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**Role of government**

Last week, the US Congress approved the $1.9 trillion American Relief Plan (ARP) proposed by President Biden to pull the country out of the economic crisis brought on by the pandemic. It includes funds for low-income individuals, and for vaccinations, as well as for public schools and state and local governments that have been struggling to provide services.

ARP was approved by the slimmest of margins in both houses of Congress, passing solely with Democratic votes. Not a single Republican voted for this bill, finding many things to criticize – “it is too costly”, “has too much money for things not affected by the pandemic”, etc. Having ignored $8 trillion added to the national debt by the Trump administration over four years, the Republicans have suddenly discovered fiscal responsibility. It appears fiscal responsibility becomes important to them only when Democrats are in power.

Differences in Democrat and Republican attitudes towards the relief plan speak to fundamental differences in the two parties’ ideologies. Republicans continue to have faith in ‘trickle-down’ economics – that is, if people at the top of the income and wealth pyramid do well, everyone below them will also benefit. They were comfortable giving trillions to companies in 2020 to provide financial support during the pandemic but are reluctant to directly support low-income households.

Biden was quick to acknowledge the very unusual nature of the pandemic’s economic impact. Just as different industries have been affected very differently by the shutdown, similarly different classes of people have been affected very differently. After a severe economic shock in 2020, a mild recovery has now begun, based on expectations of roll out of the vaccines. However, this recovery is very different from past recessions. It is being called a “K-shaped” recovery, meaning that, while many sectors and individuals are bouncing back fast, many others continue to suffer severely.

Total employment in the US economy continues to be about 10 million people less than pre pandemic level. Yet the US stock market is now more than 13 percent higher than a year ago, adding trillions of dollars in wealth to those who own stocks. Minorities, who often work in low-end service sector jobs are struggling, while most middle and upper-income white-collar workers have been able to maintain their employment working from home.

Republicans often say most Americans have some stake in the stock market through their retirement plans. They cite this as evidence that growth in the stock market is helping everyone. However, data reported by the US Federal Reserve shows that the top 10 percent wealthiest households own 87 percent of the stock market, and the wealthiest top one percent owns 52 percent of the stock market value. The bottom 50 percent of all households own less than one percent of the stock market. The deeply skewed nature of stock ownership was conveniently ignored by former president Trump, when he routinely equated the stock market to the overall economy.

The Republicans’ belief that all government is essentially bad, or at best a necessary evil, hindered their ability to help pull the country out of the economic impact of the pandemic. While they invested large sums in the development of vaccines, they were inept in supporting the public health infrastructure needed to administer the vaccines to the most vulnerable citizens.

The Biden Administration has quickly focused on faster production and delivery of vaccines across the country. As a result, it is now expected that by mid-summer the vast majority of adults in the US will have been vaccinated and life will start to return to normal.

It turns out that dealing with the pandemic and the lopsided economic impact needs a belief in the positive role a government can play.

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