

Biden Objective: To recover a country mired in a social and economic crisis.

In a few days the world will face one of the most crucial elections of the last 50 years, although only American citizens have the right to decide. The polls have been anticipating heavily for the last two years a Democratic victory. Biden would enter the White House as the oldest president in the country's history and would be accompanied by the first woman as successor in extremis, Kamala Harris. He will find the country the most divided since the American Civil War, back in the mid 19th century. What does he plan to do? But above all, what can he do if he finally occupies the Oval Office?



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In less than a week, at early the early hours of the 4th of November here in Europe, we will know who is going to rule in the -still- first world power, the USA. The choice of who sits to rule in the Oval Office has never been irrelevant, but this time, after four years of mandate of the most erratic president in modern history, the result of the election is even more relevant.

Two years ago, and after a profuse analysis of the results of the midterm elections in the US, we predicted that the new tenant would be a Democrat, if only he was not a radical. We were betting on Biden, at a time he was not yet officially running for president.

Today's polls support our prediction from two years ago. [Watch video here.](#)

"Biden is going to find a country that in addition to being immersed in a recession is plunged into the greatest division of its fellow citizens since the American Civil War."

But if Biden wins, what will he do? He will receive a country that in 2020 is going to fall 4% in GDP, with an unemployment rate of 9.4% and a fiscal deficit of 16%, and which before any additional measure of this deficit will generate a rise of 5% in perpetuity, causing public debt to reach 200% by 2025.

And all of the above in a country plunged into the greatest division among its fellow citizens since the American Civil War, back in the middle of the 19th century.

The polls not only say that the Democrats will conquer the White House, but that, besides Congress, they will also win a majority in the Senate. Now, regardless of how they get the majority, whether by having more than 50 seats or thanks to the tiebreaker vote of the president of the chamber (which would correspond to Kamala Harris in her capacity as Vice President of the nation), it is impossible for them to get the 60 seats necessary to prevent filibustering in the Senate.

Senators have, from the very origins of the Senate, maintained the prerogative of using oratorical trickery to prevent certain laws from being passed. In order to limit this from happening, an internal rule was issued many years ago that at the request of the majority, clause 22 or *clouture clause* can be invoked, by which this filibustering would be without effect. But it seems unlikely that sitting in the White House a President who has been a respectful Senator for 32 years, this clause will be invoked.

Thus, we can only hope in this regard for two things for the next legislature: the negotiation between the parties -badly damaged during the Trump administration-, and that Biden renounces the application of part of his electoral program. And I think it's a setting where Biden is going to know how to move very well.

"Biden is a pragmatic leader who will try to use the force of the system from within to achieve his goals."

It is said that there are two types of leaders: the visionaries who try to innovate to create wealth and the pragmatists who try to maximize the

system using their strength from within. Biden is certainly one of the latter.

As a moderate, he is used to negotiation and agreement, and he will have to deal with a politically divided country, but he will find in his ranks a radical left wing, increasingly stronger where the emerging figure of the New York lawmaker Mrs. Ocasio Cortez has more and more weight, and that in a country that, according to the Gallup poll, the only candidate that Americans would never vote in a majority for president would be the one who, like she, calls herself a socialist.

Biden is no economist, nor has his political career been characterized by dealing with economic issues, but rather it has been about the judicial system and especially about foreign policy, which is why President Obama said that he had chosen him as a partner in the electoral ballot. But the situation, even if it is not what he would have liked, is what it is, and he will have to deal with it.

As I have already said, his priority shall be the economic stimuli. It intends to spend up to an additional 3% of GDP on public spending, although it is foreseeable that this figure will be impossible to reach in consensus and will settle for between 1 and 2% of GDP, a figure that can be around \$3 Trn.

"The main focus of investments during his administration will be focused on green infrastructures, with the objective of neutralizing the carbon footprint in 10 years."

As part of the New Green Deal, he intends to spend 33% of this increase in spending on green infrastructures, such as the improvement of the electricity grid, the increase in electric charging points for cars and especially 5G. He aims to achieve the more than ambitious goal of carbon neutral generation in ten years.

Aware of the educational problem that weighs on the country, he intends to dedicate 21% of that increase in spending on tax incentives for studies on families with incomes below \$125,000. Just as it intends to open its hand to immigration, but not to all, to the one that is more qualified.

The health issue is more than a hot potato. He was not among the first in line when it came to proclaim the benefits of the *ObamaCare* program, and therefore it is not expected that he will repeat

it, although he has already said that he expects to spend 20% of the increase in public spending on health. But if in the end the Supreme Court, with a vast majority of conservative judges, overthrows *ObamaCare*, it will have to do something to avoid leaving the millions of Americans who currently benefit from it without healthcare.

But let no one wait, because he has already denied a health system like the one proposed by Sanders, that of free and universal health. Those ideas are European, but very frowned upon and not widely accepted across the pond.

Whoever believes that he is going to reverse Trump's protectionist measures in an absolute way, let them wait seated. It will go towards a soft protectionism, where measures such as using American steel in public works, or that the ships transporting goods between American ports must also be American vessels, but surely it will ally itself with its historical allies -the Europeans- to fight against the hegemony, especially technological, of China. In the United States, the current suspicion towards the Chinese is prevalent in 73% of Americans and it is not expected of Biden to appear overnight as the American friend of the Chinese, so the sanctions against Huawei will remain, at least in the short and medium term.

It will raise taxes, but in a controlled manner to only 1% of the population, so there will not be the perhaps necessary program to reduce the fiscal deficit. The economic situation does not allow to attack the problem from that angle, although he has announced an increase in business taxes that has been estimated in a reduction of approximately 12% of profits, a figure undoubtedly important, but which seems to be that financial markets have already discounted.

"Kamala Harris is destined for a vital role in the administration, among other things because she is destined to be the first woman to sit in the Oval Office."

Special mention should be made of her ballot companion, Kamala Harris, who undoubtedly has a very important role reserved in the Biden administration and who is called to be, perhaps within eight years, the first woman to sit in the Oval Office, and not because she is just visiting.

Harris, among many other things, is a Senator for California and has already demonstrated her

friendly treatment for the Big Tech, most of which have their residence there, so it is not expected that any antitrust measures will be taken against them. And neither is it to be expected that Harris nor Biden will take on the big companies. Biden has been a Senator for 32 years from the state of Delaware, a state that despite its small size accounts for two thirds of the headquarters of the companies that make up the Fortune 500. And no one changes their customs and practices when he is 77 years old.

Now it will be the turn to see which travel companions he chooses, if in the end, as

everything points out to, he is elected president. Despite what is said, I find it hard to believe that he will elect Mrs. Elisabeth Warren either as Attorney General or as Secretary of the Treasury. Mrs. Warren has not been characterized by her restraint, but rather the opposite. Being a moderate he will tend to look for moderate and prestigious figures in his team. Figures that are hinted for the secretary of the treasury -so important at the moment-are the current financial director of Google, Mr. Porat or the member of the FED, Mr. Brainard.

All will be seen in just seven days.

