

Skills, education, and the rise of earnings inequality among the other 99 percent...

[Business](#), [Marketing](#)



When it comes to inequality in earning, there is certainly a stark difference between the top 1% elite and 99% of the rest. Though this difference points to inequality and injustice towards the lower 99% of the population, it is not a very accurate conclusion as the differences between the remaining 99% are quite contrasting as well. Autor signifies this fact in his article as he points out that the difference between the earnings of high school graduates and degree holders has become double over the years as demand of skilled and educated workers has been increasing at a steadier rate than the unskilled workers as hard labor and office work becomes increasingly mechanized and computerized respectively. Autor also emphasizes that the rise in costs of skill premium required has increased in the recent years such that lesser and lesser numbers of general public are able to afford it. True, there has been favors from the government towards the 1% elite of the country and they are able to make more money easily but as they invest more, trade expands too and so does the job market. The job market always expands dynamically. The Information Technology advances and automation has left the labor unions especially those belonging to the unskilled workers with lesser and lesser power. The skilled labor and the similarly the associated costs of skill premium have increased but it is the demand of the modern times that the labor should be prepared to work hard and evolve with the changing market.

The Autor's analysis neither asserts nor negates any of the two propositions. He opposes the first statement by explaining how the skills premium has increased over time. If the costs on skill hadn't increased over the period of time by the government, more people could have been skilled. He also takes

an opposing view of the second proposition as he tries to explain that the role of lesser skilled labor is bound to decrease over the period of time and by not learning any new skills will only result in increasing income difference with higher skilled/educated counterparts.

References

Autor, David H. (2014). « Skills, Education, and the Rise of Earnings Inequality among the Other 99 Percent”. *Sciencemag*, 344, 843-845. Issue 6186