

# The Biden Presidency: Business as Usual or a New Departure?

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*Joe Biden's inauguration as US president was unprecedented in modern times. The US capital resembled a war zone as 25,000 National Guardsmen plus thousands of police enforced severe restrictions over civilian movement on the streets. Roadblocks policed by soldiers and armoured cars were everywhere as the city was divided into red and green zones.*

*Such scenes are very familiar to Western viewers from cities such as war torn Baghdad. However, they are a shocking sight in the capital of the US Empire which is supposed to be a bastion of peace and stability, exemplifying American exceptionalism.*

*The corporate media in America is heralding the Biden presidency with a great deal of sycophantic fanfare. The 46<sup>th</sup> President of the United States will allegedly bring peace, stability and lay the ground for a return of prosperity; so that all can once again share in the American Dream.*

*Does this perspective for the Biden presidency have any prospect of being realised?*

## **Domestic problems will take precedence**

To assess the prospects for the Biden presidency we need to examine the domestic and geo-political challenges facing the new administration measured against [the programme of the 46<sup>th</sup> President](#) and the composition of his cabinet.

At the outset, it is fairly safe to say that the focus of the Biden presidency during its first year will be the compelling domestic issues that pose a threat to the stability of the American Empire in its heartland.

The influential journal [Foreign Policy](#) has commented that the US first has to deal with pressing problems at home before it can take 'on challengers like China'.

It has also observed that America's moral claims and exhortations against China and Russia will be undermined unless it deals with civil rights issues and abuses of human rights at home. The summer of 2020 witnessed mass civil rights protests against police brutality and institutional racism that involved millions of people on a scale not seen since the early 1960s.

In its recent analysis Foreign Policy noted that:

"The United States cannot point to foreign adversaries at the expense of

recognizing the systemic failures and problems at home. America's own house must be set in order first, through policies that centre upon promoting the resilience of its system and society."

On the foreign policy front Biden will want to rebuild multilateral alliances aimed at isolating Russia and China and maintaining the squeeze on 'pariah' nations such as Venezuela and Iran. These alliances were undermined to some degree by Trump's belligerent isolationist approach.

Having said this, it is unlikely that Biden will make any significant changes in US foreign policy until he has stabilized the domestic situation. Then again the global economic/health crisis has created a situation where volatility will be ever present in international relations and the US may get embroiled in conflicts not of its making.

### **The Domestic Situation**



After being sworn in as President Joe Biden faces an unenviable situation. American capitalism faces an unprecedented socio-economic, political and health crises which will require a huge amount of resources and considerable time to rectify.

It could be argued that the severity of the various crises afflicting American capitalism are such that Biden's administration will struggle to do little more than apply a large sticking plaster to temporarily patch up its many problems.

Close scrutiny of Biden's policies suggest that they will do little to address the many structural problems facing American capitalism.

These range from a highly fragmented for-profit health system that has presided over one of the highest Covid-19 death rates in the world to a decaying infrastructure that requires trillions of investment. Meanwhile, millions of workers jobs have disappeared as corporations offshore the work to factories in China which is linked to the massive trade deficits of the US that illustrate the continuing decline of American manufacturing.

Another problem for Biden is managing domestic expectations of his administration. His election has raised hopes amongst sections of the population that the simultaneous economic, political and health crises will be resolved over the next few years.

## Wealth Transfer

The Coronavirus pandemic of 2020 has exposed the complete bankruptcy of corporate politicians and the medical/ scientific/ industrial establishment who have presided over massive suffering, death and economic devastation.

Since the outbreak of the pandemic we have witnessed yet another massive wealth transfer to the billionaire oligarchs who preside over American capitalism.

Billions of public money have poured into the coffers of private companies to provide PPE gear and vaccine/drug development.

Meanwhile, massive money printing by the US Federal Reserve, (its balance sheet has doubled during 2020 from \$3.4 trillion to over \$7.3 trillion) has fuelled a speculative frenzy in financial markets where the S&P 500, Dow Jones and others have reached all time highs when the real economy is in dire straits.

