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"Bidenomics" as Politics and Policy: Creditable Start, But Gaps to Fill

ED GRESSER
PROGRESSIVE POLICY INSTITUTE

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INTRODUCTION

"Bidenomics is Working: The President's Plan Grows the Economy from the Middle Out and Bottom Up — Not the Top Down" is the lengthy title of a concise mid-June paper[1] summarizing the White House view of the mid-2023 American economy, the role of policies to date in creating it, and the ways to build on success. The document — BiW for short — is a mix of political "messaging," data points, and policy advocacy organized as follows:

1. *Our successes so far:* The strong 2023 economy, with its post-COVID recovery, its low unemployment rate and new manufacturing jobs, and its strong wage growth, emerged not by accident, but as the intended consequence of "Bidenomics."

2. *Their gloomy alternative,* summarized as "the failed trickle-down policies of the past" — *BiW* uses the phrase "trickle-down" five times to make sure you've noticed — and specifically dates this "past" in President Biden's accompanying July 6 speech to a point forty years ago, somewhere in the first Reagan term, at which Americans "walked away from how this country was built."

3. *The next phase:* A "three-pillar" program to seal the achievement: (a) revival of large-scale public investment, (b) worker empowerment, particularly through encouraging labor union organization, and (c) promoting "competition" in the domestic economy.

3a. *A fourth policy point,* not labeled a "pillar" or highlighted at the top of the document, and so looking a bit sad and alone: deficit reduction and inflation-fighting.

Taken together with the July speech, *BiW* represents the first draft of the administration's economic case for re-election — and a lot of it is very good. *BiW* effectively describes the role of the Biden administration's policies in reviving the COVID-stricken economy of 2020. It selects the right audience in America's large and somewhat disaffected working class. And its policy "pillars" are an interesting start with some useful new mid-tier ideas.

But *BiW* also has gaps. Its vision of the "working class" focuses so intently on manufacturing and construction workers that it mostly misses the much larger non-industrial working class. Its take on the 2024 Republican alternative is off — the opposition's program is much more likely to be a Trumpist "big-government right" program than Reagan-era budget cutting and market fundamentalism — and its description of the past 40 years as an unbroken period of "trickle-down" is intellectually lazy and carries some political risk. Finally, *BiW*'s policy "pillars" are only a start; while they do showcase some good mid-tier ideas, they're a bit thin, overly skewed toward government solutions, and unfortunate in the second-class status they implicitly assign to fiscal responsibility and inflation-fighting.

What follows are unsolicited but friendly thoughts on ways to fill the gaps, as the administration's economic wonks and messaging experts develop the second draft.

I. THE BUOYANT PRESENT

BiW's look at the present is probably its strongest section. Here, it argues persuasively that the Biden administration's early policies helped accelerate and sustain the economy's rebound from the COVID pandemic, and that the public is better off because of this. It is right to note that the U.S. economy has grown faster than those of other G7 countries since 2020. It is equally right to note that America's unemployment rate is very low at 3.6%, and wages are growing. (And it could also mention that American labor-force participation has risen from 61.3% to 62.6%, so the count of employed people has risen even faster than the unemploymen rate has fallen.) And it is correct to point out that inflation rates, though still high in comparison to the levels typical of the last 40 years, have been falling since mid-2022.

All this makes *BiW*'s poll-tested tagline, "growing from the bottom up and the middle out," pretty credible. And though *BiW* doesn't mention it, the administration's adroit outmaneuvering of House Republicans during the latter's ill-advised "debt ceiling" brinksmanship this spring is probably an equally important accomplishment. By defusing their threat to force a debt default, the administration prevented a self-inflicted national financial disaster, involving both a severe new shock to immediate employment and growth rates, and a debilitating blow to long-term financial health.

Attentive readers can, however, pick up some lily-gilding here and there. This is not the worst offense for a political document — every administration will look as hard as it can for good news, and nothing in the data is inaccurate. But a couple of the gildings are important because they lead *BiW* into policy misperceptions and gaps later on.

The note that inflation rates have dropped over the past year, for example, might go beyond confidence to complacency, especially given that the policy "pillars" skip the topic altogether. As a national political matter, few economic phenomena do more damage to confidence in government than inflationary expectations. And with respect to *BiW*'s particular audience, working-class and lower-income people especially suffer from inflation concentrated in food and continue to notice elevated prices even when monthly rates fall.

