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Occupy Protests Bring Attention to Income Gap in US



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An Occupy LA protester at the encampment cleared during a raid by 1,400 officers

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STEVE EMBER: Welcome to THIS IS AMERICA in VOA Special English. I'm Steve Ember.

SHIRLEY GRIFFITH: And I'm Shirley Griffith. This week on our program, we look at the income gap in the United States and hear from some of the Occupy Wall Street protesters.

(MUSIC)

STEVE EMBER: The Occupy Wall Street protests began in the middle of September in New York. Since then they have spread around the country, to other cities, to college campuses, and to other countries.

Different groups have made different demands, but the protesters have a common message. They say they represent "the ninety-nine percent," meaning all but the wealthiest one percent of the population.

Some cities have ordered protesters to stop camping in public places, leading to clashes and arrests in some cases. Two overnight raids last Wednesday were generally peaceful.

OCCUPY LA PROTESTERS: "You represent the one percent!"

Police removed Occupy camps near the city administration buildings in Los Angeles and Philadelphia. Officers made about three hundred arrests on the West Coast and fifty on the East Coast.

In Los Angeles, officials said they supported the aims of the two-month Occupy LA protest and wanted to respect freedom of speech. But they expressed concerns about health and public safety.

Last month police in New York cleared Zuccotti Park, the birthplace of the movement.

Fifty-six percent of Americans in a USA TODAY/Gallup Poll in November said they neither supported nor opposed the movement or had no opinion. That was unchanged from the middle of October.

Still, the protests have increased attention and debate on the issue of income inequality.

SHIRLEY GRIFFITH: In October the Congressional Budget Office released a report on trends in the way income is spread throughout the population. Members of Congress requested the study as part of their debate over how to improve the economy and reduce the nation's debt.

The report shows how the income gap, the division between the rich and the poor, has widened. It covers the period from nineteen seventy-nine to two thousand seven. This is what it says about the top one percent of earners: During that period their average income -- after taxes and adjusted for inflation -- grew by two hundred seventy-five percent.

Compared to other Americans, their share of the nation's income more than doubled. In nineteen seventy-nine the top one percent received eight percent of all after-tax household income. By two thousand seven that share had grown to seventeen percent.

At the same time, there was a drop in the share received by the lowest twenty percent of earners. The lowest fifth of the population received about five percent of all after-tax household income in two thousand seven. That was down from seven percent in nineteen seventy-nine.

STEVE EMBER: Law professor Peter Edelman is director of the Center on Poverty, Inequality and Public Policy at Georgetown University in Washington. He also served in the administration of president Bill Clinton. Professor Edelman says the widening income gap is a result of several causes, both at the top and bottom of earnings.

PETER EDELMAN: "At the bottom, the basic problem is that we lost industrial jobs, high paying jobs, starting forty years ago and even before, and they were replaced by much lower paying jobs so that we have a flood of jobs in our country that don't pay enough to live on.

"At the top, which is where all of the growth in our country's income has gone, really almost everything has gone to the top one percent over the last forty years, there are a number of causes of that. One is corporate policy about how it pays top executives. Maybe more fundamentally is tax policy in our country, which especially since President Bush took office, has resulted in lower taxes for people at the top. Some of it is changes in the economy which have made it possible for a few people to make a huge amount of money and amass a huge amount of wealth."

But isn't part of the American Dream the idea, at least in theory, that anyone can get rich with enough hard work? Why does this income issue matter? Professor Edelman says one problem is that economic inequality breeds political inequality.

PETER EDELMAN: "The political power that comes for the people at the very top, when they have that much wealth along with corporations with which they are associated, that they can put into political campaigns, and then that results in their being overrepresented in Congress and the halls of government."

Professor Edelman says voters who are unhappy with this situation have the power to change it.

PETER EDELMAN: "The main thing that we need to do in our country is to have people who are the voters who elect our officials express themselves in their voting, so that we have elected officials who are responsive to the majority of the people and not to a small group at the top."

Scott Sumner is an economics professor at Bentley University in Massachusetts. He thinks income inequality is not the best way to look at economic inequality.

SCOTT SUMNER: "In my view the real problem is, to the extent that we should focus on economic inequality, it should be consumption, not income. So I've argued for a progressive consumption tax which would tax people at a higher level who have a very high level of consumption."

