

Power & Equality Think Piece 1 Essay

Introduction

This Thinkpiece examines the theories of industrialisation, globalisation and inequality as put forward by Branko Milanovic in *Global Inequality: A New Approach for the Age of Globalisation*¹ and Simon Kuznets.²

I will argue that industrialisation should generally be viewed as a positive process for reducing inequality in a society over time, which in turn leads to better working conditions and living standards, even if it creates short-term increases in inequality during its early stages. The thinkpiece will explore different interpretations of industrialisation and whether its long-term benefits outweigh the inequalities and social tensions created during the development process. The think piece will also discuss perspectives on industrialisation and inequality from realism and structuralism, while I will offer my understanding and interpretation of both theories as I see them.

Branko Milanovic's Theory

I believe Milanovic argues that industrialisation within a society can worsen inequality across the population as a whole, as some groups benefit more quickly than others throughout the industrialisation process. These groups may experience greater wealth and opportunity, while others may struggle with lower wages and poorer living conditions until the economy has had time to develop further. He appears to present a more negative interpretation of the role of industrialisation and the effects surrounding its development. Milanovic also appears to support lowering migration barriers to reduce inequality in societies. However, in my opinion, this may also create social tensions and greater competition for employment and public services within the affected societies, particularly during periods of economic recession. This is another reason why I believe Milanovic presents a more negative and troublesome interpretation of industrialisation and globalisation in a society.

Simon Kuznets

I align more closely with the Simon Kuznets theory as outlined in his article '*Economic Growth and Income Inequality*'.³

Kuznets asks whether inequality increases or decreases 'in the course of a country's economic growth'.⁴

This shows that Kuznets' theory is directly concerned with the relationship between development and inequality. He argues that industrialisation may increase inequality in the early stages of economic growth, before reducing it as development becomes

¹ Branko Milanović, *Global Inequality : A New Approach for the Age of Globalization* (The Belknap Press of Harvard University Press, 2016).

² Ruth Beloff and Rachel Floersheim, 'Kuznets, Simon', preprint, 2007, XII, pp. 400–01.

³ Simon Kuznets, 'Economic Growth and Income Inequality', *The American Economic Review*, 45.1 (1955), pp. 1–28 <<http://www.jstor.org/stable/1811581>>.

⁴ Kuznets, 'Economic Growth and Income Inequality', p.1.

more established. Kuznets describes this process as inequality 'widening in the early phases of economic growth before narrowing in the later phases.'⁵

In my view, this presents industrialisation as a positive development capable of driving long-term economic and social change. Kuznets' argument suggests that industrialisation can increase inequality in the early stages, as some groups, industries, and areas benefit before others. However, this does not mean inequality will remain high forever. Over time, as industrialisation develops further, the benefits may spread more widely across society, and inequality may begin to fall.

Realism

The realist theory, as I understand it, emphasises the importance of a strong state, security, and national interest. Based on the lectures and readings, the case for a society embracing industrialisation to strengthen the state economically, politically, and militarily is very persuasive.

Although industrialisation may increase inequality in the short term, as Kuznets⁶ suggests, such inequalities can decline over time as industrialisation matures.

From a realist viewpoint, this matters because a strong and stable state can create the conditions for higher wages, stronger organisations, improved working conditions, and greater bargaining power for workers through trade unions.

In my understanding, this links to the lecture⁷, which in turn connects to Milanovic's discussion, in which globalisation is shown to encourage workers to make demands on the state, such as Chinese workers seeking trade union rights and American workers seeking protective duties.

Milanovic identified these as possible tools for reducing inequalities within society. It could also be argued that inequality should be gauged not only at the beginning of the industrialisation process but also over the longer term, when the benefits of the process may become more visible and felt more widely across society.

Structuralism

In my view, structuralism is influenced by Marxist ideas because it focuses on capitalism, class, exploitation, and inequality. It also aligns with liberal ideas about wealth redistribution, welfare, and education as possible ways to reduce inequality within society.

I do not dispute that inequality exists, and I do think structuralism is useful for explaining why some groups in society have more wealth, power and opportunity than others. But in my opinion, the solutions associated with structuralism still require a strong state to back them. Ideas discussed by Milanovic and in the lectures, such as welfare, wealth redistribution, better education, workers' rights, and trade union protection and migration, cannot take hold unless the state is stable enough to support them. Without the security, industrialisation, and wealth creation that the

⁵ Kuznets, 'Economic Growth and Income Inequality'.p.18.

⁶Ibid.p.18.

⁷ *Power and Inequality Lecture 1*, 'Income Inequality and Globalisation', lecture slide, [accessed 31 May 2026].

state brings to society, there would be fewer funds for redistribution and fewer opportunities for workers to improve their position. I understand that while structuralism helps explain inequality and the ways to reduce it, I think realism better explains the conditions needed to reduce it.

As Francis Fukuyama argues, 'before a polity could be democratic, it had to provide basic order.'⁸

Conclusion

I believe that although industrialisation may increase inequality and social tensions in its early stages, its long-term benefits, on balance, outweigh its short-term drawbacks.

From a realist perspective, economic growth and industrial development remain necessary to improve living standards and reduce poverty over time, even if inequality rises in the short term. This is why I lean towards realism. Structuralism is useful because it highlights inequality and shows how capitalism and globalisation may produce unequal outcomes. But I do not think these problems can be properly addressed without a strong and stable state. In my view, industrialisation creates the wealth, foundations and working conditions needed for society to improve over time. Without this foundation, ideas such as welfare, education, redistribution and trade union protection would be much harder to put into practice. In conclusion, while I recognise the importance of structuralist concerns, I find realism more convincing because it explains the conditions required to reduce inequality in practice.

⁸ Francis Fukuyama, *Political Order and Political Decay: From the Industrial Revolution to the Globalisation of Democracy* (Profile Books, 2014).

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Use of Study Support Tools

As a reasonable adjustment for my disability, Grammarly was used only to check grammar and punctuation.

As a reasonable adjustment for my disability, Scholarcy was only used to summarise documents and reference materials.



Dean Scott

