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USA

# One year after: Joe Biden, president of the United States

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**Some commentators thought that Joe Biden as president would mean a Keynesian turn in the US. The same hopes and illusions had developed in the early days of Barack Obama's presidency in 2009.**

In both cases, the election occurred when the US was going through a major crisis that might have led the government to take strong measures and depart from decades of neo-liberal policies.

The Barack Obama administration could have applied measures to contain big capital, including big banks and big investment funds, largely responsible for the enormous crisis which had exploded in 2007-2008. Moreover, Barack Obama had promised a profound reform of the health system, social security, pensions and the implementation of a tax reform targetting the most affluent, starting with the richest 1%, pay a little more tax. This did not happen.

Joe Biden had announced that he would request big corporations and the richest to pay more taxes, he had promised progressive measures around health coverage and social protection as well as statutory minimum wages of 15 dollars per hour...

Such promises made it possible for him to mobilize part of the voters who no longer cared to vote and a large section of the youth. At the beginning of his mandate, he nominated Bernie Sanders chairman of the Senate budget committee, which some perceived [as a token of his determination to actually implement progressive measures](#) while others, including me, saw in this move, a way of cornering Bernie Sanders.

## Empty promises

After almost a year of mandate, we can definitely assert that the promises of a progressive turn towards more social justice have not been kept.

The minimum hourly wage of 15 dollars was soon abandoned, it is still fixed at 7.25 dollars.

No measure was taken to levy new taxes on corporations and on the richest. Even worse, the Biden administration has introduced an additional measure that is favourable to wealthy households, which made it possible for Republican delegates to expose the measure's injustice and deviousness. [1] It increases from \$10,000 to \$80,000, the amount taxpayers can deduct from their federal taxes for the payment of local taxes (either municipal or state taxes).

According to an analysis by both the non-partisan Tax Policy Center and the fiscally hawkish Center for a Responsible Federal Budget think-tank, 94 per cent of the benefits of increasing the SALT cap to \$80,000 would go to the top quintile of earners nationwide who make at least \$175,000 a year with 70 per cent going to the top five per cent." [2]

The loss of revenues for the Treasury would amount to \$275 billion per year.

The military budget was increased to \$720 billion, with the support of the Republicans. This is the highest military budget since the Second World War (in spite of the disengagement in Afghanistan).

In terms of public works, the Biden administration, with the Republicans' support, voted a budget, conducive to big construction companies.

Let us not forget that the coronavirus pandemic has resulted in the highest number of dead in absolute figures in the US: over 834,000 dead on 23 December 2021.

Yet in spite of the gravity of the crisis, Joe Biden has so far not taken any measure that could run against the interests of pharmaceutical corporations. While the government holds the main patent for the production of RNAm vaccines, it is not inclined to use it or allow the public sector in the US or elsewhere to use it too (see the box "Biden protects the interests of Big Pharma at the expense of people's health, in the North as in the South"). All the production is left to Big Pharma and the patents held by private companies are not lifted. The Biden administration has not offered the patent it holds to countries that might have benefited from it and are able to produce vaccines if allowed either. Whereas in May 2021, Joe Biden claimed that his administration wanted the WTO to lift patents as requested by over 100 countries of the South, he has not done anything to support this measure.

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Box

### **Biden protects the interests of Big Pharma at the expense of people's health, in the North as in the South [3]**

The mRNA vaccines sold by Pfizer (US) - BioNTech (Germany) and by Moderna (US), which were released within less than a year, partly rely on former patents, among which a 2005 patent for a technology devised by the University of Pennsylvania to produce a mRNA that is harmless to the organism.

The innovative technique of stabilizing the spike protein is also a product of publicly financed research. Indeed, the specific patent filed by the US government - patent number 10,960,070, better known as the '070' patent - relates to the way in which the spike protein is stabilized in the vaccine, a technique that was developed by the vaccine research centre of the National Institutes of Health (NIH), a US government agency.

According to Public Citizen in Washington, thanks to owning patent '070' the US could and can if it wanted to produce its own mRNA vaccines. It could also allow other countries to produce and use the patent to protect their own populations and as a goodwill gesture extend the facility to other populations in need. See this extract from a Public Citizen press release in mid-November 2020 concerning the announcement that mRNA-1273 will be produced by Moderna: Statement: Moderna vaccine is produced by the people "This is the people's vaccine. The NIH's vaccine. It is not merely Moderna's vaccine. Federal scientists helped invent it and taxpayers are funding its development. We have all played a role. It should belong to humanity.

