Rich Get Richer, Poor Get Poorer: Rich Vs Poor

We are all in a boat, one sinking rapidly, one sinking slowly and one rising steadily. Robert Reich convincingly uses this metaphor to demonstrate the economic gap in “Why the Rich Are Getting Richer, and the Poor, Poorer”. He discusses this gap between the upper half and lower half of society and how it grows daily. He makes one wonder if the world will continue on the path of complete economic separation between the rich and the poor. Reich is an excellent communicator who has notably given the reason for the steady gap of different economic classes. This article clearly articulates his reasoning and includes details, facts, are careful references to support his position about the ever-growing economic gap in our society. Reich talks about the issues surrounding the rich becoming more affluent and the poor staying in poverty and the reasons why the economy continues to worsen. Reich claims, “All Americans used to be in roughly the same economic boat. Most rose or fell together as the corporations in which they were employed, the industries comprising such corporations, and the national economy as a whole became more productive — or languished' (213). He explains now that this is not the case. He says this is due to the expansion of the global market.

Now, instead of having the pyramid style economy, it has become a global web. America outsources the labor of their products to countries where the labor is a lot cheaper than in the United States. More productive and cheaper equipment is now easily accessible. This leaves companies searching for cheaper labor and higher production. This change is keeping jobs from the people who want and need them and instead giving them to machines or people in other countries who will work for less. In addition, Reich talks about how telephone tellers are being replaced at an alarming rate with the automated ones as the technology used for these tellers improves, “[becoming] capable of carrying on conversations that are reasonably intelligent and always polite” (219). This shows corporations are always looking to outsource labor to get more profit and constantly damaging America's economy. Reich argues that what people do in the world decides the positions they will enter into. He uses three examples to explain the situation. His examples are routine producers, in person servers and symbolic analysis. He describes routine producers as those who work in the manufacturing industries and these people are poor because they are not members of any unions. They are paid very low wages and they are constantly replaced by technology machines. Globalization has had a huge impact on routine producers.

An important reason for the decline of routine producers is the rise in the number of workers all over the world that are willing to work for less than the ones in America. Reich says that “By 1990, keypunch operators in the US were earning, at most, $6.50 per hour. But keypunch operators throughout the rest of the world were willing to work for a fraction of this.” (215). This is another example of jobs that normally are done by middle and lower class citizens are being off-shored and automated. He concludes that the economy of the country does not depend solely on its citizens but on the whole world. The in-person servers boat is also sinking because their position is threatened by the routine producers. Routine producers who cannot buy employment are increasingly becoming in-person servers and this poses a threat to the availability of employment opportunities for in-person servers. He says that “standardized productions are thinning, because there are few barriers to entry” (219). This is another case of why organizations can move anywhere, looking for lower compensation. Reich shows through his model, that the expense of moving standard items is diminishing, settling on it an increasingly rewarding monetary choice to move work to another nation. This dissipation of employments in the US causes the developing gap between the upper and lower levels of society. He argues that routine producers will soon be based out of the employment industry.

“The Bureau of Labor Statistics estimates that of the 2.8 million manufacturing workers who lost their jobs during the early 1980s, fully one-third were rehired in service jobs paying at least 20 percent less” (213). This is given by the fact that more companies are embracing technology in production and, therefore; buying machinery instead of using labor. In addition, his companies are establishing themselves in developing countries where they will pay workers less than the minimum wage. This is steadily used by the rich to maintain and increase their wealth within and without America. Given these two factors, routine workers in America maintain unemployment and stay poor and as a result, the gap between the rich and the poor will continue to widen. Richard Reich uses details, facts, and careful evidence in “Why the Rich Are Getting Richer, and the Poor, Poorer” to illustrate the economic gap that continues to grow daily. He effectively gets his message across to show that society is only damaging itself by outsourcing labor to countries willing to work for lower wages. This continually creates a bigger separation between the different classes in America. Reich strongly shows through his examples that if the economy stays the way it is now, the poor will continue to live in poverty and the rich will continue getting richer.