

Radical narratives in the American Jobs Plan (AJP) , and the global potential of ‘Biden plans’¹

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¹ The authors would like to acknowledge very helpful comments on earlier versions from a number of people including Maria Jose Romero, Kate Bayliss, Jan-Willem Goudriaan, and Vera Wegmann.

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0. Summary

At the end of March 2021 President Biden published the “American Jobs Plan” (AJP). It runs to 11,000 words and presents an investment programme of more than \$3 trillion in infrastructure, public services and labour conditions.⁴ It was followed in April 2021 by the American Families Plan (AFP), with a further programme of investment in education, childcare, and maternity leave.⁵

The actual implementation of the plan is subject to the political processes of the USA, but the structure and narratives of the AJP are of great interest not only in America but for the rest of the world. It is structured around democratic planning of infrastructure and public services, in pursuit of public missions of full employment, equality, social care, and a green economy, framed in terms of class, race, gender, and climate change, committed to raising wages and increasing unionisation, to be financed by increased taxes on corporations and the rich. It is shaped not simply as a Keynesian macro-economic reflationary tool, but as a public plan using economic resources to deliver public social objectives.

This is very different from the neoliberal narratives of the last 30 years, under which the function of the state is to manage an economy driven by corporate interests. The AJP is the biggest departure from these principles in a generation. And it has been articulated by the president of the USA.

The USA proposals about global investment in infrastructure at the G7 summit in July 2021, aimed at countering the growing influence of China’s Belt and Road Initiative (BRI), did not recommend to the rest of the world the use of the same approach as the AJP. Instead, they were based on the hope that private finance can be enticed into investing in infrastructure in developing countries, a policy which has failed for the last 30 years. The proposals have been widely criticised as lacking specifics and doomed to failure.

The AJP model nevertheless represents an opportunity for progressive parties and social movements around the world to adopt the narratives and approach of the AJP, and argue for the adoption of ‘Biden plans’ in other countries, including low and middle-income countries (LMIC): social and economic strategies based on democratic planning for public infrastructure and services to deliver full employment, equality, environmental respect, and universal public services.

⁴ ‘FACT SHEET: The American Jobs Plan’. 2021. The White House. 31 March 2021.
<https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.

⁵ ‘Fact Sheet: The American Families Plan’. 2021. The White House. 28 April 2021.
<https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>.

1. Introduction

A. Outline

The first section of this report analyses the AJP from a global perspective, to identify the ways in which its core narratives represent a significant break from the neoliberal framework which has dominated national and global economic policy debates for the last 30 years.

The second section of this paper discusses the USA's proposals at the G7 summit on global infrastructure investment, which were explicitly aimed at countering the growing influence of China's BRI, but did not use the same approach as the AJP. Instead they were based on the 'hope' that private finance can be enticed into investing in infrastructure in developing countries, a policy which has been failing for the last 30 years. The proposals have been widely criticised as lacking specifics and doomed to failure as a challenge to China's BRI.

The final section argues that this represents a missed opportunity to encourage LMIC and other countries to formulate their own versions of the AJP. The AJP model nevertheless represents an opportunity for social movements and progressive political parties around the world to argue for 'Biden plans': social and economic strategies based on democratic planning for public infrastructure and services, including full employment, equality, and a 'Green New Deal'⁶

B. Implementation of the AJP in the USA

This paper does not attempt to analyse or evaluate the origins of the AJP in USA politics, or the political processes around its implementation in the USA itself. But it is worth noting that it has been very positively received by the public, with polls showing 2-1 majority support, which has continued undiminished up to the time of writing (August 2021).⁷ President Biden responded to opposition from Republican politicians, by negotiating a bipartisan 'infrastructure deal', worth about \$550 billion, which is limited to investments in physical infrastructure such as water and highways. This excludes major elements of the AJP concerned with housing, care, climate change, and tax increases, and intense pressure from the finance sector added the possibility of using PPPs,^{8,9} But

⁶ The concept of the 'Green New Deal' combines the demand for a radical response to the climate crisis by shifting to renewable energy, with the memory of the programme of economic recovery introduced in the 1930s under President Roosevelt, known as the 'New Deal'.

⁷ The proposals were popular from the outset and have remained so. For their initial popularity see 'Voters Like Biden Infrastructure Plan' *The New York Times*, 15 April 2021 <https://www.nytimes.com/2021/04/15/business/economy/infrastructure-economy-biden.html> ; in late July 2021, when polls showed Biden's own approval rating had fallen sharply, the same polls showed that the AJP itself still had a remarkable 71% approval rating: 'New Poll Shows Biden Approval In Full On Nose Dive'. Daily Caller 29 July 2021. <https://dailycaller.com/2021/07/29/joe-biden-poll-monmouth-university-approval-rating/>.

⁸ For analysis of the provision for considering PPPs, see 'Infrastructure Summer: In Bipartisan Bill, States Must Consider Private Financing for Major Transit Projects'. *The American Prospect*. 2 August 2021. <https://prospect.org/api/content/4fd81084-f17d-11eb-8505-1244d5f7c7c6/> ; for the private equity bids for utilities see Harris, Lee. 2021. 'Eyeing Federal Infrastructure Windfall, Private Equity Courts Public Utilities'. *The American Prospect*. 22 July 2021. <https://prospect.org/api/content/40114d86-ea4e-11eb-b8dc-1244d5f7c7c6/>. For assessment of the success in resisting PPPs and privatisation see Dayen, David. 2021. 'Infrastructure Summer: One Deal Forward, One Deal Back'. *The American Prospect*. 29 July 2021. <https://prospect.org/api/content/5f11f968-f06d-11eb-9ef3-1244d5f7c7c6/>. For part of the resistance, see 'Progressive Groups Urge Democratic Leadership to Reject Privatization Provisions of Bipartisan Infrastructure Framework'. 2021. Indivisible. 15 July 2021. <https://www.facebook.com/indivisibleguide/>.

⁹ For the formal announcement on the bipartisan infrastructure deal, see 'FACT SHEET: Historic Bipartisan Infrastructure Deal'. 2021. The White House. 28 July 2021. <https://www.whitehouse.gov/briefing->

the 'human infrastructure' aspects of the AJP is covered by a parallel budget bill passed by the House of representatives – estimated at \$3.5 trillion - to implement other parts of the AJP, including, for example a 'surprisingly radical housing policy'.¹⁰ needing Republican support. It too is the subject of intense lobbying by private equity firms, resisted by proposals to limit private equity's ability to extract value from e.g. care services at the expense of workers and care standards.