Both the current administration and President-elect Biden have the opportunity to make this vaccine a public good that is free and available to all and help scale up global manufacturing, in order to prevent medical rationing that could become a form of global vaccine apartheid."1 In this case the patent would not be infringed and the technology

would be generally available. In not complying with this request that comes from numerous organizations like Public Citizen, Joe Biden demonstrates his support for Big Pharma.

"According to Public Citizen, public authorities, starting with the governments of the richest countries could easily produce billions of doses of vaccines at a much lower cost than the payments that are being made to Big Pharma"

According to a very serious study published in May 2021 by Public Citizen, public authorities, starting with the governments of the richest countries could easily produce billions of doses of vaccines at a much lower cost than the payments that are being made to Big Pharma. The study, based on research by the Imperial College London convincingly shows that "the global community could set up regional hubs capable of producing eight billion mRNA vaccine doses by May 2022. This would be enough to cover 80% of the population". How much would it cost? \$9.4 billion for a Pfizer - BioNtech vaccine, 5 plants, 17 production lines and 1386 employees. A figure to be compared with the dozens and dozens of billions of tax dollars handed out to Big Pharma by the States resulting only in vaccinating affluent country's populations... and paying out to shareholders.<sup>1</sup>

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## A third vaccine dose in the North and vaccinal apartheid

Like the West European countries, the US is organizing massive injections of a third vaccine dose (a fourth one is even on its way, as in the State of Israel) and the vaccination of children whereas the WHO demands that priority be given to the vaccination of the populations in countries of the South that have so far had limited access to vaccines.

Nothing has been done either regarding the financial regulation aiming at enforcing some discipline upon big banks and other big financial companies. On the contrary, laxity has increased. To clearly signal his orientation towards financial markets and Big Capital, Biden nominated Trump appointed Jerome Powell for a second term as Fed chair. He also appointed former Fed chair Janet Yellen as United States secretary of the treasury. These are clear signs in favour of Capital. In early December 2021, Saule Omarova was supposed to take over banking regulation at the head of the Office of the Comptroller of the Currency. She had to resign after a destabilization campaign launched by Wall Street and the Republicans. We read in the Financial Times: "She faced a backlash from Republicans and the banking industry, with critics focusing on her upbringing and her career as an academic with proposals including a state-run bank account system."... "What Wall Street banks worry about is that I am going to be an independent, strong-minded regulator who is not one of them, who is not beholden to them," she told the FT. Actually, next to predictable attacks from Republicans, she was also battered by some Democrat delegates, who are just as closely tied to Capital as their colleagues. [\[4\]](#)

Biden had promised to have an ambitious programme of expenditure adopted towards more social justice and the protection of the environment. Called Build Back Better (or BBB), the programme should have been adopted along with the big plan for spending in public works, big Capital is fond of. But eventually, Biden and Nancy Pelosi, speaker of the US House of Representatives, let the two votes be dissociated, a separation that was not accepted by the left-wing of the Democratic Party. The public works plan was adopted with the support of the Republicans and in spite of the opposition of six left-wing democrats including Alexandria Ocasio-Cortez. On the other hand, the Build Back Better programme has been sabotaged by the right-wing of the Democratic Party and will most likely be abandoned.

This jilting of the "Build Back Better" programme shows the true nature of the Biden administration's policy, which is at large, in economic and social terms, a continuation of that of Republican presidents, whether G. W. Bush or D. Trump. Back in 1891, Friedrich Engels in his postscript to Karl Marx's texts on the Paris Commune de Paris had

accurately described the political system in the US as dominated by the Democratic and Republican Parties that take turns in power and stand up for the capitalist order (see box below).

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# Friedrich Engels on the political system in the US

Nowhere do "politicians" form a more separate and powerful section of the nation than precisely in North America. There, each of the two major parties which alternately succeed each other in power is itself in turn controlled by people who make a business of politics, who speculate on seats in the legislative assemblies of the Union as well as of the separate states, or who make a living by carrying on agitation for their party and on its victory are rewarded with positions.