This has led to a gigantic wealth transfer. This is illustrated by the massive growth in the wealth of America's 664 billionaires. Their collective wealth has grown by [over \\$1 trillion](#) during 2020.

## Debt Mountain

Biden's programme promises to massively swell the federal government's astronomical budget deficit. By the end of fiscal year 2021 it will amount to [\\$21.9 trillion](#) which is equivalent to 104.4% of GDP. After all the Empire's gigantic war machine has to be paid for. The Pentagon's \$750 billion dollar budget will not face any reduction quite the opposite.

The Congressional Budget Office projects that the federal government's budget deficit will balloon to an astounding [\\$33.5 trillion by 2030](#). Biden, oblivious to the US government's fiscal bankruptcy, has no proposals to deal with this issue.

Meanwhile, there is nothing in Biden's programme that will address the massive increase in wealth inequality which has been a persistent trend since the late 1970s. Workers, whose wages have been stagnating for the last 4 decades, have been forced to take on ever larger amounts of debt to maintain their living standards.

In Q2 of 2020 consumer debt stood at a higher level than at the peak of the 2008-9 financial crisis at [\\$14.27 trillion](#). This figure has undoubtedly increased as the severity of the economic crisis has intensified since then.

This eye watering debt pile which will never be paid back breaks down as follows:

- Auto loan debt stood at \$1.34 trillion – Q2 of 2020,
- Mortgage debt stood at \$9.78 trillion – Q2 of 2020
- Student loan debt stood at \$1.54 trillion – Q2 of 2020
- Credit card debt stood at \$820 billion – Q2 of 2020
- Unpaid rent in October 2020 stood at [\\$7.2 billion](#)

There is nothing in Biden's programme that even hints at a debt jubilee to deal with this crushing debt burden on the working/middle classes.

Meanwhile, successive administrations of both Democrat and Republican have presided over an ever harsher environment for unions in which to operate leading to lower wages and worse conditions of service for millions.

### **\$15 Minimum Wage**

Biden's promise of a \$15 minimum wage is welcome to millions of workers. It follows pressure from a nationwide campaign on this issue. Since Seattle became the first major city in 2015 to approve the \$15 minimum wage, thanks to a massive campaign led by unions and socialist councilwoman Kshama Sawant, seven other large states have approved this measure.

Biden is aware of how universally popular the \$15 minimum wage is with both Republican and Democrat voters. In the November election Trump won the state of Florida yet at the same time voters approved the \$15 minimum wage for the state.

The under paid and underemployed workers of America can take comfort from Biden's appointment of Marty Walsh as Labour Secretary. Walsh is notorious for covering up police corruption and the systematic harassment of black Bostonians during his term of office when mayor of Boston.

### **Eat the rich: wealth inequality**

Biden may well reverse some of the Trump tax cuts but will do nothing to prevent US corporations holding profits in offshore accounts. This money could of course be used to improve cash starved public services.

In 2015 an academic study estimated that US based multi-national corporations held over [\\$2.1 trillion](#) offshore to avoid taxes.

The FinCEN files revealed by the International Consortium of Investigative Journalists in 2020 illustrate how New York banks have facilitated hundreds of billions of dollars worth of money laundering over many years.

Much lauded new anti-money laundering legislation leaves open a [multitude of loopholes](#) for Wall Street to continue with this criminal activity. Never mind the fact that financial regulators have failed to carry out any criminal prosecutions against any Wall Street bank since 2008. Instead they get fines, which are part of the cost of doing business, and deferred prosecution agreements.

Wall Street and the rest of corporate America can sleep safe in their beds at night knowing that the Biden administration will do nothing to seriously address complex financial crime.

Nor will it take any measures that fundamentally address the ever widening social-economic equality that threatens the stability of the Empire in its heartland.

