

A Moment to Transform the Economy

By Chuck Collins

It is time for a mobilized citizenry to press Congress and the new Obama Administration to implement the unfinished business of a Main Street economic recovery plan. We have an unusual opportunity to transform the economy to ensure it works for everyone, not just the wealthy—and to be ecologically sustainable. But what we get will be a function of how well we are organized to take advantage of the moment.

For eight years, the Bush administration and the Federal Reserve ignored the housing bubble. They looked the other way as a huge, unregulated financial sector of hedge funds and derivative gamblers mushroomed. The growth of this speculative casino sector did nothing to boost the real Main Street economy.

In the real economy, real wages were stagnant but expenses like health care, gas and food soared. With no mega-profits to harvest from the real economy, Wall Street gambled for risky high returns, first in high-tech, then real estate, and now in commodities such as food and oil. In each case, Main Street paid for the greed.

A movement for a Main Street recovery is forming. It is led by grassroots organizations pressing for a moratorium on foreclosures and immediate aid to those most wounded by the economic downturn.

A Main Street recovery package could inject billions of dollars into long-delayed upgrades to our energy infrastructure, including mass transit and green technologies. This would stimulate good jobs anchored in local economies and reduce our dependency on foreign oil.

The federal government should also send aid to cash-strapped states and localities to address the fiscal squeeze caused by the credit crisis and declining tax revenues. Such a stimulus for the real economy would have immediate positive effects.

A fair plan to pay for the recovery must not soak Main Street for Wall Street's excesses. The bailouts and affiliated payments have raised the national debt ceiling to a whopping \$11.3 trillion dollars, up from \$5 trillion at the beginning of the Bush years. Instead of additional borrowing, Congress should develop a "pay as we go" plan. The lion's share of funds should come from the Wall Street gamblers and the wealthy CEOs who profited from the casino economy. These could include a modest securities tax, the closing of corporate tax loopholes, and targeted income taxes on households with incomes over \$2 million.

In the end, we'll all be stuck paying for Wall Street's speculation binge. But a bailout that fails to require the Wall Street superrich to pay more would be yet another assault after the robbery.

This is a "movement moment." We can't wait for members of Congress or President Obama to do what needs to be done. We can't even wait for President Obama to call forth our untapped leadership abilities!

We and our neighbors are in economic distress. We are losing homes and savings. We have lost jobs or seen cutbacks. There is a tremendous amount of fear and anxiety—which could go toward individual solutions rather than rancor and scapegoating.

We need to talk with our neighbors and local media about the real causes of the economic collapse. We need to come together and organize around common security solutions. These include fighting cutbacks to local lifeline services and important institutions like libraries in order to maintain our community commonwealth and ability to help one another.

We can't let elites decide the future of the US and global economy. A progressive agenda includes massive investments in a "Green New Deal" and a closing down of the speculative casino economy that has put us at risk. The future is in our hands.

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