It is well known how the Americans have been trying for thirty years to shake off this yoke, which has become intolerable, and how in spite of it all they continue to sink ever deeper in this swamp of corruption. It is precisely in America that we see best how there takes place this process of the state power making itself independent in relation to society, whose mere instrument it was originally intended to be. Here there exists no dynasty, no nobility, no standing army, beyond the few men keeping watch on the Indians, no bureaucracy with permanent posts or the right to pensions. And nevertheless, we find here two great gangs of political speculators, who alternately take possession of the state power, and exploit it by the most corrupt means and for the most corrupt ends - and the nation is powerless against these two great cartels of politicians, who are ostensibly its servants, but in reality dominate and plunder it.

Source: [Postscript to Karl Marx The Civil War in France 1871 \(1891\)](#).

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In spite of all its well-intentioned discourse, the Biden administration has not taken any real measure to [control access to firearms](#) either while the number of homicides is rising sharply (30% increase by 2021). 400 million firearms are in circulation in the US.

The Biden Administration has not taken any measure to defend the federal legislation that decriminalizes abortion in spite of States like Texas adopting [very repressive laws](#) against abortion; it merely expressed its disagreement.

While some States, including once again, Texas, decided to change election laws to limit the exercise of voting rights by the working classes and especially their racialized layers, the Biden Administration did nothing.

The Biden Administration does not fare any better than that of Donald Trump as far as migrants' rights and the reception of refugees are concerned. In September 2021, Daniel Foote, the US envoy for Haiti, resigned to protest against "inhuman" deportations by the United States of thousands of Haitian migrants. His resignation was a hard blow for Joe Biden: his policy of massive extradition of Haitian migrants back to their country is publicly exposed by his own envoy. [\[5\]](#)

In terms of international politics, the current administration continues and confirms Trump's policies on central issues such as total support of the Israeli government and an aggressive stance towards Cuba and Venezuela. A New York Times report recently revealed that the use of drones in Syria, Iraq and Afghanistan had [officially killed over 1,400 civilians](#). The actual figure is likely to be much higher. In this respect, the Biden Administration merely continues Trump's policy. At the end of August 2021, 10 civilians were killed in Kabul by a drone strike but it had been decided in [December 2021 that no military personnel would be punished- <https://www.bbc.co.uk/news/world-us-canada-59647065>]. The bombing "did not violate the laws of war and was not

caused by the misconduct or criminal negligence," Defense Department Chief Spokesman John F. Kirby explained. The Biden Administration also supports [Marshall al-Sisi's military regime](#) as it provides around \$1.3 billion in foreign assistance annually. Similarly, Biden maintains [friendly relationships with the Saudi ultra-reactionary regime](#).

The US re-joining the Paris Climate Agreement and resuming negotiations about nuclear production in Iran do not pen on to strong measures. On the contrary, Biden recently increased subsidies for oil and gas mining in the US to ensure higher volumes of extraction. As the US does not concede anything substantial to Iran, the situation can only deteriorate.

## How can the absence of a Keynesian turn be accounted for?

The key to any significant turn is the state of the class struggle. Popular classes, and salaried workers, in particular, have failed to increase their level of organization and their capacity to act. This is a major difference with the 1930s when the workers' movement was expanding with a wave of strikes and factory occupations, especially in the car industry. Radical unions and socialist ideas enjoyed wide support. The USSR was a pole of attraction since its planning and public control of the means of production was perceived as a better solution than laissez-faire capitalism.

To complete the picture, it should be added that in 2020-2021 the government (whether Trump's or Biden's) has massively oiled the wheels by paying large indemnities to the working classes and by deferring the payment of a significant part of the debts (mortgage debts, student debts, rent debts...). Poverty has regressed in 2020 and in 2021, thanks to various kinds of social aids. This has played a real role as a social buffer. The working classes have not been forced into action. Certainly, some sectors have mobilized and in some cases have won, but this is far from representing a groundswell.

The "social" measures taken by Trump and then, by Biden are not structural, they do not offer new rights and they are not long-term measures. The adoption of Build Back Better programme could have generated the impression of some social progress but clearly, even in the best of cases, it would be very limited. This shows that we have not entered a new Keynesian cycle in which the government and the capitalist class would be forced to make significant concessions to the popular classes, who in turn would register an improvement in their social rights and a significant increase in their salaries.

