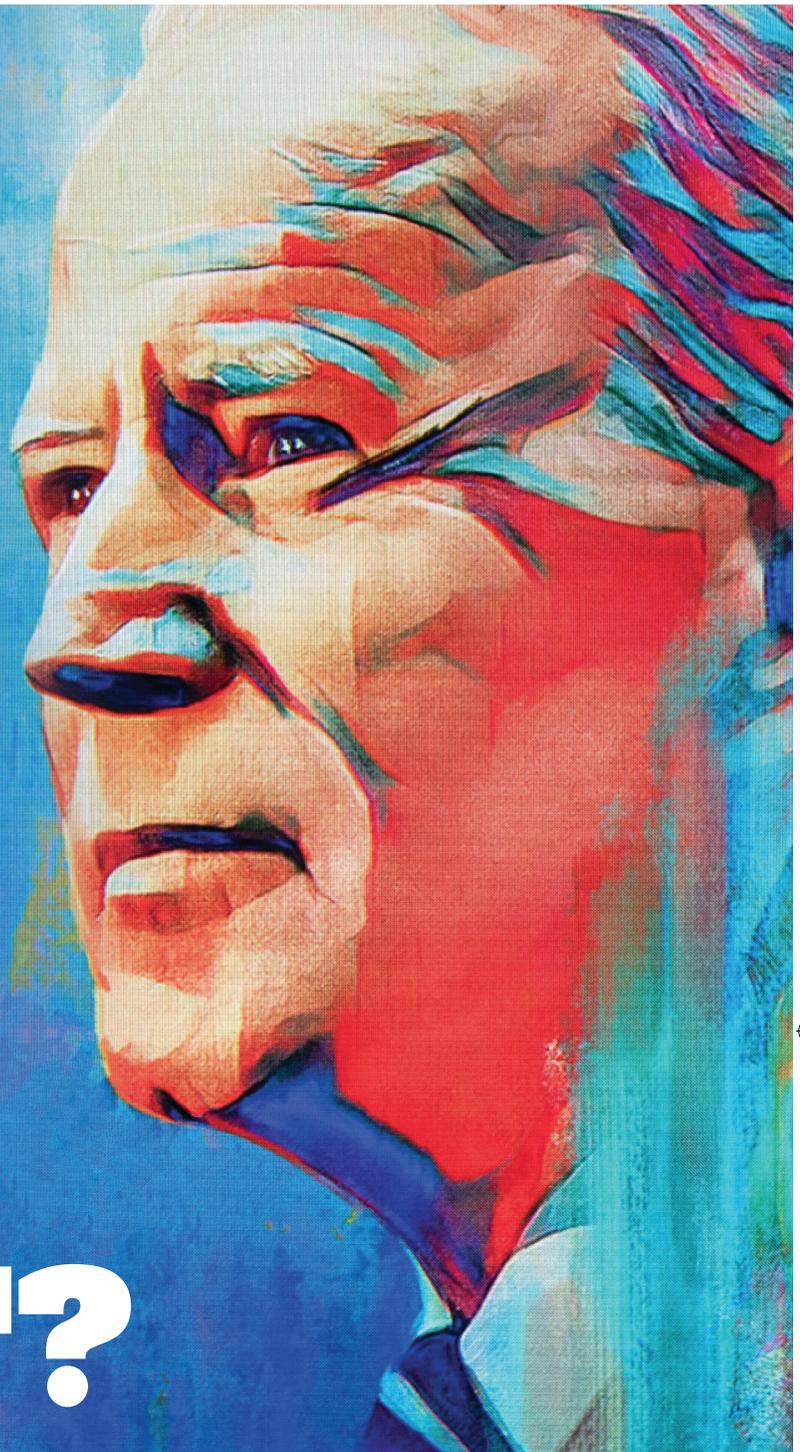


The new administration in the US will be very different from the one it succeeds, but will it be good for engineering, technology, the UK and the wider world?

By **Paul Dempsey**

WHAT WILL BE THE BIDEN EFFECT?



ON 20 JANUARY, Joseph R Biden will be inaugurated as President of the United States. He takes office with his Democratic party in control of both the Senate and the House of Representatives. The main obstacles he is likely to face in enacting his legislative agenda will be recalcitrant members of his own party, rather than trenchant and truculent opposition from the rival Republicans.