A second example raises some questions about the administration's working-class pitch, and whether the centrality of manufacturing jobs to this pitch promises too much.

BiW and the July 6 speech, along with many supporting documents and "surrogate" statements, report net growth of nearly 800,000 manufacturing jobs since the Inauguration in January 2021. This point is statistically accurate. A jump from 12.20 million Americans with manufacturing jobs in January 2021, to 12.99 million in June 2023, is a net gain of 793,000 jobs. But at least so far, this means less than White House messaging experts may believe. Most of these are not "new" manufacturing workers, but people who, temporarily idled by the COVID pandemic, returned to existing jobs when it was safe to do so. A different manufacturing-job count starting in December 2019 — just before the COVID pandemic began — finds growth from 12.80 million to 12.99 million jobs and a net gain of 200,000 over 2 and a half years. This is much less impressive than 800,000, and on an annual basis is slightly below the average annual manufacturing job growth since 2010. At least so far, then, the Biden-era manufacturing job story looks more like natural growth than a boom.

More on the implications of this point later. But again, nothing in *BiW*'s claims about the strong economy of 2023 is incorrect. The administration is right to take pride in its achievement and is justified in reminding the public that it's more than a lucky accident.

II. THE GLOOMY PAST AND THE OPPOSITION

BiW next turns to the past and the likely 2024 Republican opposition. This is its weakest section, relying more on tired campaign boilerplate ("trickle-down," "failed policies of the past," etc.) than realistic examination of recent policy history and close analysis of the opposition. Thus, this section mostly misses its targets and gives supporters some cause for worry.

BiW and the campaign surrounding it present "Bidenomics" as a rejection of "trickle-down economics" — again, a program the July 6 speech dates precisely to the "moment" 40 years ago when "we walked away from how this country was built."[2] This implicitly defines the 2024 economic debate as one between (a) the Reagan administration's first-term combination of income tax cuts (the original target of the derisive term "trickle-down"), deregulation, and sometimes successful attempts to cut domestic spending and entitlement programs and (b) President Biden's revival of older but better policy traditions in eclipse since the 1970s. Moreover, it makes a claim that Reagan-type policies have been the unbroken pattern not only of Republican politicians, but U.S. domestic policy generally, for nearly two generations.

None of this holds up at all well intellectually, and in fact it risks amplifying one of the administration's political vulnerabilities.

First, the description of the "last 40 years" as an unbroken period of "trickle-down" Reaganism is mistaken history. (And politically a bit awkward given then-Senator Biden's vote for the Kemp-Roth tax bill at the core of Reagan's first-term program). The "last 40 years" included many efforts to cut government, sometimes successful. On the other hand, they also included lots of active-government domestic policy innovation, in which President Biden frequently played an important role as a Senate Committee Chair and then as Vice President. A few examples:

- The Clean Air Act Amendments of 1990 and market-based air pollution reduction, which helped cities cut their annual counts of "very unhealthy or hazardous" air days by as much as 96%[3] in a generation;
- The Americans with Disabilities Act of 1989, which through mandates for construction and hiring practices empowers millions of visually impaired, deaf, or less mobile Americans to find jobs, support families, and contribute to the national economy;
- The Clinton administration's rollback of Reagan-era tax cuts in 1993, its Family Leave Act and crime reduction bills of 1994, the working-family tax policy innovations of the Child Tax Credit and the Earned Income Tax Credit, and its Child Health Insurance Program of 1997, which has cut the child uninsured rate by more than half;[4] and of course:
- The Obama administration's Affordable Care Act, which the then-Vice-President rightly termed a "very big deal" or some similar phrasing, which has helped reduce the share of Americans living without health insurance from 14% in the early 2000s to 8.3%.[5]

Nor, turning from policy to the actual experience of American life, is it credible to describe these years as unrelievedly grim. A reasonable tally includes many changes for the better: the invention of the internet and its "globalization" through fiberoptics and satellites, the 1990s economic boom, falling crime and child poverty rates, a generation-long break from inflation, an 80% jump in private-sector employment (74 million jobs in mid-1983, 135 million jobs in mid-2023), and a tripling of real GDP from $6.8 trillion to $20.1 trillion (in constant 2012 dollars). It also includes some troubling developments which suggest the need for creative thinking: waning geographic and class mobility, for example, and rising income and wealth inequality. But it's not credible to say the last generation's experience was just all bad.

