

Research proposal on political science

[Economics](#), [Globalization](#)



Globalization and Inequality

- Justification for the topic

Globalization and inequality is a significant topic among the international community because inequality is brought by injustice, unequal opportunity and privilege. Some of these negative elements of globalization bring about deterioration in a country's economy. When a country has slow economic growth because of inefficient government, poverty crawls into the country making people's standards of living lower. According to the economic theory, it blames the social institutions such as the government for the inequality for the society. For example, lack of proper distribution of income and resources, the lower working class do not have a potential to venture in business that will contribute to capital accumulation. However, the capitalistic society favors the rich because they have enough resources and capital that can support them accumulate more capital. This shows that the gap between the rich and the poor widens because the rich have an absolute advantage to enjoy high returns from their capital unlike the lower working class who cannot afford to start business ventures as they have to live per paycheck. This indicates that in the long run, the rich and elite in the community benefits from globalization unlike the lower working class who are often exploited for their labor by the capitalists.

- What is the research question?

Why/How does globalization bring inequality in the global market and its effect to the greater society?

- Introduction and Thesis Statement

The rate of globalization in terms of trade and investments has reached

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unprecedented levels across the nations. Globalization has been brought about by the improved technological innovations that link different people across the globe together. It is crucial to note that though global markets have positive outcomes to given societies, there are challenges that come with global markets such as the inherent rising of inequality and distribution of income. Globalization has brought about technological advancements across nations over the years in that it has brought specialization, which increases productivity. Thus, trade and capital flows have been encouraged across regional and transnational trades. However, it is crucial to note that inequality has been embedded in the trade and capital flows because the large countries in terms of their economic and financial dominance set prices for international goods. This means that nations that depend on agriculture tend to be reaped because the large countries set world prices instead of the country that is selling. In addition, there is a growing level of unemployment in different nations across the globe. This paper intends to discuss that globalizations brings a disparity in income levels, which is supported by the international trade theory formed by neoclassical economists. In addition, foreign direct investments that are caused by globalization tend to facilitate the unequal income levels in the global market.

- Arguments

Economic gains attained as a result of globalization is not equally shared in the society because high returns go to the wealthy and the elites. Given that the rich constitute a small percentage of the total population, they are the ones that benefit the most. Why? Can afford a higher education and accumulate capital through starting business venture. On the other hand,

the lower working class lives for the paycheck because they depend on subsistence wage and cannot afford a higher education.

-Lack of benefits to the employees through labor exploitation, which favors the capitalists.

Foreign direct investments are as a result of globalization, which contributes to income disparity across the world. Though FDI's provide job opportunities for the people in developing nations, most manufacturing industries have outsourced to developing nations to avoid pollution fees and environmental regulations. This means that developing nations set up high standards for companies, which attribute to better working conditions and health protection. As a result, manufacturing industries have been set up in developing nations where companies tend to take advantage of the workers. This is because developing nations do not set up high working standards that capitalists need to match up to when setting up their companies. Thus, workers in developing nations are exploited by multinational companies through setting low wages.

- Brain drain in that the elites migrate to other countries because of low wages in developing nations.

- Low skilled labor is equitable to low levels of education and low wages. On the other hand, technological advancements favored the highly skilled labor force that received high wages for their knowledge and education. This creates an income disparity in a given nation.

- Global markets tend to promote unequal trade in that global trade is set up to favor the countries with market power. This means that rich countries tend to discriminate against poor countries when it comes to trade. In

addition, rich countries may exploit poor countries by imposing high tariffs and quotas.

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