[room/statements-releases/2021/07/28/fact-sheet-historic-bipartisan-infrastructure-deal/](https://prospect.org/api/content/5f11f968-f06d-11eb-9ef3-1244d5f7c7c6/). For overall assessments of the deal see Dayen, David. 2021. 'Infrastructure Summer: One Deal Forward, One Deal Back'. *The American Prospect*. 29 July 2021. <https://prospect.org/api/content/5f11f968-f06d-11eb-9ef3-1244d5f7c7c6/>; *Bloomberg.Com*. 2021. 'Senate Poised to Deliver Infrastructure Win for Biden Agenda', 2 August 2021. <https://www.bloomberg.com/news/articles/2021-08-02/senate-poised-to-deliver-infrastructure-win-for-biden-s-agenda>; for a summary of which parts of the AJP are excluded from the \$550bn deal, see 'Which Biden Priorities Are Not Included in the Bipartisan Infrastructure Deal?' *Washington Post*, 29 July 2021 <https://www.washingtonpost.com/politics/2021/07/01/biden-bipartisan-deal-infrastructure-spending/>. The parallel budget bill was passed by the House of representatives on 23rd August: 'House Narrowly Passes \$3.5 Trillion Budget Blueprint, Paving the Way to Enact Biden's Expansive Agenda.' *The New York Times*, 24 August 2021, sec. U.S. <https://www.nytimes.com/live/2021/08/24/us/biden-democrats-politics-news>; for the private equity lobbying and contestation see Dayen, David. 2021. 'Private Equity's Potential Payday From Build Back Better'. *The American Prospect*, 31 August 2021. <https://prospect.org/api/content/00018b1e-09e5-11ec-95d7-1244d5f7c7c6/>.

¹⁰ See Dayen, David. 2021. 'Infrastructure Summer: The Sophie's Choice of the Reconciliation Bill'. *The American Prospect*, 15 September 2021. <https://prospect.org/api/content/abff9e06-15a2-11ec-b9b3-1244d5f7c7c6/>; Kuttner, Robert. 'A Grand Bargain on Infrastructure and Saving Democracy?' *The American Prospect*, 15 September 2021. <https://prospect.org/api/content/b03a899c-164f-11ec-81da-1244d5f7c7c6/>; 'Biden's Build Back Better Plan Is First and Foremost a Jobs Plan'. *The American Prospect*, 17 September 2021. <https://prospect.org/api/content/41ec9cc4-1734-11ec-9afe-1244d5f7c7c6/>; Sammon, Alexander. 2021. 'Infrastructure Summer: A Surprisingly Radical Housing Bill'. *The American Prospect*, 16 September 2021. <https://prospect.org/api/content/9a78b94c-165b-11ec-ac72-1244d5f7c7c6/>.

2. The AJP and its key narratives

A. Key narratives

The size and scale of the AJP are economically impressive – about 1% of GDP for the next 8 years - but it is not the size which represents such a break with neoliberal orthodoxy. Nor is its impact as an economic stimulus, which is smaller because it is intended to be largely financed by taxation.¹¹ It is shaped not simply as a Keynesian macro-economic reflationary tool, but as a public plan using economic resources to deliver public social objectives.

The AJP's key features are rather that it is structured around democratic planning of infrastructure and public services, in pursuit of public missions of full employment, equality, social care, and a green economy, framed in terms of class, race, gender, and climate change, committed to raising wages and increasing unionisation, to be financed by increased taxes on corporations and the rich. It is the commitment to these public objectives which leads to the formulation of such a large and ambitious programme

This section looks at the distinctive narratives of the AJP under 5 broad headings:

- the key role for planning, and public sector missions
- based on a wide range of public missions – including a 'Green New Deal', full employment, healthcare and social care policies, housing, racial and gender equality, all treated as 'infrastructure investment'
- the importance of public sector capacity
- public finance through taxation of profits and high incomes, with no role for PPPs¹² ;
- a central commitment to full employment, higher wages and unionisation of workers

B. A plan: the power of the state

One simple notable feature of the AJP is that it's a plan. Planning has been "deeply discredited" as a failed Soviet approach since the 1980s¹³, though the financial crisis, the scale of state action required by Covid, and the dysfunctionality of privatisation suggest that neoliberal economic management replicates rather than solves the problems of the Soviet state¹⁴. Biden has now launched a series of plans since he became president in January 2021.

¹¹ As noted by Paul Krugman: Krugman, Paul. 2021. 'Opinion | Working Out: Keynesian Republicans, Supply-Side Democrats?' *The New York Times*, 30 July 2021, sec. Opinion.

<https://www.nytimes.com/2021/07/30/opinion/american-rescue-plan-stimulus-keynes.html>.

¹² In the original plan: as noted above, the 'infrastructure deal' of July 2021 includes the possibility of states evaluating the potential for PPPs

¹³ "the idea of national economic planning has been deeply discredited" M.Ellman 2014 *Socialist Planning* p.19

¹⁴ "the neoclassical economics that justifies public sector outsourcing operates with a closed-system ontology of the economy that has more affinities with Stalinist central planning than to empirical political economic science" Innes, Abby. 2020. 'The Limits of Institutional Convergence: Why Public Sector Outsourcing Is Less Efficient than Soviet Enterprise Planning'. *Review of International Political Economy* 0 (0): 1–24.

<https://doi.org/10.1080/09692290.2020.1786434>.

The first was the American Rescue Plan (ARP), his initial Covid economic support and recovery stimulus in January 2021.¹⁵ The AJP is thus Biden's second major plan (and includes tax policies which are themselves presented as a plan-within-a-plan, the 'Made in America Tax Plan'). It was followed at the end of April 2021 by the American Families Plan (AFP), which set out a further programme of investment in pre-school and post-school education, childcare, paid maternity and sick leave, food schemes, and unemployment and healthcare insurance.¹⁶

It is not just a set of proposals. The AJP proclaims itself as an historic national mission, in which the state is identified with the people, and the plan identified with the president:

“Like great projects of the past, the President’s plan will unify and mobilize the country to meet the great challenges of our time”.

The plan itself is the lead actor throughout, ‘a historic public investment’ which will ‘repair American roads and bridges’, ‘modernize public transit’, ‘Build, preserve, and retrofit more than two million homes’ etc., repeatedly mentioning its status as ‘President Biden’s plan’.

The role of the state as a strategic and directing actor in the social and economic future of the country is thus at the centre of the whole programme.¹⁷

The language of the market, competition and incentives, by contrast, is much less used, and often as an area of weakness rather than a source of solutions. Competition is mainly used in the sense of competition between countries, and when it is mentioned in the context of inter-company competition it is as a problematic area, whose solutions include releasing the potential of the public sector “by lifting barriers that prevent municipally-owned or affiliated providers and rural electric co-ops from competing on an even playing field”. And In his speech on the economy in late May 2021, President Biden reverses the mainstream view of competition as a mechanism which reduces employment by cutting costs, and instead argues that an investment programme which aims at delivering full employment leads to employers competing for labour, thus strengthening the bargaining position of workers: “We want the companies to compete to attract workers. That kind of competition in the market doesn’t just give workers more ability to earn a higher wage, it gives them the power to demand to be treated with dignity and respect in the workplace”.

The word ‘market’ is mentioned only 10 times, often as an area of problems - e.g. the USA market for electric vehicles lags behind that of China, but the plan “will create good jobs electrifying vehicles” – or to emphasise the power of state spending: e.g. the plan “will use the federal government’s incredible purchasing power to drive clean energy deployment across the market”,

¹⁵ ‘Fact Sheet: American-Rescue-Plan.Pdf’. President. January 2021. <https://www.whitehouse.gov/wp-content/uploads/2021/03/American-Rescue-Plan-Fact-Sheet.pdf>.

¹⁶ ‘Fact Sheet: The American Families Plan’. 2021. The White House. 28 April 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>.