Neither is the term "trickle-down" itself very useful as a label for the Republican opposition. In fact, it likely blurs rather than describes that opposition's real nature. "Trickle-down," though quite an old term, went into wide use in the 1980s as a short-form attack on the Reagan administration's program of shrinking government, tax cuts, and intense faith in markets. Reagan-era ideas do have a few points in common with Trumpism's contemporary big-government right, but these are limited and more often coincidences than evidence of deep 40-year philosophical continuity. Donald Trump, as of this writing the likely Republican nominee, has never shown interest in cutting the power of government — like his current second-tier rival Ron DeSantis, he seems more interested in harnessing that power to reward friends and harm critics and opponents. And Trumpist economics are much more about creating webs of trade protectionism, cronyism, and nativism than any enthusiasm for free markets.

Finally, and probably most important, a Democratic 2024 message based on a rejection of the last 40 years of history and a hope to return to an earlier, better time before we "walked away from how the country was built" seems a serious political error. To argue that the years before the 1980s were better is an intellectual hard sell — will voters really embrace a sepia-tinged version of the smoggy, high-inflation, high-crime, energy-shock-and-recession-prone 1970s? — and more important a risky one for the Biden administration to try. Recall, for example, the similar elegiac appeal of another presidential candidate seven elections back:

> *"Age has its advantages. Let me be the bridge to an America than only the unknowing call myth. Let me be the bridge to a time of tranquility, faith and confidence in action. And to those who say it was never so, that America's not been better, I say you're wrong. And I know because I was there. And I have seen it. And I remember."*[6]

This was of course the late Kansas Senator Bob Dole, addressing the Republican Convention as presidential nominee in 1996. The 72-year-old Dole followed up by arguing that a supposed decline in moral values had led to higher crime rates, single-parent families, "abdication of duty" and so forth, and evoked the 1930s and 1940s as the better age that modern, secular, urban America had heedlessly abandoned. Four weeks later and all through the autumn, then-President Clinton gleefully roasted him for it, observing that as Dole was trying to make himself a personal "bridge to the past", the Clinton administration was building a policy "bridge to the future." The elderly and angry Donald Trump may not be able to make such a counterpunch land. A younger Republican contender, should one emerge, easily might. The administration shouldn't give him, or her, the chance to try.

III. TWO GAPS: BROADENING THE AUDIENCE

Leaving the past and the opposition at this point, *BiW* then turns to the future. One of its strongest features shows up here: its clear choice of wage-earning, lower-middle-class Americans as the main audience.

BiW is quite right to target Americans with high school diplomas but not college degrees as the core political audience, and a cohort of Americans whom policy needs to serve better. The public investment programs in its first policy "pillar," and the worker and competition focuses of the second and third, are first-draft attempts to persuade them that they are the administration's central concern and that its policies are relevant to them.

So *BiW* is trying to reach the right people — but its pitch has some significant gaps. This mid-2023 draft focuses so intently on the working class's manufacturing and construction subsets as to miss the much larger non-industrial working class and rural America.

The non-industrial working class: The "working class" is a large group, and most of it is "non-industrial": retail clerks, security guards, home health care providers, hair stylists, cooks and waitresses, hotel desk workers and maids, and so on. *BiW*'s next draft needs to more explicitly affirm their worth and speak directly to them.

It's heartening to see America's factory and construction job totals rise, of course. The steady growth of factory work over the past decade especially is good to see, after sharp losses during the 2000s. But manufacturing and construction workers are a minority of the much larger American working class, and their share isn't growing over time.

Factory work especially has steadily diminished as a share of the workforce. To use the precise data, when BLS' count of manufacturing jobs hit bottom at 11.45 million at the financial crisis low in early 2010, these jobs accounted for 8.8% of all employment. By 2016, manufacturing employment had rebounded to 12.4 million, but its share of total employment was down to 8.5%. By 2019, this figure was 8.4%; and as of mid-2023, it is 8.3%. Since the outbreak of the COVID pandemic in late 2019, the U.S. economy has created many more jobs in transport, health, and construction than in manufacturing. Even the somewhat artificial +800,000 net growth since January 2021 makes up only 6% of all post-pandemic U.S. job growth. Table 1 explains:

