. It is argued poverty “also robs low-income children of the chance to realize their intellectual and economic potential” (Bernsteinben & Spielberg, 2015). This is due to their act that poor are so over concerned about their financial and economic deprivation that they fail to make best of the available opportunities. Their emphasis on poverty or deprivation minimize their potential for acting intelligently. Such behaviors kill all possible opportunities that could help them in overcoming their deprivations. The reality is that the rich are investing more and making intelligent decisions that leads to growth of their wealth. The rich are controlling wealth creation because they are making best decisions at best times.

The opponents of global markets has claimed the redistribution of wealth will eliminate the unnecessary gap between the rich and the poor. They argue, “the inequality focus tends to draw us to redistribution, whereas a mobility focus is more conducive to ideas for wealth creation” (Bernsteinben & Spielberg, 2015). It is important to manage imbalances of wealth and power because it will provide better survival opportunities to the rich also. Without removing this gap the conditions of the poor will never improve and wealth will be concentrated with the few powerful of the society.

The comparison of thee advantages and disadvantages depicts that division of labor and global markets are viewed differently by philosophers. The most visible disadvantage is expansion of gap between the rich and the poor. Rich are possessing more wealth and resources that ends opportunities for the poor. The supporters of the global markets stress on benefits and claims that it resulted in development of economy. Unintelligent decisions of poor is the central cause of their poverty.

Work Cited

Arielly, D. (2018). *Americans Wantto Live in a Much More Equal Country (They Just Don't Realize It)*. Retrieved 07 17, 2019, from https://www.theatlantic.com/business/archive/2012/08/americans-want-to-live-in-a-much-more-equal-country-they-just-dont-realize-it/260639/

BERNSTEINBEN, J., & SPIELBERG. (2015). *Inequality Matters* . Retrieved 07 17, 2019, from https://www.theatlantic.com/business/archive/2015/06/what-matters-inequality-or-opportuniy/393272/