¹⁷ The Biden AJP was published in March 2021, at the same time as China approved its 14th 5 year plan (5YP), summarised at ‘China: Report on the Work of the Government’. 2021. http://english.www.gov.cn/premier/news/202103/13/content_WS604b9030c6d0719374afac02.html. The AJP is on a relatively smaller scale than China’s 5YP: its investments will amount to about 1% of GDP per year, whereas China’s infrastructure investment has been running at over 5% of GDP. ‘Government Investment Spending | Government at a Glance 2019 | OECD iLibrary’. April 2021. <https://www.oecd-ilibrary.org/sites/9cc7e2ae-en/index.html?itemId=/content/component/9cc7e2ae-en>. The AJP covers a longer time-span - 8 years rather than 5; some of the fundamental public missions are the same, notably climate change, social care, and employment; and the AJP names president Biden 90 times, while the 5YP mentions China’s leader Xi Jinping 13 times.

and even more assertively “The federal government spends more than a half-a-trillion dollars buying goods and services each year. As a result, it has the ability to be a first mover in markets. This incredible purchasing power can be used to drive innovation and clean energy production, as well as to support high quality jobs.” The AJP still includes tax breaks as ‘Incentives’ e.g. tax credits to “mobilize private investment to modernize our power sector”, but notes that such incentives may be perverse and so are surrounded by conditionalities, mainly connected to jobs.

C. Public missions: climate, care, connectivity, equality and employment

The plan is rooted in the provision of public infrastructure and public service systems to deliver some great public ‘missions’, including climate change and racial inequality, and supporting the interests of workers in higher wages, better employment conditions, and unionisation. These include:

- comprehensive infrastructure networks: roads, water, energy, universal broadband
- climate change and a ‘green new deal’: renewable energy, public transit, electric vehicles
- social care, more public healthcare, affordable housing
- racial and gender equality
- full employment, higher wages, and stronger unionisation

The American Families Plan (AFP) at the end of April 2021 continued this process by setting out a further programme of investment in pre-school and post-school education, childcare, paid maternity and sick leave, food schemes, and unemployment and healthcare insurance.¹⁸ Biden’s plans are effectively indicating how investment in ‘human infrastructure’ should be coupled with physical infrastructure.

The scope and scale of these plans are comparable to the ‘new deal’ in the USA of the 1930s, and to the post-WWII social democratic reforms in Europe. They are shaped not simply as a Keynesian macro-economic reflationary tool, but repeatedly directed to deliver public social objectives.

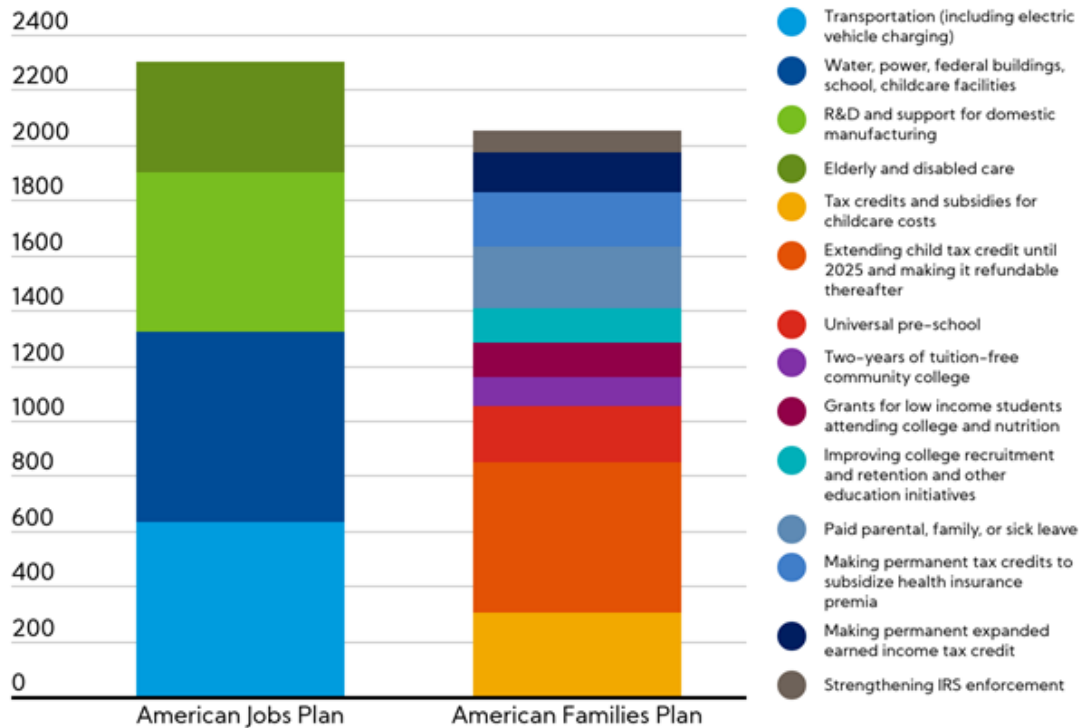
¹⁸ ‘Fact Sheet: The American Families Plan’. 2021. The White House. 28 April 2021.
<https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>.

Table/chart 1. Rebuilding the USA economy through public services – the AJP + AFP (2021)

A remaking of the economy

If passed into law as proposed, the combined 4.3 trillion US dollars would be largely spent on infrastructure, education, childcare, the elderly, and the poor.

(billions of US dollars)



Source: White House Fact Sheets.



Source: IMF ¹⁹

D. Public services as infrastructure

One big narrative change in the AJP is to extend the notion of infrastructure, beyond the physical networks of roads and electricity grids, to include the workers and organisations for delivering public services, and the public benefits of doing so e.g. through: “\$400bn on care for the elderly and people with disabilities. \$100bn will go on job training for disadvantaged groups.... This is a wide programme of economic reform, which encompasses education and climate change abatement.” ²⁰

Biden’s new definition of public service infrastructure includes its role in providing decent employment, equal rights and R&D:

¹⁹IMF. 2021. ‘Boosting the Economy: The Impact of US Government Spending Plans’. IMF. 1 July 2021. <https://www.imf.org/en/News/Articles/2021/07/01/na070121-boosting-the-economy-the-impact-of-us-government-spending-plans>.

²⁰FT editorial. 2021. ‘Joe Biden’s Infrastructure Plan Is Much More than That’. 7 April 2021. <https://www.ft.com/content/524db71d-64c3-4bb0-ab5b-648be37aa2e3>.

“We need to start seeing infrastructures through its effect on the lives of working people in America ... the foundation today that they need to carve out their place in the middle class to make it — to live, to go to work, to raise their families with dignity, to ensure that good jobs will be there for their kids, no matter who they are or what ZIP Code they live in...

It’s expanded services for seniors. It’s homecare workers, who go in and cook their meal, help them get around and live independently in their home, allowing them to stay in their homes ... It’s better wages and benefits and opportunities for caregivers, who are disproportionately women, women of colour, and immigrants.”^{21 22}

It is this aspect of the AJP that led the FT to describe it as “a wide programme of economic reform”²³, and has been most strongly opposed by the Republican party.

E. An embedded Green New Deal

This notion of infrastructure even extends to the natural environment itself: “President Biden’s plan will protect and, where necessary, restore nature-based infrastructure – our lands, forests, wetlands, watersheds, and coastal and ocean resources.” This is presented as investments to “make our infrastructure more resilient”.

