

Opinion: Time to rectify imbalance of wealth, political power

By Robert Reich

The biggest question in America these days is how to revive the economy.

The biggest question among activists now occupying Wall Street and dozens of American cities is how to strike back against the nation's almost unprecedented concentration of income, wealth and political power in the top 1 percent.

The two questions are related. With so much income and wealth concentrated at the top, the vast middle class no longer has the purchasing power to buy what the economy is capable of producing. (People could pretend otherwise as long as they could treat their homes as ATMs, but the borrowing ended when the housing bubble burst in 2008.)

The result is prolonged stagnation and high unemployment as far as the eye can see. The Labor Department recently reported 80,000 new jobs in October. But more than 100,000 are needed just to keep up with the growth of the nation's working-age population. And the wages of most people with jobs continue to drop.

Until we reverse the trend toward inequality, the economy can't be revived.

Yet the biggest question in our nation's capital right now has nothing to do with any of this. It's whether Congress' supercommittee – six Democrats and six Republicans charged with coming up with at least \$1.2 trillion in budget savings – will reach agreement in time for the Congressional Budget

Office to score its proposal, which then must be approved by Congress before Dec. 23 to avoid an automatic \$1.2 trillion in budget savings requiring major across-the-board cuts starting in 2013.

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