

Debate

The Occupy Wall Street Movement

ISSUE: Is the Occupy Wall Street movement an effective way to incite corporate reform?

It is believed that widespread corporate misconduct contributed to the worst recession since the Great Depression. Massive risk-taking in complex financial instruments created a high-risk house of cards that collapsed when the housing bubble burst. Many companies have been implicated for their contribution to the crisis, such as Countrywide Financial for providing liar loans to borrowers who could not afford to pay them back. Government bailouts, although deemed necessary by many stakeholders to keep the economy afloat, were heavily criticized by those who believed companies were being rewarded for misconduct. These criticisms took on renewed force after companies that received government bailouts paid their executives lofty bonuses even as many employees were laid off.

These are just a few of the issues that inspired the Occupy Wall Street movement, a series of nationwide protests demanding corporate change. The movement began in September after a small group pitched a tent in front of the New York Stock Exchange. The protests gained in momentum, spreading into areas such as New York, Los Angeles, Albuquerque, Salt Lake City, and Anchorage, Alaska. The protests blame Corporate America for taking over the country and creating economic difficulties.

Unlike many protests, the Occupy Wall Street movement refuses to list specific demands. Protesters drafted a manifesto containing a set of 13 broad accusations against Wall Street, such as blaming big corporations of accepting bailouts and then giving their executives “exorbitant bonuses.” The Occupy Wall Street movement has become so large that President Obama was forced to acknowledge the frustration of Americans over the current economic situation. As long as the protests remain peaceful, police officers are ordered not to bother them.

While some consumers write off the protestors as people who do not understand how the political and economic systems work, the Occupy Wall Street movement portrays itself as consisting of mainstream Americans. One common placard touts “99%” to emphasize the fact that most of the protestors are middle class. The remaining 1% are the wealthy, who many protestors accuse of taking advantage of regulatory loopholes to avoid paying their fair share. It is interesting to note that the top 1% paid 40% of federal income taxes in 2010, with 47% of the population paying no federal income taxes.

The Occupy Wall Street movement has spread to other countries as well. Thousands marched in cities across Europe to protest corporate greed and power. Rather than the Occupy Wall Street movement, Europeans protestors have rallied as the “Indignant” movement. However, while the protests in America have been relatively peaceful thus far, they have taken on a darker tone in countries like Italy. Italian protestors turned to violent rioting, smashing shop windows, destroying ATMs, and torching vehicles. Police used tear gas and water cannons to stop the rioters. Although there were many peaceful protestors as well, the violent activities could potentially undermine the movement’s cause.

Protests were also staged in several other European cities, including Helsinki, Finland; Zurich, Switzerland; Vienna, Austria; Brussels, Belgium; and cities in Germany, Portugal, the United Kingdom, and Spain. The movement is operating under similar banners as the Occupy Wall Street movement, with slogans such as “We are the 99%.” One notable difference between the Occupy Wall Street and the Indignant movements is the interconnectedness of the European Union. This interconnectivity between countries has made it easier for a few nations’ economic difficulties to affect the entire trading bloc, plunging the EU into a crisis. To keep the system afloat, massive bailouts were needed for entire countries. Many of the protestors from countries that had to help bail out others are furious about what they see as the fiscal irresponsibility of member nations. They are demanding that the bailouts stop.

Protests are also being staged in Toronto, Canada and New Zealand. One place the protests have had trouble taking root is in China due to the control of the centralized government. However, the government is watching the protests carefully, and citizens have mixed reactions to the protests. Some Chinese pensioners came together to express their support for the protestors in the United States. Others have used the protests as fodder to criticize the democratic economic system in the United States. The Chinese government has admitted that the issues brought up in these protests warrants “reflection,” but any subsequent actions should ultimately work toward a more stable global economy.

The protestors have received massive support as well as criticism. Many agree that a number of the protestors’ claims seem valid. The risky behavior of certain Wall Street corporations have contributed to some of the economic problems the global economy is currently facing. Supporters of the protests argue that even though their claims against Wall Street are broad, policy makers should take these claims seriously and begin formulating policies to improve the rights of workers, students, and global communities. U.S. protestors also claim that the movement is not politically-oriented; instead, both political parties are criticized. They feel that a protest is necessary to gain the attention of the government as economic change and regulations have been slow to curb corporate power.

Most people believe the protestors have the right of free speech and should be allowed to present their viewpoints. On the other hand, most economists, political leaders, and business leaders would say that indicting all corporations as unethical and greedy goes too far. The economy is very complex, and excesses and misconduct in a few companies is only one variable that caused the most recent recession and unemployment. Many of the Occupy Wall Street manifesto proposals such as pay off student loans do not seem possible given the debt of the U.S. government.

While the majority of Americans agree that the corporate system should be reformed, opponents are criticizing the protestors for their failure to come up with detailed demands or solutions. Some of the accusations in the manifesto seem to be extreme without specific examples, such as the accusations alleging that corporations have used using military force to prevent freedom of the press. Another criticism is that the protestors do not accurately understand what they are protesting. Although economic equality sounds good in theory, some critics feel that the manifesto’s principles denounce the U.S. capitalistic system and advocate a more socialistic approach. Finally, critics claim that some of the protestors, such as those who lost their homes, might be blaming corporations for their problems without taking individual responsibility for their own irresponsible actions.

There are two sides to every issue:

1. The Occupy Wall Street Movement is a just cause which can be applied globally to hold corporations accountable for contributing to widespread economic difficulties.
 2. The Occupy Wall Street Movement depicts all corporations, wealthy individuals, and even political and economic systems as greedy without adequately considering the facts.
-

Sources:

Jake Tapper, "General Electric Paid No Federal Taxes in 2010," ABC News, <http://abcnews.go.com/Politics/general-electric-paid-federal-taxes-2010/story?id=13224558> (accessed October 12, 2011).

"Declaration of the Occupation of New York City," NYC General Assembly, September 30, 2011, <http://nycga.cc/2011/09/30/declaration-of-the-occupation-of-new-york-city/> (accessed October 12, 2011).

Paul Krugman, "Confronting the Malefactors," *The New York Times*, October 6, 2011, http://www.nytimes.com/2011/10/07/opinion/krugman-confronting-the-malefactors.html?_r=1&src=me&ref=general (accessed October 12, 2011); Associated Press, "Obama acknowledges Wall Street protests as a sign," *The Wall Street Journal*, October 6, 2011, <http://online.wsj.com/article/AP5b7ba276c84841078b7b5417f869e6a6.html?KEYWORDS=occupy> (accessed October 12, 2011).

Andrew Grossman and Jessica Firger, "Protests Swell in Number," *The Wall Street Journal*, October 6, 2011, <http://online.wsj.com/article/SB10001424052970203476804576613500811269740.html?KEYWORDS=occupy> (accessed October 12, 2011).

"Occupy Wall Street: China says protests time for 'reflection'," *The Telegraph*, October 17, 2011, <http://www.telegraph.co.uk/news/worldnews/asia/china/8831107/Occupy-Wall-Street-China-says-protests-time-for-reflection.html> (accessed October 17, 2011).

Brian Spegele, "China Takes Note As Wall Street Gets Occupied," *The Wall Street Journal*, October 7, 2011, <http://blogs.wsj.com/chinarealtime/2011/10/07/china-takes-note-as-wall-street-gets-occupied/?KEYWORDS=occupy> (accessed October 17, 2011).

"'Occupy' protests go global, turn violent," *CBS News*, October 15, 2011, <http://www.cbsnews.com/stories/2011/10/15/501364/main20120893.shtml> (accessed October 17, 2011).