

"for richer" by paul
krugman essay
sample



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“ For Richer” by Paul Krugman Essay Sample

In the article “ For Richer” by Paul Krugman highlights three topics. First is our economy and how it has changed. For instance the family’s that were considered to be well off during the 1950’s and 60’s had split level houses, had a housecleaner come in once a week and sent their children to public schools. Secondly what is happening to the distribution of income in America? Three hypotheses have been formulated, “ globalization”, “ skill-biased technological change”, and finally the “ superstar” hypothesis. The third topic is the two forces changing American politics.

The first being “ the growing polarization of our politics, meaning our politicians are less and less inclined to offer even the appearance of moderation. The other is the growing tendency of policy and policy makers to cater to the interests of the wealthy, not the merely well off. ” Bottom line is our government is going from a democracy to a plutocracy. Given these topics I will express the fact that the rich are getting richer and can afford to keep themselves in social groups of wealth and power, thus leading the government to favor the rich.

There once lived an age of good money happy family’s and a government for the people and by the people. This “ Gilded Age” of America spanning from the 1950’s to the 1960’s was a middle class society both reality and in feel. Where the well off had housecleaners and took vacation’s to Europe meanwhile sending children to public schools and driving themselves to work like everyone else. This era no longer exists according to Paul Krugman who writes “ For Richer” published in the New York Times. Now it is a new Gilded

Age of lavish mansions as big as the White House, \$123 million dollar salaries, and \$2 million dollar retirement packages.

It is stated that from 1970 to 1999 the top 100 CEO's salary went from \$1.3 million to \$37.5 million more than 1000 times the pay of ordinary workers. These types of dramatic pay increase are a result of an ever changing distribution of income. One of three hypotheses is " globalization". In this hypothesis American companies are sending work to low wage workers in Asia. A second hypothesis is " skill-biased technological change" meaning the increase in American technology companies are creating jobs that require brains not brawns.

Finally the " superstar" hypothesis where modern technologies of communication turn competition into a tournament in which the winner is richly rewarded. With CEO salaries increasing and income distribution changing the government has to play a part. Politics today are catered to the very well off or someone who is worth several million dollars would find it worthwhile to become a tax exile. After in September the Senate debated on a proposed measure that would impose a one-time capital gain tax on Americans who renounced their citizenship in order to avoid paying U. S. taxes.

This catering to the rich is leading the democracy we have to a plutocracy government run by the rich. It is easy to see how we may become a country in which the big rewards are reserved for people with the right connections. My opinion is that the rich are getting richer and reserve the connections to power and wealth to their social class. In growing up in a neighborhood

where the average family income was around \$300, 000. I had experience first hand going to Shawnee High School what money can buy. Shawnee had a budget that most schools dream of and it showed in the classrooms and through the teachers.

With a bigger budget created by the wealth surrounding the school, we had access to state of the art computer systems, new books, and teachers that graduated from renowned Universities. This all meant that the learning curriculum was more difficult and geared towards prerequisites going to schools like Stanford, Yale and Harvard, with many of the top graduating students getting accepted. Thus the credential cycle begins, with students graduating from top universities they are placed in jobs with high credentials and are led into social classes of wealth and power.

An inner city child growing up will most likely not encounter these experiences and education brackets. Therefore leads to people that are stuck in lower to middle class, with no real means of getting to the upper end of the income chain. As long as cycles like this exist there will be no room for a diversified economy. I agree with Krugman that the rich are getting richer controlling the government and leaving all others behind. With the middle class diminishing they are also losing power. Less and less of the middle class is voting and therefore the laws that the government creates reflect the rich.

As a result the rich are getting all the power, and the gap between the rich and poor/middle class is widening. The problem being if laws are set up for the rich it will be hard to change unless you have rich political power. " It is

all too easy to see how we may become a country in which the big rewards are reserved for people with the right connections; in which ordinary people see little hope of advancement; in which political involvement seems pointless, because in the end the interests of the elite always get served. ”

The article “ For Richer” talks about our economy, the distribution of income, and American politics and the nearing plutocracy. With CEO’s making extravagant salaries 1000 times that of a regular worker the gap between the rich and the middle class is increasing. I agree with Krugman and share his view that many skeptics are “ looking in the rearview” by saying that our system has great resilience, however I hope that they are right. When our nation found its way previously it was in an age where they existed a middle class society, which long has been gone. Hopefully things will change and hopefully for the better, only time will tell.