

PREFACE

Rising inequality has become a key issue for researchers, policy makers, and the public, but the influence of technology on inequality is still open for debate. What role does digital technology play in inequality? Is technology one of the best hopes for creating widespread opportunity? Or is the digital world being used to reinforce existing concentrations of wealth and power?

In this book, we examine the relationship between technology and inequality, seeking new ways to analyze this relationship, with an emphasis on the business practices surrounding technology. This book explores how technology creates wealth, and how this wealth is captured and shared in economies that are increasingly digitally mediated.

We also investigate how the business practices of technology companies relate to larger transformations in wealth and power. Over the past 40 years, as economic inequality has risen in the developed world, wealth has shifted from real to financial assets, and from the energy and commodities sectors to the virtual economy of information technology and finance. The largest digital technology companies have played a direct role in this wealth shift, creating trillions of dollars of equity and profit. The largest technology companies have become extremely capable value creators and value capturers, through their historically unprecedented abilities to experiment, collect exclusive data, and scale.

We examine three detailed case studies—the search industry, the social media industry, and the more recent ‘sharing’ economy movement—for

evidence of the relationship between technology and inequality over the past few decades. The ability to test and improve new business models is an important part of the technology and inequality story, especially if the wealth created through technology remains highly concentrated.

In the end, we hope to find new ideas for restoring technology to its rightful place as an ‘engine of opportunity,’ as a source of widespread empowerment and social mobility rather than a means for further concentrating wealth and power.

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Concentrated Wealth in a Digital World

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