The AJP includes large amounts of climate-focussed investments, and was welcomed by those who had been campaigning for a ‘Green New Deal’:

“Varshini Prakash of the Sunrise Movement, one of the main activist groups pushing for the Green New Deal, applauded multiple aspects of Biden's climate policy” including the plan to create green jobs through a ‘Civilian Climate Corps’, which was “something that we didn't anticipate being a priority for the administration right away”. Alexandria Ocasio-Cortez also said that, although the amount should be much higher: “I do believe that we have been able to influence a lot of thinking on climate and infrastructure. As much as I think some parts of the party try to avoid saying 'Green New Deal' and really dance around and try to not use that term, ultimately, the framework I think has been adopted.”²⁴

²¹ ‘Remarks by President Biden on the American Jobs Plan’. 2021. The White House. 7 April 2021. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/04/07/remarks-by-president-biden-on-the-american-jobs-plan-2/>.

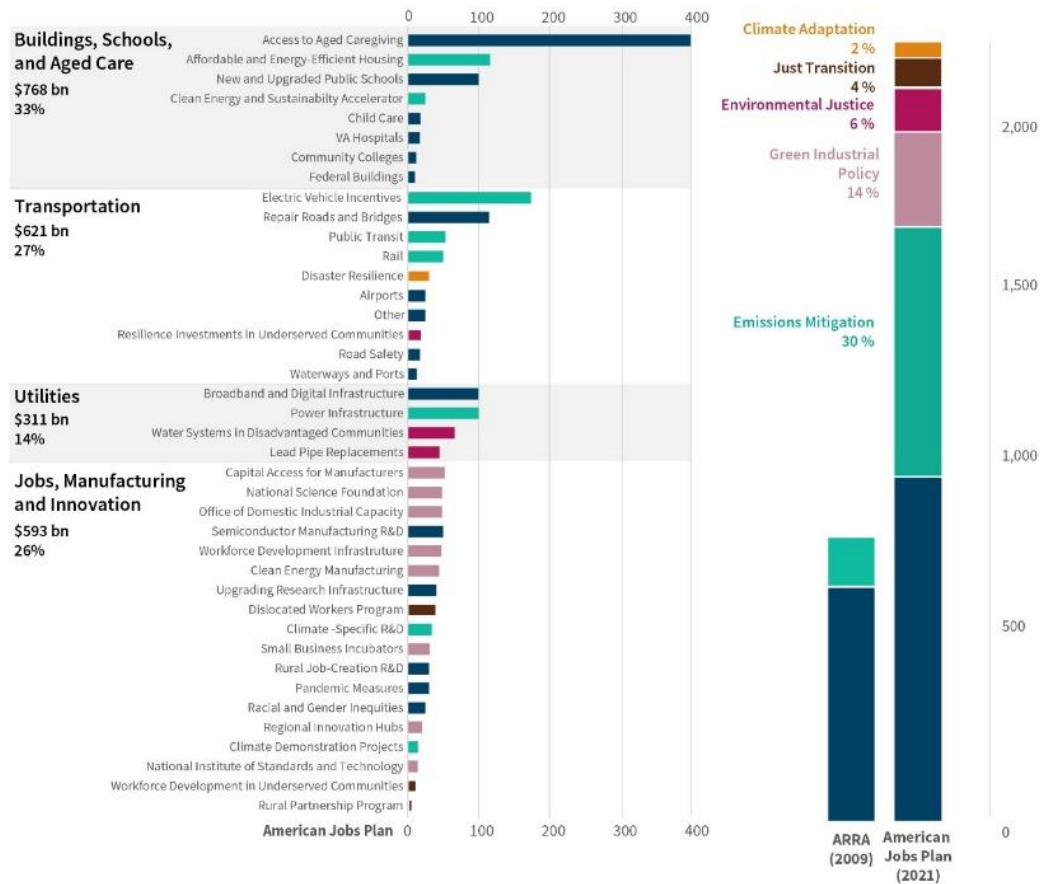
²² Biden Agrees to Bipartisan Group’s Infrastructure Plan, Saying ‘We Have a Deal’. The New York Times. 12 August 2021 <https://www.nytimes.com/live/2021/06/24/us/joe-biden-news>

²³ FT editorial. 2021. ‘Joe Biden’s Infrastructure Plan Is Much More than That’. 7 April 2021. <https://www.ft.com/content/524db71d-64c3-4bb0-ab5b-648be37aa2e3>.

²⁴ Danielle Kurtzleben. 2021. ‘Ocasio-Cortez Sees Green New Deal Progress In Biden Plan, But “It’s Not Enough”’. *NPR.Org*, 2 April 2021. <https://www.npr.org/2021/04/02/983398361/green-new-deal-leaders-see-biden-climate-plans-as-a-victory-kind-of>.

The American Jobs Plan Is More Than an Infrastructure Plan, and Would Be a Historic Climate Package

Left-hand side shows all line items announced as part of the American Jobs Plan, categorized by spending type and climate goals. Right-hand side compares this plan to the Obama administration's American Recovery and Reinvestment Act. All figures in billions of USD.



NB: Categories are identified by the author. American Jobs Plan is to be spent over an 8-year period, whereas the ARRA was officially spent over 10 years, though most took place within 5 years.

Source: "FACTSHEET: The American Jobs Plan," White House, March 31, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>; HSBC Global Research, *A Climate for Recovery: The colour of stimulus goes green* (London: HSBC, 2009), https://www.globaldashboard.org/wp-content/uploads/2009/HSBC_Green_New_Deal.pdf.

Source: 'The American Jobs Plan Gets Serious about Infrastructure and Climate Change'. CSIS. 2 April 2021. <https://www.csis.org/analysis/american-jobs-plan-gets-serious-about-infrastructure-and-climate-change>.

The AJP includes a commitment to “upgrade America’s research infrastructure”, endorsing the role of the state in R&D as a core public mission, both in the past and in the future:

“Investing in research and development help lead to lithium batteries, LED technology, the Internet itself. It helped lead to vaccine breakthroughs that are helping us beat COVID-19; to the Human Genome Project, which has led to breakthroughs in how we understand and fight cancer and other diseases. Government — meaning, the taxpayers — funded this research. Government. When we stop investing in research, we stop investing in the jobs of

the future, and we give up leading the world. And when we do invest in research, what we're really doing is raising the bar on what we can imagine."²⁵

F. Full employment

The commitment to full employment is perhaps most radical break with neoliberal orthodoxy. Biden has now asserted that the welfare and wages of working families is not just a central but 'the only' measure of economic policy- and so full employment, under which companies have to compete for workers by offering better pay and conditions, is a core objective:

"My sole measure of economic success is how working families are doing, whether they have jobs that deliver dignity. That means we have to focus on wages like we used to. When it comes to the economy we're building, rising wages aren't a bug; they're a feature. We want to get something economists call "full employment." Instead of workers competing with each other for jobs that are scarce, we want the companies to compete to attract workers. That kind of competition in the market doesn't just give workers more ability to earn a higher wage, it gives them the power to demand to be treated with dignity and respect in the workplace...."Full employment" also means more options and opportunities for workers — including Black, Hispanic workers, Asian American workers, women — who've been left behind in previous economic recoveries when the labor market never tighten- — tightened up enough.