### **Biden's Backers**

Back in June 2020 Biden told a gathering of rich donors that the super rich were not to blame for wealth inequality. Ignoring the incredible damaging crime spree that Wall Street has engaged upon since the 2008 financial crisis. This is well documented in the work of former financial regulator and criminologist William Black, as well as corporate crime

journalist Matt Taibi.

[Biden](#) reassured his rich donors in comforting tones:

“I mean, we may not want to demonize anybody who has made money. The truth of the matter is, you all, you all know, you all know in your gut what has to be done. We can disagree in the margins but the truth of the matter is it’s all within our wheelhouse and nobody has to be punished. No one’s standard of living will change, nothing would fundamentally change. ...I hope if I win this nomination, I won’t let you down. I promise you. ... I need you very badly.”

His appointment of Janet Yellen as Treasury Secretary, a former Chair of the Federal Reserve, signals to the billionaire oligarchs that it is business as usual. Yellen is committed to maintaining the record low interest rates and monetary methadone (i.e. money printing/trillion dollar federal deficits) demanded by Wall Street.

Her record as Chair of the Federal Reserve shows that preserving the wealth of the 1% will be her top priority.

We shouldn’t forget that [Yellen in June 2017](#) famously said that there will never another economic crisis in her lifetime. Yet here we are in the midst of the worst economic crisis since the 1930s.

As Fed Chair Janet Yellen also dismissed claims that financial markets were overvalued and in bubble territory. In the autumn of 2018 a 20% collapse of overvalued financial markets led to the Fed retreating hastily from reducing its \$3.4 trillion balance sheet while it started cutting rates as demanded by Wall Street.

In the 2 years after leaving the Fed in 2018 Janet Yellen amassed [\\$7 million in speaking fees](#) from banks such as Goldman Sachs, Citigroup and Barclays, who committed criminal acts while she was at the Fed. Will this wild eyed radical take on the speculators of Wall Street or take action to reverse the massive and growing income inequality in America?

### **Action to address unemployment and hunger**

Biden says dealing with unemployment will be a top priority yet his proposed measures fall far short of the alphabet agencies that Roosevelt created to give work to millions in the 1930s. They don’t seem to appreciate the magnitude of the problem facing American capitalism.

In the week that Biden took office new unemployment claims totalled [900,000](#) far higher than any week during the peak of the 2008-9 financial crisis.

During 2020 over 38 million Americans claimed some kind of unemployment benefit. As of 19 December over [17 million Americans](#) were claiming either state or federal unemployment relief. That figure is expected to rise during the first quarter of 2021. Over [100,000 small businesses have permanently closed](#) while big corporations ranging from Amazon to Apple have made record profits.

Will he force US based multinational corporations to bring the millions of outsourced jobs back home? That seems unlikely. Let’s face it Apple and other companies are making too much money out of the workers paid low wages at their Chinese factories.

Meanwhile, over 50 million Americans are food insecure, including 17 million children. They are reliant on food banks and the government's food stamp programme.

The new stimulus bill expected to be passed soon by the Democrat controlled Congress includes a [\\$13 billion provision](#) for expanded food stamp benefits but is still seen by many as insufficient for dealing with a level of hunger not seen the Great Depression in the 1930s.

## **Healthcare under Biden**

This situation described above is compounded by the fact that during a global pandemic over [29% of Americans lost their health care cover](#) so far. This has created the situation where 50 million Americans don't have any health insurance. Between 50 to 100 million are under insured.

This situation is accentuating the devastating health crisis in the United States which has the highest number of deaths from Covid-19 in the world.

Biden's programme will not introduce Medicare-for-all as apparently that it is 'too expensive' in the richest country on the planet. Yet the Congressional Budget Office has estimated that Medicare For All could actually [save the US up to \\$650 billion](#) annually.

Nor will he eliminate the rapacious private health insurance industry. Instead, Biden is giving the private health insurance companies, who contributed handsomely to his election campaign, the opportunity to make even greater profits. The [Daily Poster](#) carried an article recently that notes that Biden's health care plan will not expand government sponsored health coverage:

"Instead, it adopts proposals from health insurance lobbying groups' recent letter to lawmakers demanding lucrative new subsidies for insurance companies, at a moment when those corporations have recorded record profits as millions lose coverage and many [face](#) claims denials.