In other words, rich people who spend a lot of their money would pay higher taxes than those who invest it or give that money to charity.

Another Scott, Scott Winship, is a fellow at the Brookings Institution in Washington. He believes income inequality is only important to the extent that there is low economic mobility.

SCOTT WINSHIP: "I think that our levels of economic mobility leave a little bit to be desired and that that's probably a more important issue to focus on than inequality is. Unfortunately, when you look at economic mobility, we do look very immobile compared to other countries. In the sense that if you start at the bottom, if your parents were poor, you're much more likely in the U.S. than in other countries to also end up at the bottom yourself, and I think that really is a big problem."

Finding solutions, he says, requires experimenting in several different areas.

SCOTT WINSHIP: "I think we need to be very concerned about things like getting more people into college, and qualifying for college and then graduating once they get there. And we need to worry about other things that promote poverty, such as family instability and unstable job markets as well."

The unemployment rate has remained about nine percent for months, although it fell to 8.6 percent in November.

President Obama hopes to get re-elected next November. His public approval ratings have suffered, while those for Congress have fallen to historic lows. Mr. Obama has been asking Americans to be patient with his efforts to speed economic recovery.

BARACK OBAMA: "It is going to take time to rebuild an economy that restores security for the middle class, renews opportunity for folks trying to reach the middle class. It is going to take time to rebuild an economy that is not based on outsourcing or tax loopholes or risky financial deals, but one that is built to last."

(MUSIC)

SHIRLEY GRIFFITH: Protesters in the Occupy Wall Street movement say big business has too much political influence. They argue that greed and self-interest have gotten in the way of democracy. Twenty-nine-year-old Damien Nichols joined an Occupy Baltimore camp at a state park in Maryland. He studied politics and government in college, and says the Occupy movement wants to "reboot democracy."

DAMIEN NICHOLS: "If City Halls and Washington, DC, are the gatekeepers for our political representation and we don't believe that they are currently representing us, then what we've done here is we've all come out in our major cities, including Washington, DC, and started a conversation amongst ourselves to see what needs to be done about it."

His friend, Samantha Cuff, says she believes some people are trying to "get back in touch with their humanity."

SAMANTHA CUFF: "And I think that is kind of what this is about for some people, is that, you know, yeah, 'the one percent, they're subjugating us,' and all that. But how many of us would gladly accept a million dollars to do a dirty deed, you know? And it's about fighting that 'one percentism' within ourselves and not just outside of ourselves."

STEVE EMBER: Jerry Manpearl and his wife Jan Goodman are both lawyers who joined the protesters in Los Angeles.

JERRY MANPEARL: "[If] you destroy the middle class, you destroy the working class, you destroy this country."

Jan Goodman said the rich are not spending enough to help the economy.

JAN GOODMAN: "There's not enough boats and yachts and houses to buy. They save it."

Some religious leaders in Los Angeles complained that banks are not lending enough. Shakeel Syed of the Islamic Shura Council of Southern California said the widening gap between rich and poor is easy to see.

SHAKEEL SYED: "When we visit certain neighborhoods in the city of Los Angeles, you will see every second house being foreclosed, and the homes that are not foreclosed, the families are unable to meet the very basic needs. And then you cross town and you see Ferraris and Corvettes and Lamborghinis parked in the driveways."

SHIRLEY GRIFFITH: The Occupy protests began near Wall Street in New York's Financial District. Many workers in the financial industry say the activists make some good points. But they say the movement is wrong to blame capitalism for the country's political and economic problems.

Bob Costello is an information technology consultant with the Federal Reserve Bank. He says the activists should be calling on Congress to limit the influence of companies in Washington.

BOB COSTELLO: "They want to express the anger, but there's no way to satisfy that anger. Personally, I think they ought to be in Washington in front of Congress going 'Maybe we should get our congressman to get the companies of their pockets.' Because that's what this is about, right?"

Another question involves the future of the Occupy movement itself, especially now that winter is coming.

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STEVE EMBER: Our program was written and produced by Brianna Blake. We also had reporting by David Byrd, Peter Fedynsky, Kent Klein and Mike O'Sullivan. I'm Steve Ember.

SHIRLEY GRIFFITH: And I'm Shirley Griffith. You can find more stories about the Occupy movement, along with transcripts and MP3s of our programs, at voaspecialenglish.com. Join us again next week for THIS IS AMERICA in VOA Special English.