Look, this isn't just good for individual workers, it also makes our economy a whole lot stronger. When American workers have more money to spend, American businesses benefit. We all benefit. Higher wages and more options for workers are a good thing."²⁶

The role of public services infrastructure in creating well-paid jobs forms part of this approach, so that delivery of more and better care services to more people is based on a commitment to: "Solidify the infrastructure of our care economy by creating jobs and raising wages and benefits for essential home care workers."²⁷

G. Public sector capacity as infrastructure

The AJP recognises the importance of building public sector capacity to deliver these missions, both for democratic planning, and for managing the provision of public infrastructure and services. In a later speech Biden asserted that this is a distinctive necessary role for the state, that the private sector does not deliver:

"We know from history that these kinds of investments raise both the floor and the ceiling of the economy for everybody. Like, when we brought electricity to every household in the country in 1930s or we connected the country through the Interstate Highway System in the

²⁵ 'Remarks by President Biden on the American Jobs Plan'. 2021. The White House. 7 April 2021. <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/04/07/remarks-by-president-biden-on-the-american-jobs-plan-2/>.

²⁶ Remarks by President Biden on the Economy May 27, 2021 <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/05/27/remarks-by-president-biden-on-the-economy-2/>

²⁷ 'FACT SHEET: The American Jobs Plan'. 2021. The White House. 31 March 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

'50s.....These are generational investments. Private sector does not make these kind of investments. We've neglected that kind of public investment for much too long."²⁸

Although the plan is set out by central government, its detailed implementation will be carried out by regional and local governments, using democratic mechanisms. Thus the federal government:

"will support the state, local, and tribal governments delivering these projects through world-class training, technical assistance, and procurement best practices. In addition, the President's plan will use smart, coordinated infrastructure permitting to expedite federal decisions while prioritizing stakeholder engagement, community consultation, and maximizing equity, health, and environmental benefits."

The plan generally leaves it open as to whether service provision should be by direct public employees or outsourced to contractors, but In relation to the extension of universal affordable broadband, it "prioritizes support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives".

H. Public finance not PPPs

The \$2 trillion+ programme set out in the AJP is fully funded from taxation, and specifically through increased taxation on corporate profits, including raising the corporate tax rate to 28%, setting a minimum tax payment rule, and stopping the use of tax avoidance schemes which switch profits to tax havens:

"Together these corporate tax changes will raise over \$2 trillion over the next 15 years and more than pay for the mostly one-time investments in the American Jobs Plan and then reduce deficits on a permanent basis"

The AJP itself does not envisage any role for PPPs.²⁹ And it will not even involve government borrowing – rather the opposite, because after the investments are completed, the tax changes will "then reduce deficits on a permanent basis".

This is of great global significance.

Firstly, because it shows that the use of public finance for infrastructure is feasible for any country. This entire infrastructure investment programme is being funded by higher taxes, both equivalent to 1% of GDP – a level of increase in taxation and spending which any country in the world can aspire to. These taxes will not only pay for the infrastructure plans, but will continue to provide extra income for the government "on a permanent basis". It also shows that even public borrowing and debt is not necessary for financing public infrastructure. It can be paid for out of progressive taxation collected from corporations and rich individuals. This is quite contrary to the narratives of the IMF, World Bank and others, which are routinely framed around the need to attract private finance.

Secondly, the AJP also proposed to "encourage other countries to adopt strong minimum taxes on corporations, just like the United States, so that foreign corporations aren't advantaged and foreign

²⁸ Remarks by President Biden on the Economy May 27, 2021 <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/05/27/remarks-by-president-biden-on-the-economy-2/>

²⁹ Vandevelde, Mark, and Michael Mackenzie. 2021. 'Investors Lament Being Frozen out of Biden Infrastructure Plan'. FT 12 April 2021. <https://www.ft.com/content/69107cd2-0521-4400-a3c1-d32880e0253f>. The bi-partisan 'infrastructure deal' agreed at the end of July 2021 did however allow for VFM comparative evaluation of PPP options: see introduction above, and note 6.

countries can't try to get a competitive edge by serving as tax havens." Taxing US multinationals is no longer something opposed by the US government, it is welcomed. This has already resulted in June 2021 in an agreement by G7 countries to a global minimum corporate tax rate of 15%, and a requirement that the largest multinationals would have to allocate at least 20% of their profits to countries where they make their sales.³⁰³¹

Thirdly, it shows that PPPs are regarded by the government of the USA as expensive and undesirable. The financiers operating 'infrastructure funds' with \$655bn were hoping for an infrastructure programme based on PPPs, with government guaranteeing long-term high returns over 25 years. But the AJP "does not envisage a role for the private investors who had once expected to be in the driving seat"³²: it is all funded, simply, from taxation. Even the CEO of Blackrock, leading promoters of PPPs, acknowledged that this was in the public interest: "If the Biden administration wants the cheapest financing costs they will fund projects federally".³³

That is equally true for other countries. Funding through taxation is always the cheapest and simplest option, and although government borrowing is more expensive for developing countries than in the USA, so is private finance: the relative position remains that public finance is cheaper than private finance and PPPs.

One advocate of PPPs has tried to argue that Biden will ultimately need to use PPPs to finance some of the plan, pointing out that a similar infrastructure plan by President Eisenhower in the 1950s did use some PPPs in the form of toll roads. But, as he also acknowledged, these roads deteriorated badly because the PPPs did not spend enough on maintenance. The use of public finance makes it easier to avoid that danger, because the continued tax revenues enable maintenance and other spending after the initial investment.³⁴

I. For the workers – wages, local jobs and union rights

In the AJP, the interests of the workers are not just mentioned as acknowledgements of claims by one stakeholder, they are repeatedly put at the centre of the rationale for the programme. Early on the AJP declares emphatically:

"Our workers will build and make things in every part of America, and they will be trained for well-paying... good-quality jobs that pay prevailing wages in safe and healthy workplaces while ensuring workers have a free and fair choice to organize, join a union, and bargain collectively with their employers."

Biden has since stated:

³⁰ Giles, Chris. 2021. 'G7 Strikes Historic Agreement on Taxing Multinationals'. *Financial Times*, 5 June 2021. <https://www.ft.com/content/a308bbff-5926-47a1-9202-6263e667511e>.

³¹ 'FACT SHEET: The American Jobs Plan'. 2021. The White House. 31 March 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.

³² Vandevelde, Mark, and Michael Mackenzie. 2021. 'Investors Lament Being Frozen out of Biden Infrastructure Plan'. FT 12 April 2021. <https://www.ft.com/content/69107cd2-0521-4400-a3c1-d32880e0253f>.

³³ Vandevelde, Mark, and Michael Mackenzie. 2021. 'Investors Lament Being Frozen out of Biden Infrastructure Plan'. FT 12 April 2021. <https://www.ft.com/content/69107cd2-0521-4400-a3c1-d32880e0253f>.

³⁴ '(48) Future Proofing Biden's Infrastructure Plan through Public-Private Partnerships (PPPs) | LinkedIn'. n.d. Accessed 20 April 2021. <https://www.linkedin.com/pulse/public-private-partnerships-ppps-still-needed-after-bidens-baxter/>.