Having unveiled a 'First 100 Days' programme with four main, linked themes – Covid-19, economic recovery, racial equity and climate change – Biden should be able to move forward with confidence. However, he must do so in the shadow of his disgraced predecessor, Donald Trump.

The seditious sacking of the US Congress that Trump incited was only the most egregious event in a presidency that has run roughshod across much of the federal government and exhibited almost conscious neglect of the national infrastructure

(despite the latter originally being one of Trump's 'signature' campaign themes). The outgoing president's behaviour has left the US more viciously divided than at any time since the 1960s.

To establish a practical base from which to move forward, the Biden administration will need to devote even more effort to achieving some kind of social and structural reset than it expected last year. Supporters hoping for rapid change are likely to be disappointed, much as they were by the Obama administration which had to focus from its first day on the 2008 financial crisis.

In that light, any outline of Biden's agenda and the context within which technology, engineering and the UK might feature is best swallowed with a generous dollop of expectation management. Until the incoming administration can properly look under the hood and assess what damage Trump and his appointees have done (the outgoing administration has been deliberately

obstructive during the transition period), the scale of the job ahead will remain unclear.

Meanwhile, American society's malcontents continue to brood, with many still regarding the invasion of the Capitol as a great victory rather than a disgrace.

Nevertheless, there are some policy areas where Biden has been advancing the transition, knowing that considerable resources would be needed. Climate change strategy shows this clearly.

Climate change

Climate change is not merely a high priority, it is also the hub around which some of the Biden administration's other key initiatives will revolve. Moreover, it is an area where the President-elect has moved quickly to put a team of experienced nominees to work.

Starting by recommitting the US to the Paris Agreement on his first day in office, Biden also plans to organise a global climate summit within his first 100 days. Along

The new administration under Joe Biden and Kamala Harris has Covid-19, economic recovery, racial equity and climate change at the heart of its agenda



already being debated around the latest sets of Covid-19 stimulus measures, particularly when it comes to job creation and shovel-ready construction and infrastructure projects that could move forward quickly when pandemic restrictions can be relaxed. There certainly is a lot of 'new' money in there, but it is not all new (for some idea of the scale on which these initiatives are budgeted, consider that the Covid stimulus package signed off by Trump in December was valued at \$900bn).

This is nevertheless a major shift in strategy. The Trump administration had strategically and sometimes literally erased climate change from federal government. The Biden administration plans to place the issue front-and-centre and on a whole-of-government basis.

This same overarching approach reflects the Climate 21 Project's recommendations published last November. It drew on 150 experts who had held senior government positions, many of them in the Obama administration. These included co-chair Christy Goldfuss, the former managing director of his Council on Environmental Quality (CEQ), today a senior vice president at the Centre for American Progress and still a close associate of the Biden team.

"Every agency in the federal government – and every policy council in the White House – has some degree of opportunity and responsibility for addressing climate change," the project's report argues. "The next administration will need to act quickly to confront four crises simultaneously: The Covid-19 pandemic, economic devastation, racial injustice, and the accelerating threats of climate change. Climate should be fully integrated into economic, racial justice, and foreign policy, national security, trade and other areas of the president's agenda."

Within Biden's formal climate team, there are currently six appointees: his nominations for interior and energy secretaries, administrator of the Environmental Protection Agency, chair of the CEQ and a White House climate coordinator and deputy.

The White House domestic 'czar' role is going to Gina McCarthy (herself a former EPA administrator) supported by Ali Zaidi (deputy secretary for energy and environment in New York). Interior secretary Deb Haaland is a Native American congresswoman from New Mexico with extensive experience around environmental issues. Energy secretary Jennifer Granholm is the former governor of the automotive-driven state Michigan. Incoming EPA administrator Michael Regan led the green efforts at state level in North Carolina.

And Brenda Mallory is one of the US's most highly regarded environmental lawyers and the first African-American to lead the CEQ. Unlike Trump appointments, there is not a single instance where you could wonder how they qualify for the jobs they will hold. The line-up has a diversity that reflects one of his administration's other immediate priorities.

