

CONNECTING ALL THE DOTS - ROBERT REICH MAKES THE CONNECTIONS BETWEEN ECONOMIC INEQUALITY AND BIG MONEY POLITICS

Robert Reich is one of those rare people who can connect all the dots. As a professor of economics, the author of numerous books on the economy, and a former Secretary of Labor in the Clinton Administration, he ranks as an astute scholar of current economic trends. He is also the Chairman of Common Cause, A citizen reform organization, because he is fully aware of the connections between politics, government policy, and U.S. financial institutions and corporations.

"We can't sustain our current course either economically or politically." Reich made this pronouncement on a recent visit to Cincinnati to promote his new book, "Saving Capitalism for the Many Not the Few." Speaking at an event at Joseph Beth Booksellers, he outlined what he considers to be some very troubling economic trends in this country. He then related these economic developments directly to government decisions and public policies.

In both his new book and his talk at Joseph Beth, Reich asserts that capitalism and representative democracy are not currently working very well in the U.S. Healthy competition in the market place, a hallmark of a capitalist

system, he noted, has been greatly diminished by large corporate consolidations. He cited Cable-services, the airlines, and the pharmaceutical companies as examples of shrinking competition. These growing monopolies, he said, are a result of the government deregulation that has taken place since the 1980s.

One of the causes of the financial collapse of 2008, acknowledges Reich, can be linked to the deregulation of banking institutions. Regulations to protect normal banking from financial speculation had been on the books since the Progressive Era of the early 1900s, but Wall Street lobbyists in the 1990s were able to convince Congress to emasculate this law. The former Labor Secretary further revealed that the percentage of funds controlled by the giant banks has actually increased from 25-percent in 2007 to 44-percent today.

To Reich, the most harmful trend is the growing economic inequality that has emerged. "We are still the richest country in the world," he declared, "but the riches are now very unevenly distributed." From the 1950s through the 1970s, a balance existed in terms of levels of income, but from the 1980s to the present this balance shifted to the point where economic inequality is at an all time high.

In tracing this trend to politics and government, Reich talks about the growing influence of "big money" on campaigns. He also pointed to the decline of organized labor as a protector of average workers. Furthermore, this era of

deregulation also brought major cuts in employee training programs and the safety net in general.

Reich emphasized that a huge part of our workforce lives from pay check to pay check in what he called an "insecure" work environment. Minimum wage laws have failed miserably to keep pace with the cost of living.

A large number of the working-poor work full time, but their wages still put them below the poverty line. Reich asked whether it was morally acceptable that full time employment can still keep a person in poverty?

The only way out of our economic and political decline, according to Reich, is a people's movement that uses the democratic process to begin to reform both our economic and government imbalances. To reach this stage average people will have to start talking to each other about the serious public issues that confront us. Americans must overcome the polarization that keeps us separated in our little groupings that don't allow us to see the common good.

Although Reich paints a bleak picture, he also expressed optimism to his audience at Joseph Beth Booksellers. His talks with young people at colleges across the country give him confidence that the new generation of voters and citizen activists will be up to the task of responding to the trends that have temporarily caused our economy and democracy to veer off course.