

Essay on skills, education, and the rise of earnings inequality among the other 9...

[Literature](#), [Russian Literature](#)



Assignment #: Skills, education, and the rise of earnings inequality among the “other 99 percent”

In my opinion, neither of the two propositions is fully consistent with David H. Autor's explanation of the phenomenon. Autor suggests that income inequality in the U. S. has been rising mainly due to two factors: growing earnings premium for education and increasing wage premium associated with cognitive ability (skills). For many years, starting from the 1970's, the difference between earnings of less- and more-educated workers has been continuously growing. In 2005, those workers that had college education were earning almost twice more than those workers who only finished high-school. According David H. Autor's suggestion, supply and demand for skills resulted in such a wide gap. There were several key forces that created a permanently growing demand for better skilled and educated workers, and consecutively caused a sharp reduction in need for workers who were less educated and skilled: computerization and automation of work processes, major decrease of labor unions' power and significance, and intensifying markets' globalization.

As far as I'm concerned, although both propositions are not entirely consistent with Autor's explanation, the second one has a higher degree of consistency. Proposition #1 has a very low degree of consistency with David H. Autor's research, chiefly because ideas of this proposition are not really covered in the article. Autor does mention that existence of inequality on a certain level is necessary to serve a motivational purpose for the society, so that people actually get rewarded for their efforts to gain better education or demonstrate outstanding work performance. This is the only statement in

the article that is close to the first proposition's interpretation of the problem, but it is still considerably different. Proposition #2 has a medium degree of consistency with David H. Autor's explanation. According to Autor, the key reason for growing income inequality is the increasing wage premium on education and skills. Consequently, he does not recognize policy as the main force that drives inequality. However, he does support the point that policy must assume the key role of a regulator in battling inequality.

Works Cited

Autor, David D. " Skills, education, and the rise of earnings inequality among the " other 99 percent"." Science 23 May. 2014: 843-851.