Meanwhile, two other departments look certain to be drawn into the effort in short >

with his choice of John Kerry as special presidential envoy for climate as a full member of his cabinet (Kerry was Obama's Secretary of State when the US originally signed the Paris deal in 2016), this represents Biden's geopolitical objective of regaining a leadership role on global environmental issues.

For technology and engineering however, his domestic programme is more relevant. In order to put the US back on the path towards achieving net-zero emissions by 2050, Biden has set goals such as these:

- One million new jobs in the electric vehicle industry;
- One million new jobs in construction upgrading and building new properties to higher energy efficiency standards;
- A switch to carbon-free power generation by 2035;
- A shift to zero-emission public transport based on extending light and high-speed rail as well as cycleways, EV buses and more.



John Kerry, shown signing the Paris Agreement, will lead the Climate programme

All of these are part of a plan the President-elect wants funded to the tune of \$2tn (£1.5tn) over four years. It also includes further commitments to research and development, particularly around clean energy, and is the kind of investment that would have been unthinkable had the Republicans held on to control of the Senate.

It is, though, worth bearing in mind that the plan may extend to federal spending

Donald Trump's legacy, symbolised by the sacking of the Capitol, could be a divided society. Fixing that could be Biden's biggest challenge.



Order. Transportation will be led by Biden's one-time rival for the Democratic nomination, Mayor Pete Buttigieg. Although his previous experience of office is at a lower level than some other presidential appointees, he did develop a respected energy and environmental platform during his campaign and, in more practical terms, was one of the many local politicians who enlarged their environmental operations when the Trump administration drew back. The housing and urban development secretary will be Congresswoman Marcia Fudge, and her main expertise is very much in the field of affordable housing, though with a focus also on agriculture.

Draft legislation and proposed budgets are still to come and will tell their own story, but Biden's intention and ability to move quickly and at scale on climate change seem entirely credible – and with that the investment climate for all forms of energy efficiency, non-carbon power generation and next-generation transportation looks excellent.

China and the digital economy

However, some areas are proving more problematic. Two of these are China and the digital economy.

On China, it is best to start with the not-so-good news for the UK. In December, Biden announced he was nominating Katherine Tai to the cabinet-level post of US trade representative. Biden has already made it clear that, unlike Trump's earlier unfulfilled claims, he does not see a post-Brexit trade deal with Britain as an immediate priority. Tai's appointment underlines that.

Her current role as chief trade counsel to the Ways and Means Committee in the House of Representatives and work there on the USMCA, the successor to NAFTA agreement with the US and Mexico, qualify her for the cabinet role. But Tai is also a fluent Mandarin speaker – she taught in Guangzhou for two years in the late 1990s – and has worked extensively on US-China trade issues in government, representing Washington in disputes with Beijing at the World Trade Organization. Biden's immediate trade priority is clearly finding a definitive resolution to the existing trade

war between the two superpowers as part of his wider foreign policy agenda.

And the China issue has become still more complex in the period between the US general election last November and today. Ideally, Biden would like to bring relations back to somewhere close to where they were under the Obama administration, address concerns across US business and particularly Silicon Valley over market access and decoupling, and secure Beijing's cooperation on climate change ahead of COP26 in Glasgow this November. To that end, his secretary of state, Antony Blinken, includes work on the Obama era 'rebalance to Asia' in an impressive resume.

But the ground has shifted, with Beijing taking advantage of Trump's more erratic and aggressive approach. Even in the weeks between November's general election and the

inauguration, Beijing has succeeded in closing two major agreements after multi-year negotiations. These are its investment deal with the European Union and the Regional Comprehensive Economic Partnership (RCEP) trade pact with 14 neighbouring countries in Asia.

The RCEP may be limited in scope, especially with regard to intellectual property (IP), but still covers 2.2 billion people, spreads the terms of existing national tariff-free agreements and establishes a better rules-of-origin framework.

The EU agreement does address long-standing concerns over IP and Chinese influence over member states' operations there, though trade specialists say the key now will be to see how well these are observed and, if necessary, enforced.

IMMIGRATION

SLOWLY OPENING DOORS

The technology sector was a severe critic of the Trump administration's immigration policies, starting with its first 2017 travel ban on citizens from a clutch of predominantly Muslim countries and going on to affect a gamut from post-graduate studies to employment through entrepreneurship. Along with Muslim countries, India faced the toughest restrictions, especially as Trump sought to constrain the non-immigrant H1-B visa used by Silicon Valley and other IT companies.