“My sole measure of economic success is how working families are doing, whether they have jobs that deliver dignity. That means we have to focus on wages like we used to. When it comes to the economy we’re building, rising wages aren’t a bug; they’re a feature.”³⁵

Not only will the programme create jobs for Americans, it will use legislation and conditionalities to increase wages, strengthen rights to unionisation and collective bargaining, and require all recipients of public money to pay ‘prevailing wages’ – the USA version of fair wages, or ILO convention 94, the main impact of which is to spread good pay and conditions into the private sector by preventing contractors from undercutting labour costs).³⁶ The AJP was followed a month later by a presidential order raising the hourly Minimum Wage for Federal Contractors to \$15, which was described by ITPI as “delivering racial and gender justice... with the stroke of a pen, up to 390,000 low-wage federal workers will have more money in their pockets during a pandemic....The average annual pay increase for affected year-round workers will be [up to \\$3,100](#).”³⁷

It treats union rights as part of an economically positive infrastructure. The plan will:

“Put in place an infrastructure to create good middle-class jobs with a free and fair choice to join a union. America can and must retain well-paid union jobs and create more of them all across the country.”³⁸

The plan repeatedly uses labour-related conditionalities. Tax credits for companies to invest in clean energy generation and storage are “paired with strong labor standards to ensure the jobs created are good-quality jobs with a free and fair choice to join a union and bargain collectively.”

J. Global reception

Beyond the USA the plan has received some surprisingly positive responses. Both the Financial Times and the IMF have given positive assessments of the expected economic benefits, including of the proposed tax changes, and the social objectives embedded in the AJP.

The Financial Times commended the “long view” of an 8-year plan, that it is financed by increased taxation, that it strengthens the public sector and reduces inequalities, and even described the AJP as just a ‘tentative start’:

“by tabling an [increase in corporation tax](#), Biden is at least confronting the hard choices of economic management.....if Democrats are serious about bringing about a historic turn to the left, they cannot lean forever on the crutch of borrowing. The point of a centre-left party

³⁵ Remarks by President Biden on the Economy May 27, 2021 <https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/05/27/remarks-by-president-biden-on-the-economy-2/>

³⁶ ILO ‘Labour Clauses (Public Contracts) Convention, 1949 (No. 94) and Recommendation (No. 84)’. Publication. 27 October 2008. http://www.ilo.org/global/standards/information-resources-and-publications/publications/WCMS_099699/lang--en/index.htm.

³⁷ ‘FACT SHEET: Biden-Harris Administration Issues an Executive Order to Raise the Minimum Wage to \$15 for Federal Contractors’. 2021. The White House. 27 April 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/27/fact-sheet-biden-harris-administration-issues-an-executive-order-to-raise-the-minimum-wage-to-15-for-federal-contractors/>; Mohler, Jeremy. 2021. ‘Biden Just Delivered Racial and Gender Justice in a Way You Wouldn’t Expect’. *In the Public Interest* (blog). 29 April 2021. <https://www.inthepublicinterest.org/biden-just-delivered-racial-and-gender-justice-in-a-way-you-wouldnt-expect/>.

³⁸ FACT SHEET: The American Jobs Plan 31 March 2021 <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

is to persuade voters to pay for a renovated public realm and a more equitable society. In a tentative way, Biden is making a start.”³⁹

The IMF, which would surely have been extremely critical of such a programme coming from a left-wing government in a less powerful country, expects the plan to generate a 5.3% boost to GDP over the next 3 years, and also welcomed its impact on equality and employment:

“it is more important than ever to support communities that have been historically underserved, marginalized, or affected by poverty. The proposed spending and tax changes will benefit female-headed households, who make up a disproportionate share of the poor, as well as Black and Hispanic families.... The boost to productivity that these investments will produce can support more jobs with sustainably higher wages, in a more equitable economy.”⁴⁰

3. G7 proposals for LMICs: not modelled on the AJP, weak challenge to China’s BRI

A. The G7 proposals: success on taxation, unconvincing on infrastructure

The corporate taxation principles of the AJP have been actively promoted internationally by the USA, to limit the scope for tax avoidance. At the G7 meeting in June 2021 the USA succeeded in getting G7 countries to agree to “the principle of a global minimum rate that ensures multinationals pay tax of at least 15% in each country they operate”.⁴¹

Biden also announced there would be an initiative on financing infrastructure in LMIC (lower and middle income) countries across the world, which has however been far less successful. The initiative was branded as ‘Build Back Better World’ (B3W), presented as a direct challenge to China’s ‘Belt and Road Initiative’ (BRI). It expressed a general aspiration: “the hope that, together with the private sector, other U.S. stakeholders, and G7 partners, B3W will collectively catalyze hundreds of billions of dollars of infrastructure investment for low- and middle-income countries in the coming years”, and promised to “establish a taskforce to develop practical proposals and report back to us in the Autumn”.⁴²

However, the B3W does not use the AJP as a model for LMIC countries. It pays little attention to public missions, does not focus on the living standards of workers’ and their households, nor on full employment, and does not identify higher corporation tax as the core source of finance.

The B3W has been widely criticised for its failure to provide any specific structure, and failure to offer a serious alternative to the BRI. The Economist was dismissive: “The idea appears half-

³⁹ FT editorial. 2021. ‘Joe Biden’s Infrastructure Plan Is Much More than That’. 7 April 2021.

<https://www.ft.com/content/524db71d-64c3-4bb0-ab5b-648be37aa2e3>.

⁴⁰ IMF. 2021. ‘Boosting the Economy: The Impact of US Government Spending Plans’. IMF. 1 July 2021.

<https://www.imf.org/en/News/Articles/2021/07/01/na070121-boosting-the-economy-the-impact-of-us-government-spending-plans>.

⁴¹ ‘G7 Finance Ministers Agree Historic Global Tax Agreement’. 2021. *G7 UK Presidency 2021* (blog). 5 June 2021. <https://www.g7uk.org/g7-finance-ministers-agree-historic-global-tax-agreement/>.

⁴² FACT SHEET: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership June 12, 2021 <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>; ‘G7 UK Presidency 2021’. Carbis-Bay-G7-Summit-Communique. 13 June 2021. <https://www.g7uk.org/>.

baked...”.⁴³ Newsweek reported “skepticism and wariness from both experts and officials”, including the author of a recent CFR report on how the USA could respond to the BRI, who questioned “our ability to implement it”;⁴⁴ the Guardian reported similar doubts from a Singapore-based analyst who was “sceptical about implementation because of the lack of specifics, including money and the fact that the Trump administration had launched similar schemes to no effect”.⁴⁵ Reports in India and south-east Asia also questioned the lack of detail, so that “the huge question is how will the B3W be funded”, and contrasted the G7 aspirations with the existing scale of the BRI;⁴⁶ the South China Morning post described it as “wrong-headed” and “vacuous”.⁴⁷ An IMF blog suggested that LMIC governments in Africa could help by providing incentives in the form of state subsidies and guarantees – which rather emphasised the problem, as this is precisely the formula which has failed to work for the last 35 years.⁴⁸

B. Failure to understand BRI

It also fails to understand the sheer scale of the BRI, and its appeal to LMIC countries. This allowed China to respond to the G7 initiative later in the month by launching a declaration supporting the BRI as an international collaboration for a green and sustainable recovery, signed by 29 countries in which the BRI had already invested over USD\$500billion.⁴⁹

In 2017, not only was roughly 6% World GDP indebted to China, but a good number of developing countries owed at least 20% of their nominal GDP to China, to name a few including Kyrgyzstan, Cambodia, Niger, Laos, and Zambia. Through the end of 2018, China’s loans to 68 heavily indebted

⁴³ *The Economist*. 2021. ‘China and America Are Borrowing Each Other’s Weapons’, 17 June 2021.