TABLE 1: JOB GROWTH DECEMBER 2019-JUNE 2023 (MILLIONS)*

	DECEMBER 2019	JANUARY 2021	JUNE 2023	NET 12/2019 TO 6/2023
Total	**151.76**	**142.48**	**156.20**	**+4.44**
Transport	5.75	5.89	6.73	**+0.98**
Health	16.42	15.93	16.84	**+0.42**
Construction	7.53	7.36	7.95	**+0.42**
Manufacturing	12.80	12.20	12.99	**+0.19**
Retail	15.54	15.18	15.54	**-0.00**
Personal Care	0.76	0.63	0.74	**-0.02**
Food Service & Drinking	12.21	9.79	11.5	**+0.05**

So while the administration has reason to talk up industrial job growth, it should be careful about implying that these industries are the 2020s' main sources of new and better working-class jobs. Nor should it imply, even by silence, that workers who make different choices are settling for something less. Instead, the administration needs to speak directly to non-industrial workers and show them that its ideas have relevance for their careers and value for their aspirations.

**The Bureau of Labor Statistics' consistent count of manufacturing jobs goes back to 1939. It peaked as a share of total U.S. employment at about 30% in the 1950s, and peaked in absolute terms at 19 million in the late 1970s. In more recent times, modest manufacturing-job growth from 16 million to 17 million in the 1990s was followed by a sharp drop in the 2000s to a low of 11.45 million jobs at the financial-crisis nadir in early 2010. Since then, it has grown on average by about 100,000 per year, interrupted mainly by the COVID pandemic. BLS' count reached 12.4 million at the end of 2016 and 12.8 million just before the pandemic in December 2019, then fell to 12.2 million at the end of 2020 before rising back to 12.99 million as of mid-2023.*

What should the next iteration of *BiW* offer to America's 15.5 million retail workers? To the 11.5 million cooks, waitresses, and others in restaurants and bars, or to the 0.7 million personal care workers? Do the next four years of Bidenomics envision ways to build on the Affordable Care Act's self-employed health insurance options? Or ease their ability to open their own places by helping innovative states like Colorado simplify and standardize licensing rules that now make it so hard for aspiring workers to open businesses or move to find better wages and workplaces? The 6.7 million workers in logistics, the 16.8 million in health, the 1.5 million in personal care, and the 1 million in auto-shops? Together, they are a labor force three times the size of the industrial labor force — on balance younger and more female, perhaps with more aspiration toward shop- or restaurant-owning and less toward long careers at large employers. Bidenomics can and should speak more directly to these people than the mid-2023 drafts have done.

Rural America and Agriculture: BiW's next edition also needs to engage more directly with Americans outside the metro counties. Its vision of the economy is replete with empowered urban industrial workers, unionization drives, and public spending. It less often mentions rural America — 46 million people whose disaffection from the Democratic party became profound in the last generation, but who may benefit disproportionately from some aspects of Bidenomics. Persuading even a significant minority of them that this is the case would have the potential to reshape American politics.

The administration's energetic program to encourage rural broadband deployment does get attention in the July 6 speech, though not in the *BiW* document. But this can't be the whole of the appeal. Does production agriculture have a place comparable to that of manufacturing and construction in Bidenomics' vision of rising goods production? Has the administration yet produced data and anecdotes on the infrastructure bill's promise of better roads for small-town economies? Or looked closely at rural-county unemployment rates since 2021? What are its plans for this year's farm bill? With export-reliant farming and ranching communities suffering disproportionately from the Trump administration's tariff experiments, does a second Biden term present hope for relief? Here the potential to win over moderate and mainstream conservative, but Trump-skeptical, sections of the rural public seems high, and many of the administration's actual policies quite supportive. The rhetoric and backing documents aren't quite there yet.

IV. TWO MORE GAPS: SOURCES OF GROWTH

BiW has intellectual as well as "audience" gaps. While appropriately pitching the administration's public investment program, it says little about private-sector sources of growth or ways to provide public services in more efficient and less costly ways. To skip these is to risk transforming *BiW*'s good argument for "activist government" into an unpersuasive or even off-putting case for "big government."

This is obviously a risk Democrats as the "activist government" party should avoid in general. In the specific circumstances of 2023 — with the public worried that overspending and deficits drive inflation, inflation the largest current public concern, and the Federal Reserve's interest rate hikes working but also depressing domestic demand — it's especially important for the administration to balance its public-spending programs with policies that look to private-sector investment, higher productivity, and overseas demand as ways to keep U.S. growth strong as interest rates rise. In this context, it's striking to see both *BiW* and the July 6 speech missing two powerful and positive, if complex, influences on the U.S. economy and daily American life: science and technology, and the global economy.