As president, Joe Biden is likely to revisit much of Trump's visa policy. According to Robert Webber, partner in immigration law at Dorsey & Whitney, the difference between the two is that Trump has seen immigration as zero-sum, while Biden has an opposite view.

"Foreign workers coming into the US basically replaced US workers in the view of the Trump administration, so immigration was basically a threat to the living standards of US workers and the job opportunities," Webber says.

"The Biden philosophy... would characterise it as nonzero-sum. So, the idea is that foreign workers can supplement or complement the US workforce, arguably are a force multiplier for economic growth."

So far, so good, for those looking to 'cross the Pond', but Webber cautions that there is also the issue of priorities. For Trump, immigration was a first-order issue, but this may not be the case for Biden. One possibility is that he will focus early reform on those areas that dovetail with his

four headline themes – Covid-19, climate change, economic growth and racial equity. This could result in a more liberal regime for skilled workers in, say, green energy and infrastructure, with other changes to follow.

But there remains a lot to resolve, from the visa application backlog that has built up and been exacerbated by the pandemic, though to the inevitably thorny debate in even a Democratic-controlled Congress over where caps on H1-Bs and Green Cards should be set.

Both should stimulate development, manufacturing and trade in high-tech goods. They will make it easier to construct complex multinational supply chains, enable deeper collaboration on development and smooth the transfer of more advanced technologies into Asia (and China, in particular). And all with the US as largely a bystander.

They also move a number of traditional US global and regional partners economically closer to Beijing, making it that bit harder for the Biden administration to build a coalition that counterbalances China's influence to the same extent as before.

This could, of course, be an opportunity for London now that it is outside the EU and given shared concerns between London and Washington in areas such as Hong Kong, Xinjiang, the current 'Wolf Warrior' actions on trade against Australia, and, important but on a far more mundane level, IP protection. But there's no guarantee here.

Then there is an issue that has flared up even more in the Trump presidency's final days – the digital economy. One of his administration's last acts was expected to be an attempt to reform the free-speech protections that social media companies enjoy under Section 230 of the US Communications Decency Act.

These are the controversial terms that

indemnify platforms such as Facebook and Twitter over what users post on them in ways that traditional publishers do not enjoy. For Republicans, the issue has been claims of anti-conservative bias implemented through content moderation. Ironically, for Democrats, the issue has been a lack of sufficient moderation allowing fake news and conspiracy theories to spread.

As secessionists invaded the US Capitol, it emerged that Trump's outgoing Federal Communications Commission chairman, Ajit Pai, would not be going ahead with the reforms, officially because the FCC had run out of time (though there has always been a question as to whether the FCC has the legal authority). Pai also probably knew that he was passing the problem to Joe Biden's still-to-be-announced nominee.

Biden is thought to have wanted his digital policy to be dominated by the 5G roll-out, a reintroduction of net neutrality (which in this case was controversially stripped out by Pai) and extending broadband access under the stimulus and his wish to extend social equity. At a stroke, the events of 6 January have forced the controversies swirling around Facebook, Twitter and Google back to the top of the agenda.

Even though Biden is thought to favour treading carefully – tending towards viewing

these and others like them as US business successes, albeit less of a fanboy than Obama – the mood among legislators in all parties towards all these companies is febrile. Measures the companies took to limit Donald Trump's further online antics during the riots are simply seen as too little, too late.

These uncertainties over digital policy bring us back to the wider ones that have emerged since the storming of the Capitol. Biden's climate change plan and its allied components for stimulus-delivering infrastructure, R&D and racial equity should remain intact. Similarly, his far more coherent Covid-19 programme will mark a welcome return for untainted science to American politics.

But more recent events are already causing priorities to shift – and indeed may cause Biden to spend more time on domestic policy than was expected. That's more potentially awkward news for a UK looking to reassert and, post-Brexit, reshape all aspects of its 'special relationship' with the US, including on areas such as research.

It's probably good news for engineering and technology overall, but may differ from what we all expected when those final votes finally and painfully dropped into place last November. *

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