<https://www.economist.com/china/2021/06/17/china-and-america-are-borrowing-each-others-weapons>.

⁴⁴ O’Connor, Tom. 2021. ‘Biden Faces Tough Path to Building a Better Belt and Road than China’. Newsweek. 24 June 2021. <https://www.newsweek.com/biden-tough-path-building-better-belt-road-china-1603929> ;

Jennifer Hillman and David Sacks. 2021. ‘How the U.S. Should Respond to China’s Belt and Road’. Independent Task Force Report No. 79. Council on Foreign Relations (CFR). <https://www.cfr.org/report/chinas-belt-and-road-implications-for-the-united-states/>.

⁴⁵ Wintour, Patrick. 2021a. ‘G7 Backs Biden Infrastructure Plan to Rival China’s Belt and Road Initiative’. *The Guardian*, 12 June 2021, sec. World news. <http://www.theguardian.com/world/2021/jun/12/g7-global-infrastructure-plan-to-rival-chinas-belt-and-road-initiative>.

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⁴⁶ ‘How G7’s Build Back Better Compares to China’s Belt And Road Initiative; All You Need to Know’. 2021. Firstpost. 19 June 2021. <https://www.firstpost.com/world/explained-as-g7-plans-build-back-better-world-heres-how-much-china-has-spent-on-belt-and-road-initiative-9732641.html>; ‘G7: Relevant In Today’s Dynamic World Order?’ n.d. The ASEAN Post. Accessed 28 June 2021. <https://theaseanpost.com/article/g7-relevant-todays-dynamic-world-order>.

⁴⁷ ‘Why G7 Leaders’ Rival Plan to China’s Belt and Road Initiative Is Wrong-Headed’. 2021. South China Morning Post. 21 June 2021. <https://www.scmp.com/comment/opinion/article/3138047/why-g7-leaders-rival-plan-chinas-belt-and-road-initiative-wrong>

⁴⁸ IMFBlog. 01 July 2021 . ‘How to Attract Private Finance to Africa’s Development’. *IMF Blog* (blog). Accessed 6 July 2021. <https://blogs.imf.org/2021/06/14/how-to-attract-private-finance-to-africas-development/>.

⁴⁹ ‘Analysis and Implications of the Initiative for Belt and Road Partnership on Green Development in Comparison to the Build Back Better World B3W – Green Belt and Road Initiative Center’. *Green BRI Center* 2 July 2021. <https://green-bri.org/initiative-for-belt-and-road-partnership-on-green-development-g7-b3w/>.

developing countries doubled⁵⁰, virtually matching the amount of World Bank lending to the same nations⁵¹.

China uses its Policy Banks as key lending institutions⁵². The two main development banks are China Development Bank and China EXIM Banks. Beside them are Bank of China, China Construction Bank, Industrial and Commercial Bank of China. Majority of them are state-owned. Their state-ness means that despite operating commercially, loans are often led or associated with geopolitical and foreign affairs objectives. Yet, they also incorporate market-oriented-ness in such loans, behaving much like commercial lenders, lending at market terms and non-concessional rates.⁵³ To put into perspective, China's ODF is relatively costly, interest rate at higher average⁵⁴ than that offered by IMF's 0.6% and World Bank's 1%. They take the 'commerce-is-development' perspective, championing the nation's economic model through loans and their terms and conditions⁵⁵.

While WB and IMF's loans are often tied with reform conditionalities, China declares a 'Five Nos' when it comes to lending to African countries⁵⁶, many of which are its biggest debtors. These principles in general means no political strings⁵⁷ and no imposed reform model on Africa⁵⁸. However, considering that China has consistently increased its total lending amounts to low-to-middle income countries that are already heavily indebted, many fear that debt levels in these countries are at unsustainable levels and given that the terms and conditions attached to China's loans are 'special', China's debtor countries have to pay back more in both financial and non-financial terms⁵⁹.

Since 2016, policy bank lending has declined. However, in South East Asia, loans for major infrastructure projects in Cambodia, Vietnam, Laos, Indonesia and Malaysia has increased while not

⁵⁰ Nikkei Asia, 'China Doubles Loans to 68 Nations, Further Tightening Grip - Nikkei Asia', Nikkei Asia, 6 August 2020, <https://asia.nikkei.com/Politics/International-relations/China-doubles-loans-to-68-nations-further-tightening-grip>.

⁵¹ Anna Gelpert et al., 'How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments' (Peterson Institute for International Economics, Kiel Institute for the World Economy, Center for Global Development, and AidData at William & Mary., 31 March 2021)

⁵² Muyang Chen, 'Beyond Donation: China's Policy Banks and the Reshaping of Development Finance', *Studies in Comparative International Development* 55, no. 4 (1 December 2020): 436–59, <https://doi.org/10.1007/s12116-020-09310-9>.

⁵³ Policy bank lending can be influenced by geopolitical objectives (as well as broader state objectives, such as supporting offshoring of manufacturing industry, which serves both state development goals and commercial interests). All CDB lending is commercial, whereas Eximbank also has a few concessional facilities, including concessional loans that are non-commercial and below market rate. The big commercial banks are majority state owned, but are driven by commercial considerations.

⁵⁴ Concessional and export buyers credits are 2% or less, and commercial loans can vary.

⁵⁵ Alessandro Provaggi, 'China Development Bank's Financing Mechanisms: Focus on Foreign Investments' (Global Projects Center, Stanford University, May 2013), https://gpc.stanford.edu/sites/g/files/sbiybj8226/f/uc07_0.pdf.

⁵⁶ Yang Yutong, 'China-Africa Ties: "Five Nos" and Eight Initiatives for the New Era', CGTN, 7 September 2018, https://news.cgtn.com/news/3d3d674d344d444d7a457a6333566d54/share_p.html.

⁵⁷ This focus on reform model strings. Other conditions may still apply.

⁵⁸ 'Five Nos' include: No interference in the way countries pursue their development paths, no interference in internal affairs, no imposition of China's will, no political attachment, no selfish political gains in investment and financing cooperation.

⁵⁹ Sophie Perryer, 'How China Uses Infrastructure as a Means of Control', World Finance, 30 July 2019, <https://www.worldfinance.com/featured/how-china-uses-infrastructure-as-a-means-of-control>.

much can be seen in the Philippines and Myanmar. There is almost no competition matched by European and US counterparts in this area.

The US and Europe compete with China over South East Asian debts in particular for both political and economic reasons. The US uses anti-China rhetoric, motivates WB and IMF to focus more on infrastructure loans, reducing processing time, increasing cooperation with Japan, Australia and Singapore to improve bid in ASEAN. This is reflected in how Western media focuses and analyses China's political motivation in their loans and how their approach to multilateral loans changes recently. Through Belt and Road Initiative (BRI), China's lending for infrastructure has stepped up, competing with the US and Europe especially in South East Asia and Africa⁶⁰.