The capitalist class is still getting richer even if the rate of profit has seen better days and if a large part of the accumulated capital is fictive and could collapse like a house of cards in case of another financial crisis.

Inequalities further increase with a greater concentration of wealth in the hands of the top 1%.

## The debt issue

In the third term of 2021, the US public debt was \$28,000 billion or 125% of the country's GDP. Whether post-2008, in order to face the financial crisis or from 2020 faced with the crisis resulting from the coronavirus pandemic, the US leaders resorted to adding on to their public debt. There was no crisis tax levied on big capital. So far, the increase in public debt has not really been noticed because interest rates are close to zero. The current interest rate on public debt is actually even negative since inflation is over 5%. The Fed will gradually increase interest rates but there will

be no serious problems in the short or medium term. In the US, the volume of public debt will further increase without resulting in any strong disturbance.

Household debts among the popular classes have increased over the last ten years but social aids in the form of cheques sent by the government in 2020-2021 have temporarily relieved the burden of repayment. Moreover, both the Trump and the Biden administrations temporarily suspended the repayment of a number of debts: some mortgages, student debts, some rent debts too, not forgetting the debts owed by small enterprises. But these measures will come to an end and the situation will become tense. Some deadlines are known: May 2022 for student debts, which amount to more than \$1,600 billion. Bernie Sanders and Alexandria Ocasio-Cortez [demand total cancellation](#). Movements [claiming cancellation](#) are currently multiplying.

The unfair claim of debts from the popular classes will become more significant in the coming years

With regard to students' debts, Barack Obama had achieved some partial cancellations (the cost of which was borne by taxpayers and not by creditors); it is possible that Biden will do as much. It will depend on mobilizations. The developments need to be followed...

The debt owed by big private companies sharply increased over the past years. In case of an increase in interest rates, some might go bankrupt and another financial crisis might break out.

## Conclusions

Beyond its announcements and unfulfilled promises, the policy of the Biden administration mostly extends the offensive of capital against the working classes. No social turn has actually started which could break with 40 years of neo-liberal policies. No left-minded citizen will ever regret Trump but we should not entertain illusions about Biden either, there are serious limitations.

Biden and the Democratic party have disappointed the members of the popular classes who had supported them against Trump and the Republican candidates in the fall of 2020. In the course of 2021, in several by-elections, this disenchantment was expressed at the ballot boxes and the Republicans strengthened their position. The October 2022 mid-term elections are likely to result in the Democrats losing their majority in parliament and the Senate, which will strengthen the trend making possible a [Republican victory](#) in the 2024 presidential election.

Will the left-wing of the Democratic Party and the Left outside of it be able to find the way to get stronger and break away from the bipartisan system described by Engels 130 years ago? This is a big historical question. Will the popular movement in the US, which has experienced strong moments such as Black Lives Matter or feminist mobilizations, be able to consolidate? Will Labour counter Capital? Will the youth fight in other struggles after Black Lives Matter, on the environment, debts... Answers to such questions are wide open and of the utmost significance for the world.

24 December 2021

Translated by Christine Pagnouille for [CADTM](#).

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[1] Capito, 15 December 2021 <https://www.cnbc.com/2021/11/17/high-income-households-could-get-a-tax-cut-under-build-back-better.html>" class='spip\_out' rel='external'>EDITORIAL: To keep cost of BBB down, take out the SALT cap increase.

[2] *Financial Times*, 27-28 November 2021, "[Democrats' tax relief plan leaves bitter taste for party leftwingers](#)".

[3] The content of this box is from Éric Toussaint's article "[Coronavirus: Global Collective Commons vs Big Pharma](#)".

[4] *Financial Times*, "Joe Biden's pick to lead bank regulator withdraws her nomination", 9 December 2021. Extract from the FT: "Both Jon Tester, a Democratic senator from Montana, and Mark Warner, of Virginia, voiced concerns during the hearing about Omarova's previous criticism of aspects of a 2018 bill they had championed that had relaxed regulations for community banks. Tester also questioned her proposal for a state-backed national investment authority, which he said could decide which sectors of the economy to lend money to."

[5] CNN Politics, 23 September 2021 "[Special envoy for Haiti resigns citing 'inhumane' US decision to deport thousands of Haitians from US border](#)".