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Joe Biden's 100-day recovery plan

The new US President's ambitious rescue plan could become the bailout that Americans so desperately need

Read this article in German.

Joe Biden has big ambitions. Already before his inauguration, the US president-elect has presented a high-profile national rescue plan to build a bridge to the other side of the crisis. The number of Americans struggling with the Covid-19 health crisis and its economic and social consequences makes this ever more urgent. They are desperate for relief.

Of all the highly developed industrialised nations, the US has been hit the hardest by the global Covid-19 pandemic. Nearly 400,000 Americans have succumbed to the disease and almost 24 million have contracted the virus. High unemployment and many business failures weigh heavily on the American middle class. Compared to pre-pandemic times, ten million more people are currently out of work. Last week alone, more than one million people registered as unemployed.

Congress has so far passed packages to fight the consequences of the pandemic totalling more than four trillion USD. But these have so far failed to really revive the economy and the labour market. That's because more than half of the aid went to companies in the form of tax breaks and wage subsidies, many of which did not have to prove any negative impact from the pandemic. Just under USD 860bn, a good fifth, went to workers and families. Only about 15 per cent was spent on fighting the pandemic itself.

A roadmap for the first 100 days

During this pandemic, it has become more than obvious that American exceptionalism consists primarily of being completely overwhelmed by the crisis. There has been no political leadership at the national level during Donald Trump's presidency, nor any sense of community in dealing with the crisis. Instead, the country has been dealing with itself. US society finds itself in uncertain times. Citizens fear for their health

and their material existence. The Covid-19 crisis has shone a light on the already existing social and economic disparities, societal injustice and the inhumane distortions of the health care system.

With the National Recovery Plan, Biden now wants to turn the tide and address both the health and economic crises. It's clear that programmes to expand and better coordinate nationwide measures in the fight against the pandemic and its consequences are urgently needed. The US is experiencing a difficult winter. One in three adults nationwide is struggling to pay regular household expenses.

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The failure of the outgoing administration weighs on the country's future. Despite the crisis, the Biden-Harris administration has a rare opportunity not only to alleviate hardship in the short term, but also to set a crucial course and help shape the structural changes in the country that the corona crisis has highlighted and accelerated. This includes, first and foremost, restoring confidence in government action and demanding better life risk protection for all sections of society.

Voters expect Joe Biden and Kamala Harris to fight the pandemic more effectively, revive the economy, improve infrastructure and expand health care. Biden and Harris know they will be judged by their success in these areas. That's why they have laid out a roadmap for the first weeks after taking office.

A bailout plan for the people?

The USD 1.9 trillion 'Build Back Better' bailout plan that Biden's Democrats plan to introduce to Congress as soon as they take office includes direct cash payments to the majority of workers, expanded unemployment insurance, rent subsidies, food assistance and government aid to small businesses. The package also includes a doubling of the minimum wage to 15 USD. If the measures are successfully implemented, twelve million Americans could be lifted out of poverty and child poverty could be halved.

Biden's rescue plan is intended as an immediate measure to be followed by further, longer-term legislative initiatives. USD 400bn is to be used to fight the corona pandemic with a national vaccination programme and the expansion of free testing and tracking. This should also make it possible to reopen public schools. More than one trillion USD have been

announced as direct payments to households or families. This includes an increased one-time payment of 2,000 USD for all households below a certain income threshold as well as an increase in unemployment benefits to 400 USD per week with a possible eligibility period until September this year.

These concrete transfers have a lot of support among the US population. Even Donald Trump supported the increased one-time payments in December. Another 440bn USD are planned as grants to states, municipalities and small businesses. With the overall package, a way out of the economic crisis is finally in sight. And faster than was the case after the financial crisis of 2008/2009.

The Biden-Harris vaccination plan

The provision of vaccines, which will be used on a large scale in 2021, fuels hope that the health and economic catastrophe can be stopped. By mid-January, only just over eleven million Americans had been vaccinated (about 3.5 per cent of the total population), although 29 million vaccine doses were already available. President Biden has promised that 100 million vaccine doses will have been administered by the end of his first 100 days in office. He said his administration will do everything in its power to achieve these goals.

Public opinion is on Biden's side, if perhaps only for a short time.

Joe Biden and his team intend to mobilise the power, resources and personnel of the federal government and deploy them with full force to bring the pandemic under control. Vaccination centres and testing stations will be set up across the country, the National Guard will be deployed and well over 100,000 new health managers will be tasked with tracking infection routes and effective quarantine. The responsible federal authorities will drive vaccine production and distribution with special powers. In all of this, the cooperation of the various government agencies needs to be coordinated and improved.

Public opinion is on Biden's side, if perhaps only for a short time. According to a recent PEW survey, 58 per cent of all Americans approve of Biden and his plans. 57 per cent approve of his government formation and his appointments to high government offices. And 46 per cent of those surveyed believe that Joe Biden will improve the work of the federal government. If he succeeds with his programme, he should continue to gain in the polls. But he doesn’t have time lose.

The political power balance

To implement the bailout plan, the new president needs the support of the House of Representatives and the Senate. In the Senate, he will probably have to make concessions and take into account the special demands of individual senators, as every single vote counts because of the tight balance of power. Some or possibly even much of this will be met with Republican resistance. However, it is also possible that some Republicans will support Biden to prove their own ability to act and govern.

Joe Biden therefore has a good chance of getting large parts of the rescue plan off the ground and ultimately implementing it. However, this would not mean that everything would be good, only that some things would be better.

The increasing polarisation of society will not be overcome even in four years of a Biden-Harris government. However, smart reforms in the economy and labour market can initiate a transformation towards a sustainable, climate-neutral economy focused on workers' interests and a less divided society. Biden's rescue plan would be a first milestone on that path.



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