

Commentary

Weiner and Treichel: Leaders should listen to Bernie Sander's points on inflation

• By Robert Weiner and Parker Treichel

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Sen. Bernie Sanders, I-Vt., in a conference room on Capitol Hill, in Washington on Jan. 18.
Kenny Holston — *The New York Times*

One potential cause of ongoing inflation is the increasing concentration of wealth and power in the hands of a small number of large corporations. Perhaps the biggest supporter of this claim is Vermont Sen. Bernie Sanders, who says that 50 percent of inflation has to do with corporate greed. We just learned that last year the nation's oil companies had their biggest profits ever – during the pandemic.

While Bernie Sanders has been marked as a crazy communist by Republicans and some Democrats, his argument is that corporate greed, not stimulus checks, caused the high rate of inflation. As Republicans took control of the House, there have been talks about cutting Social Security. In response to that, Sanders said, “At a time when half of older Americans have no retirement savings and 55 percent of seniors are trying to survive on less than \$25,000 a year, our job is not to cut Social Security or raise taxes on workers. Our job is to expand it, so all seniors can live with the dignity they deserve.”

The stranglehold a few corporations have on the economy is the larger issue. Sanders is calling them out and has the facts to prove it.

One of the critical arguments Sanders makes is that the unchecked power of big business is a significant contributor to inflation. Sanders points to several studies and reports that support this claim. For example, a 2017 report from the Economic Policy Institute found that corporate profits as a share of national income were at their highest level in nearly a century. In contrast, workers' wages as a share of national income were at their lowest level in almost 65 years.

While Sanders has praised the Inflation Reduction Act of 2022, he also called it out for not addressing that corporate leadership makes 350 times as much as their workers. This suggests that corporations are getting richer as their workers get poorer.

Sanders also argues that the revolving door between big business and government, where executives and lobbyists move in and out of federal positions, has led to national policies that favor big corporations over workers and consumers. He has specifically called out the Federal Trade Commission for these issues. Sanders cited this as one of the reasons why income inequality has increased and wages have stagnated.

He has also called out those who portray inflation as an American-only issue, pointing out that countries like Germany at 10.9 percent, Italy at 9.4 percent, Ireland at 8.6 percent and Spain at 9 percent have higher inflation than the U.S. at 8.2 percent. Also on Twitter he called out gas company Chevron saying, “Chevron made a record \$35.5 billion in profits and will spend \$75 billion to manipulate its stock price in order to make the rich even richer.”

There is a growing body of evidence suggesting that big business is a significant contributor to inflation. Former U.S. Secretary of Labor Robert Reich agrees with Sanders, and wrote in a recent op-ed, “Wage increases have not even kept up with inflation. Most workers’ paychecks are shrinking in terms of real purchasing power. Rather than causing inflation, wages are actually reducing inflationary pressures.” As Sanders argues, the concentration of wealth and power in a small number of large corporations leads to higher prices for consumers and lower wages for workers. It is time for policymakers to listen to Sanders, correctly address the causes of inflation and ensure that the economy works for all Americans, not just the wealthy and powerful.

On Twitter, Sanders said, “While the richest 1 percent have never had it so good, what is the reality for the working class? Sixty percent of our people are living paycheck to paycheck. Fifty-seven percent of our people cannot afford a \$1,000 emergency. Forty-one percent of our people are rent-burdened.”

What Bernie Sanders wants the government to do is to protect the people, not the corporations, and make the American Dream a reality for more people.

Robert Weiner was a spokesman for the Clinton and Bush White Houses, the House Government Operations Committee under Chairman Rep. John Conyers, and senior staff for U.S. Army Gen. Barry McCaffrey, Rep. Claude Pepper, Rep. Ed Koch and Sen. Ted Kennedy. Parker Treichel is a policy analyst at Robert Weiner Associates and Solutions for Change.