The Daily Dish

Biden's Boring Blueprint

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Eakinomics: Biden's Boring Blueprint

The presidential campaign kicked off in earnest this weekend, with bookend speeches on July 4 by President Trump and yesterday by Joe Biden. At the end of the president's speech I did not know what he wanted to accomplish in his second term. At the end of the Biden speech, he had convinced me that BBB did not stand for "Build Back Better"; it stands for Biden's Boring Blueprint. It is essentially a warmed-over version of the Obama Administration's economic policies – government-centric, big-spending, regulatory, and top-down – accompanied by some more recent progressive rhetoric, especially attacks on big business, the wealthy, and Wall Street.

Here are the top-line principles from the campaign fact sheet:

1. BUY AMERICAN. Make "Buy American" Real and Make a $400 billion Procurement Investment that together with the Biden clean energy and infrastructure plan will power new demand for American products, materials, and services and ensure that they are shipped on U.S.-flagged cargo carriers.

2. MAKE IT IN AMERICA. Retool and Revitalize American Manufacturers, with a particular focus on smaller manufacturers and those owned by women and people of color, through specific incentives, additional resources, and new financing tools.

3. INNOVATE IN AMERICA. Make a New $300 Billion Investment in Research and Development (R&D) and Breakthrough Technologies – from electric vehicle technology to lightweight materials to 5G and artificial intelligence – to unleash high-quality job creation in high-value manufacturing and technology.

4. INVEST IN ALL OF AMERICA. Ensure Investments Reach All of America so we draw on the full talents and invest in the potential of all our communities and workers. America is not at full strength when investments, venture capital, educational opportunities and paths to good jobs are limited by race, zip code, gender, gender identity, sexual orientation, disability, religion or national origin. Biden will ensure that the major public investments in his plan – procurement, R&D, infrastructure, training, and education – reach all Americans across all states and regions, including urban and rural communities, with historic investments in communities of color and an emphasis on small businesses.

Sound familiar? Ironically, “Buy American” is simply the current administration’s misguided policy put on taxpayer steroids. Taken as a whole, the $700 billion in “investments” are just re-branded government spending programs, relying on the federal government – not market incentives – to allocate dollars and with a heavy emphasis on manufacturing, a call for “fairness” in every dimension, and a spirit of nostalgia. The bold-faced line in the fact sheet is, in fact, just a left-wing version of Make America Great Again: “U.S. manufacturing was the Arsenal of Democracy in World War II, and must be part of the Arsenal of American Prosperity today, helping fuel an economic recovery for working families.”

Of course, accompanying these sure-fire sources of productivity growth and rising real wages are the promises of hammering the private sector with higher taxes and making sure that a labor market that has been flattened by the power of the pandemic has no flexibility to recover in the future. For example, “Biden will include in the economic recovery legislation he sends to Congress a series of policies to build worker power to raise wages and secure stronger benefits. This legislation will make it easier for workers to organize a union and bargain collectively with their employers by including the Protecting the Right to Organize (PRO) Act, card check, union and bargaining rights for public service workers, and a broad definition of ’employee’ and tough enforcement to end the misclassification of workers as independent contractors.”

All in all, it is not a terribly compelling kickoff to the stretch run. On one side, a call to do again that which failed America before, and on the other, nada.