How and which a project is labelled as 'BRI loan' remains obscure. In many projects, the financing structures and mechanisms are a continuation of approaches utilized since before the BRI existed. This varies greatly depending on the host country. Issues such as national law, local capacity, local capital, local political considerations all play a part in shaping project agreements and structures, resulting in a range of outcomes. In many cases, Chinese companies which operate and understand local processes and capacity would have the advantage. They can bring the project proposals to banks in China and quickly, the projects are classified as in BRI.

BRI loans provide future incomes for Chinese entities, not only the direct financiers (state-owned banks) but also opportunities for labour and material supply from China (private entities). Under a BRI plan to support Angola to build a hydropower plant that provides half of its total electricity output, state-owned Gezhouba Group in 2017 secured a contract worth \$4.5bn. ICBC provided 85% of the capital, and Gezhouba is the EPC contractor. In cases like this there is usually a tendering process for contractors. Banks (especially commercial banks) like ICBC will want to see a tendering process to ensure that competent and qualified companies are selected. The reality is that Chinese companies are often the most attractive in terms of capacity and cost - especially in hydropower, which is globally dominated by Chinese companies. Chinese entities also gain from BRI schemes, the benefits are not entirely retained by the debtor countries. The BRI is not a programme based on the idea of generous charitable 'donors' helping poorer countries, but on the idea that deals of mutual interest can be agreed.

So the G7 initiative fails to recognise that the BRI consists of a series of commercial deals where various public and private companies and banks, on both sides, agree how to invest and deliver infrastructure investment, along with some cultural exchanges. Loans charge commercial interest rates, but there are no policy conditionalities. BRI schemes can thus be presented by a China as 'win-win' deals, in which parties negotiate a deal which is perceived as of mutual benefit, and these have been agreed on an increasing scale over the last 5 years.⁶¹ Inclusive Development International emphasises the benefits of trade links and the financial institutions which have been created by or brought into the BRI: "Dominant media narratives on the BRI tend to focus on China's role in major

⁶⁰ David Dollar, 'China and the West Competing over Infrastructure in Southeast Asia', Brookings (blog), 29 April 2020, <https://www.brookings.edu/research/china-and-the-west-competing-over-infrastructure-in-southeast-asia/>.

⁶¹ See Lee Jones and Shahar Hameiri. 2020. 'Debunking the Myth of "Debt-Trap Diplomacy"'. Chatham House Research Paper. <https://www.chathamhouse.org/2020/08/debunking-myth-debt-trap-diplomacy>.; Pantucci, Raffaello. 2021. 'The Many Faces of China's Belt and Road Initiative'. *Current History* 120 (822): 28–34. <https://doi.org/10.1525/curh.2021.120.822.28>

infrastructure projects, but... trade is a major focus of the BRI, and ties directly to infrastructure projects that create the physical connectivity that make trade and industrialization possible...in compliance with international standards.”⁶²

4. Biden plans for LMIC countries?

The G7 proposals are a missed opportunity. Instead, the AJP itself could provide a framework for LMICs and other countries to invest in public services and infrastructure. This AJP framework is much closer to the development plans advocated by many social movements, than it is to the policies currently advocated by the IFIs and major donors.⁶³

For the first time in decades, it is possible to present relatively progressive plans for development as reflecting the approach of the president of the USA, and call attention to this by naming them as ‘Biden plans’.

A ‘Biden plan’ for any country could be structured around the following 5 key elements:

1. Democratic planning and public goods
 - This requires public capacity for democratic planning, and for provision of services, at both national and local level
 - Public investment is planned democratically and transparently to achieve agreed public missions and interests, such as key economic and social infrastructure, public services, and ‘green’ policies to deal with climate change – not by asking private companies to identify projects which can be made profitable
 - Substantial and continuing investment (e.g. 1-5% of GDP per year) over a medium to long term (5-8 years), driven by a plan devised and implemented by central and local government.
2. Infrastructure: wide range of networks to achieve public missions
 - Programmes will include the traditional core economic and social physical infrastructure networks – roads/bridges, energy, water and sanitation (as in the Indian election slogan “Sadak, 19ijli, pani”)
 - Also for expansion and creation of broader public goods infrastructure
 - public transport: rail, metro, bus, ports/airports
 - communications – universal coverage for telecoms, and broadband
 - also for a ‘green new deal’ vs. climate change: renewable energy, electric cars etc
3. Public services as part of infrastructure:
 - Universal public healthcare systems, a post-Covid priority
 - social care for the elderly, another lesson of Covid, including homes and staff
 - extending education, including pre-school, post-school, and better use of internet
 - Plans require the building of public sector capacity for provision of these services
4. Workers’ jobs, pay, rights to sick/parental leave, treated as part of investment

⁶² ‘Taking Stock of the Belt and Road Initiative’. 2021. China Global Newsletter , Edition 3. Inclusive Development International. <https://www.inclusivedevelopment.net/china-global-program/china-global-newsletter-edition-3/>.

⁶³ For a critique of World Bank policies and outlines of a progressive alternative see Bayliss, Kate, and Maria Jose Romero. 2021. “Rebuilding Better”, but Better for Whom? Eurodad. https://www.eurodad.org/rebuilding_better.

- more and better local jobs and pay as a public objective, not as a cost burden. India's MGNREGA rural employment guarantee system can also be used as a model for this approach ⁶⁴
 - employment equality as a key element in equality policies against racism, sexism
 - use prevailing wages, decent pay, local jobs as conditions for contracts (following the principles of ILO Convention 94 – the global formulation of the USA's 'prevailing wages' rules used in the AJP ⁶⁵)
5. Public finance, not PPPs: taxation of corporations and rich people
- financed by additional 'Biden' tax on corporations, and rich individuals. Can build on the USA wish for common global approach to minimum tax on MNCs
 - avoiding the use of PPPs, expensive long-term liabilities.
 - can include some government borrowing eg from issuing bonds, or WB loans 'matched' to tax financing

Instead of the G7 declaration, such plans could be put at the centre of a global new development approach, under which international development groups and agencies could provide advice for any LMIC country in the world on how to develop and implement Biden plans, including the predominantly tax-based financing.

Many bodies could assist in such support, from development banks to social movements and, as in the USA, trade unions. Such combined effort would be seen as responding to domestic political missions for achieving full employment and well-paid workers, and contributing to a recovery that is both real and much better in terms of its benefits. It would look very much like a 'win-win' development, and so a genuinely appealing alternative to the BRI.

⁶⁴ See https://www.nrega.nic.in/netnrega/mgnrega_new/Nrega_home.aspx ; and for a 2021 study on the positive impacts in relation to households, water infrastructure, and economic resilience under Covid, see <https://www.cseindia.org/greater-water-security-more-jobs-lesser-outmigration-what-villages-in-odisha-and-west-bengal-have-got-from-mgnrega-finds-down-to-earth-survey-10750>

⁶⁵ ILO. 2008. 'Labour Clauses (Public Contracts) Convention, 1949 (No. 94) and Recommendation (No. 84)'. Publication. 27 October 2008. http://www.ilo.org/global/standards/information-resources-and-publications/publications/WCMS_099699/lang--en/index.htm.

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