Science and technology: In skipping over science and technological innovation, *BiW* misses a comparative strength for the United States and a driver of future U.S. and world growth, productivity, and competitiveness; and a chance to show how its activist-government approach can complement and support the larger private-sector science program.

America now invests 3.4% of GDP in research and development. This figure is near the world peak as a percentage of the economy, and at $800 billion per year it is far more in absolute terms than any other country can commit. This makes the U.S. the world's major scientific power and the center of invention in digital technologies, medicine, aerospace, agricultural biotechnology, and many other disciplines — all industries steadily creating new and high-paying jobs, outmoding jobs in other areas, creating export opportunities, and raising social questions.

About 80% of this investment comes from businesses. A healthy government science program complements private-sector efforts rather than duplicating them, focusing on areas that may be extremely valuable over time (and worth understanding for their own sake) but may not have an immediate commercial return. This is where the U.S. has faded over time: public sector R&D has slowly dropped from levels around 0.5% of GDP in the 1970s and 1980s, to 0.4% in the 1990s and 2000s, and now 0.3%. *BiW*'s next versions could very usefully point out the administration's science commitments to date, and explain how the second term will answer some large questions:

How does the Biden administration hope to keep the U.S. in its current scientific lead as China also pours money into labs, engineering programs at universities, and modern factories? Does it have plans for new government science investments complementing commercially-driven private sector research? How will the administration's controversial "competition" program, with its jaded view of digital economy growth, yield its small company or consumer benefits without damaging job growth and the U.S.' digital-world supremacy?

The global economy: The global economy is *BiW*'s other large missing piece. Nowhere in it or the accompanying speeches do we find consideration of competitiveness, export opportunities, or balances of efficiency and supply-chain security. Here, the administration needs more ambitious policy as well as more "messaging" clarity.

One of Bidenomics' real-world strong points, for example, has been the administration's willingness to let the Federal Reserve bring down inflation without making public complaints. But though this is good policy and responsible management of the presidency, the administration's acceptance of higher interest rates should come with energetic policy elsewhere. As interest rates rise to fight inflation, American consumers and homebuyers are likely to scale back spending, and domestic sources of growth in turn are likely to fade. To find a new source of growth, American businesses, farmers, and workers need to look abroad, and the administration must do a lot more to help.

America's export economy makes up over an eighth of American GDP, at $3 trillion as of 2022. Overseas customers buy $200 billion worth of American farm products each year, $1.6 trillion in U.S. manufactured goods, over $720 billion in digitally deliverable services and (a new phenomenon) nearly $400 billion in energy. Together, this means markets for 278,000 goods-producing businesses, together employing over 50 million workers at payroll rates about 30% above those for non-exporters, and 20% of American farm income.

But though large, America's export sector is troubled. The 278,000 exporting businesses of 2022 are a lot — but they're nearly 10% less than the 305,000-exporter peak reached in the later Obama years. Though very detailed data on the post-COVID recovery of export firms isn't yet available, it is particularly troubling to see that during 2020, the count of African American exporters dropped by a third. Or, looking at comparisons with rivals, the World Trade Organization's annual statistical reports show America's share of exports dropping over the past decade, from 8.6% of world manufacturing exports in 2016 to 7.8% in 2022; from 10.4% of all agricultural exports to 9.3%%; and from 15.2% of commercial services to 12.8%. One additional percent of world manufacturing exports would be about $180 billion; 1% of agriculture, would mean $40 billion and a 4% increment in farm income.

How could the Biden administration help? At working levels, the administration's Commerce Department, Agriculture Department, and Ex-Im Bank officials are capable, energetic, and working hard at export promotion and advocacy. Treasury Secretary Janet Yellen has given several thoughtful speeches sketching out ways to develop "friend-shored" supply chains and enhance both the inflation-controlling and growth-promoting aspects of trade in a period of troubled relations with China. The administration's larger policy and messaging, though, has focused solely on the useful but still-murky concept of "supply-chain resilience" and avoided direct engagement with reaching foreign markets and exporting. This leaves the administration awkwardly vulnerable on two sides — one from export-reliant communities, especially in rural areas, and the other from the Trumpist-isolationist right.

