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**Stiglitz argues that market deforming inequalities are greater in the US than in all other western developed economies. What does he blame this on?**

Stiglitz's writing revolves around the current state and cause of inequalities in the U.S., by both market deformations and government negligence or collusion. He begins with wage cuts, caused by a decrease in industrial jobs and increases in technology, putting downward pressure on wages—the high transaction costs guarantees those unemployed stay that way.

Financial liberalization while disregarding worker rights by corporate lobbyists led to firms securing higher rents, without investment in labor efficiency. Globalization exacerbates this discrepancy between capital and labor, where there is a “race to the bottom” for deregulation, and leads to easily spreading financial crises, the burden of which—as the rules are written—falls on workers. Such changes are in essence aiding the movement of capital but not labor, at the cost of the worker. Arguments for higher GDP and trickle-down effects of globalization have not materialized.

The U.S. has also performed egregious tax cuts for the wealthiest (both income and capital tax) and encouraged inheritance, thus exacerbating inequalities. Loopholes and reductions in liabilities have also led to outsized rents by corporations and their shareholders, while capital gains are taxed little. The poor's opportunities for mobility, such as general education or home ownership, have declined.

In addition to the above major economic and political factors, societal issues such as discrimination, change in corporate governance techniques to benefit management and shareholders rather than workers, and the decline of union power also contributes to a more unequal U.S. society.

*(242 words)*