Biden's [plan](#) would shovel billions of dollars to private health insurers by [providing subsidies](#) for Americans to buy coverage through the Affordable Care Act (ACA) marketplaces, which are far more expensive than government health care programs and have at times been plagued by [high rates of claim denials](#)."

Biden's healthcare plans won't give comprehensive protection to Americans in the middle of a deadly pandemic. The Daily Poster has pointed out that:

"Biden is now proposing some of the most costly and inefficient ways to expand health insurance coverage. The moves could still leave people exposed to substantial out-of-pocket costs — from deductibles, copays, and coinsurance — that act as barriers to care."

Many people cannot even afford to get medical treatment due to the outrageous medical bills generated by the private health industry.

According to [Fair Health](#), "The total average charge per COVID-19 patient requiring an inpatient stay is estimated at \$73,300 and the total average estimated in-network amount per commercially insured patient at \$38,221."

Biden's health measures are unlikely to deal with the massive problem of medical debts. A [2019 study](#) 'Medical Bankruptcy: Still Common Despite the Affordable Care Act' produced by the American Public Health Journal, noted that, 'that despite the Affordable Care Act, middle-class Americans have been targeted with increasing co payments and deductibles'. This leads to half a million Americans each year declaring bankruptcy due to medical debts.

In August 2020 an analysis by consumer finance company Credit Karma found [20 million Americans to have over \\$45 billion of medical debts](#). Will the Biden administration wipe out those medical debts?

Back in 2019 the author of the above study, Dr. Steffie Woolhandler, who is a Lecturer in Medicine at Harvard stated;

"The ACA was a step forward, but 29 million remain uncovered, and the epidemic of under-insurance is out of control. We need to move ahead from the ACA to a single-payer, Medicare for All system that assures first-dollar coverage for everyone."

Biden's pick for Health Secretary is former attorney general of California, Xavier Becerra. His tenure as Attorney General of the Golden State doesn't inspire optimism that he will take on the private health industry and protect the millions without health cover or facing huge medical debts.

This individual faced numerous lawsuits during 2020 for gerrymandering the ballot. According to the [LA Times](#) back in August 2020: "Becerra is facing [a slew of lawsuits](#) this election season from groups that accuse his office of writing titles and 100-word summaries for ballot measures that aim to tip the scales in favor of his political allies" in the Democratic Party.

In 2019 Becerra threatened legal action against journalists who had obtained records of the criminal offences committed by thousands of police officers many of whom were still serving in California.

[David Snyder](#), executive director of the First Amendment Coalition rejected Becerra's demand that the journalist involved destroy the records, "It's disheartening and ominous that the highest law enforcement officer in the state is threatening legal action over something the First Amendment makes clear can't give rise to criminal action against a reporter".

## **Prospects for the future**

We should be under no illusions who really won the November presidential election. Corporate America won the November election hands down. The billionaire oligarch class that dominates American society has nothing to fear from a Biden administration. Wealth inequality and all of its attendant evils will continue to rise despite any tinkering reforms that are introduced.

However, the more far sighted oligarchs such as billionaire hedge fund manager [Ray Dalio](#) are quite rightly concerned by the destabilising effect of this wealth inequality on American capitalism. Will Biden heed Dalio's call to reform capitalism to save it from revolution from below? It seems unlikely.

Then again Biden may be forced to take more radical measures than he originally planned if the economic situation doesn't improve this year and/or he faces pressure from an angry populace.

Over 2,000 years ago the Greek philosopher and historian [Plutarch](#) warned prophetically, 'An imbalance between rich and poor is the oldest and most fatal ailment of all republics'.

Time will tell how this imbalance in American society plays out over the next few years. Biden and his fellow managers of the Empire ignore this at their peril.

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