Is the administration concerned about a shrinking share of world exports and a falling count of exporters? Or does it see benign explanations for these? Do its economic strategists view the proliferation of trade agreements in Asia, Europe, and the western hemisphere excluding the United States as a concern? Are there ways to capitalize on America's digital-economy strengths? And looking at the likely opposition, how does it assess the effects of Trump-era tariffs? Is there a critique of the Trumpist record, and its proposals for large new tariffs next year?

V. STABILIZING THE THREE PILLARS & INCORPORATING THE ASTERISK

Fifth and finally, the next draft needs to fill out and unify its policy "pillars."

BiW's current group of three pillars says a lot about government spending under the "public investment" pillar. Much is very good, given the Biden administration's achievements under the Bipartisan Infrastructure Act, the CHIPS and Science Act, and the Inflation Reduction Act. But the spending programs dominate the entire "pillar" section. The other two pillars are thin and rickety by comparison — including the "worker empowerment" pillar, despite its centrality to the main audience. The fiscal responsibility and inflation point, lacking "pillar" status, looks very much like an asterisk. And very little in any of the pillars envisions private-sector sources of growth. The imbalance makes it too easy for opponents to portray Bidenomics as "big government" rather than "activist government." To improve and balance it:

1. *Put fiscal management and macroeconomic policy at par with the "pillars."* Probably most important, fiscal discipline and inflation-fighting need (a) to join the top policy rank and (b) go beyond the mid-2023 *BiW*'s tired call to "make the wealthy and corporations pay their fair share" to include a credible inflation-fighting and deficit-control program.

   Voters are far more likely to support public investments meant to generate future growth when they trust their government to spend their tax dollars wisely. A sense of fiscal mismanagement on the other hand erodes that confidence. And historically, few economic events are more powerful confidence-eroders than persistent inflation — which, to choose a salient historical example, was the launch-vehicle for the Reagan program forty years ago. So Bidenomics' first current pillar, on public investment, needs to be matched with an equally credible commitment to fiscal responsibility and taming inflation.

   The administration should be candid about the fact that the pandemic's inflationary overhang needs to be brought down before "inflationary expectations" like those of the late 1970s set in, and that this requires control of fiscal deficits. It can point to positive steps, such as embracing the push for infrastructure and energy permitting reform that can speed up infrastructure projects and reduce costs; it's harder, though, to find economic defenses for cost-increasing choices such as maintaining Trump tariffs and uncontrolled proliferation of "Buy American" rules. And the inflation challenge is inseparable from the larger and longer-term fiscal management challenge: each Federal Reserve interest rate hike means higher debt service costs, unless the administration and Congress sharply reduce borrowing soon, and a future in which debt service payments eclipse defense spending within this decade and Social Security by 2050; and so begin swiftly to crowd out the public investments in which *BiW* places such hope.

   Whether in policy statements or persuasive documents like *BiW*, making these issues an asterisk is an implicit statement about their low priority and a mistake the administration should not make. Nor are assertions that it can find sufficient solutions by tapping rich people and big businesses, while ruling out tax policy for everyone under $400,000 and placing all entitlement reform out of bounds, likely to be credible. An initial step would be to complement Federal Reserve policy with steps in areas such as tariff reduction that take some burden off monetary policy. Ultimately, the administration should present a credible fiscal plan that acknowledges the scale of the U.S.' challenge, explains the interlinked nature of inflation and deficits, and presents the foundation of a fair and efficient way to meet it, whether through a comprehensive administration plan or support for a bipartisan commission tasked with producing recommendations for sustainable fiscal policies responsive to macroeconomic need.

2. *Add a growth pillar:* Pillar one's "public investment" theme effectively supports the administration's work on improved infrastructure and clean energy. It's unlikely, though, that many people will consider spending programs alone sufficient for the next decade's growth; in fact, they may conclude that the absence of policies supporting private-sector investment and growth is reason to view Bidenomics as mainly "big government." Either in this pillar or in a separate one, then, the next draft should highlight incentives for private scientific and technological innovation, work with companies on labor force development, a more ambitious program to open foreign markets and support American exporting industries, and the like.

3. *Worker Empowerment:* Pillar two, "worker empowerment," is at the core of Bidenomics' attempt to speak directly to working-class interests and aspirations. This is an area, therefore, where *BiW* and its successors need to be as detailed and persuasive as possible. The mid-2023 version highlights important administration efforts to create more apprenticeships and career technical education slots, and is also heavy on rhetorical support for union organizing. It says much less than the administration should, however — and less than it could, given its own often quite creative policies — on mobility, empowerment, and security for workers.

   One clear example is the chance to highlight the administration's work to ensure quality in health insurance through its reversal of Trump administration support for the provision of low-quality short-term plans not subject to Affordable Care Act rules requiring coverage of essential health benefits, barring denial of coverage based on health status, and often including expensive deductibles. In other areas, the next draft can offer some new ideas on ways to reduce imbalances between high federal investment in higher education on one hand, and workforce training and adjustment programs on the other. Some suggestions from our work at PPI:

- With the Trade Adjustment Assistance program now lapsed for nearly a year, why not propose replacing it with an adjustment and training system that offers training, relocation assistance, and other supports not just to workers displaced by trade competition but to all workers dislocated for no fault of their own?
- Can the administration build on its commitment to apprenticeship through new investments and models nationally (as we've also suggested)[7]?
- Can it better highlight its work to support people leaving the criminal justice system and offer further plans to support them, for example through subsidies for employers, removing degree requirements for government jobs, and ensuring that

state and local governments accept prison certification and licensing for skilled jobs? Or more generally, to support states and local governments trying to standardize licensing rules — covering everything from restaurants and cosmetologists to dental technicians — across jurisdictions to help workers hoping to take new and higher-paying jobs, or to start their own shops and businesses?

- Can it help workers making careers on their own, and balancing work with family responsibilities, by developing public-private partnerships for more affordable child care,[8] bolstering pre-kindergarten education, and arguing a sustainable expansion of the Child Tax Credit? The District of Columbia, for example, appears to have helped its population of working mothers grow by 10% through universal pre-K services.

4. *Competition:* Finally, competition is an interesting theme but not one fully developed here. The third pillar, though it contains some very interesting and probably popular ideas, thus seems in need of clearer definition. Some of its current content seems more like budgetary issues than "competition" as such (for example, giving Medicare administrators authority to negotiate medicine prices); others are appealing and interesting, but not fully developed, ways to encourage mobility and choice. One is "working toward cracking down on noncompete agreements," which seems like an ambiguous level of commitment but also one hinting at ways to help workers become more mobile and give them more power to bargain with employers or find better jobs. Another is authorizing over-the-counter sales of hearing aids, which seems a very good idea and probably a popular one, but also looks more like regulatory efficiency on the government's part than private sector "competition."

CONCLUSION

Taken as a whole, *BiW* and the associated speeches and documents do some things quite well — and these are among its most important jobs. A reader (or at least this reader) closes the document with at least two of the reactions its authors probably hoped to get:

- The 2023 economy is strong. The Biden administration's work so far has helped it recover more rapidly from the shock of COVID, and brought more workers back to their jobs, than would otherwise have been the case.
- Biden administration policymakers believe the core focus of policy in the next few years should be on working Americans.
- The administration believes in activist government and has put a lot of money into public goods, especially infrastructure.

If others read it the same way, *BiW* will be basically a success. But in some other areas, it can do better (and in a few areas, it needs a fresh start).

BiW's presentation of the past generation of policy is intellectually unpersuasive, relies too much on lazy and unpersuasive terms like "trickle-down," and by suggesting a pre-1980s alternative as better running risks a nostalgic appeal to the 1970s. Its description of the likely Republican opposition in 2024 is likewise off, mistaking big-government Trumpism for small-government Reaganism and therefore not providing an especially compelling critique.

Its description of policy and economic life needs to acknowledge some limits on government, more value in private-sector and individual choice and initiative, and more need for fiscal discipline and sustained inflation-fighting. And perhaps most important, *BiW* can appeal to a larger audience — seeing the working class as something much larger than the factory and construction labor force it now addresses — and offer more to this audience than this first draft does.

A pretty good start, then, and the administration has ample time for the next draft. There is, though, more to do before *BiW* is quite right.

ABOUT THE AUTHOR

Edward Gresser is Vice President and Director for Trade and Global Markets of the Progressive Policy Institute, headquartered in Washington, D.C. Before joining PPI in October 2021, he served as Assistant U.S. Trade Representative for Trade Policy and Economics, and concurrently as Chair of the U.S. government's interagency Trade Policy Staff Committee.

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PROGRESSIVE POLICY INSTITUTE
1156 15th Street NW
Ste 400
Washington, D.C. 20005

Tel 202.525.3926
Fax 202.525.3941

info@ppionline.org
progressivepolicy.org