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## THE PENINSULA

### The Dueling Economic Policies in the 2024 Election

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Last week's initial US presidential debate saw both candidates field questions ranging across inflation, unemployment, and the national debt. Whether it was Biden's highlighting his [CHIPS Act successes](#), or Trump's [pronouncements](#) on the US trade deficit with China, the topics set the scene for a national election in which voters will weigh drastically different visions for economic policy.

There are important distinctions to be made on this front. Looking at Joe Biden's economic agenda, it largely focuses on climate and energy policies, as well as strategic industries such as semiconductors. Wrapping together initiatives like the CHIPS Act, the Inflation Reduction Act, and other measures such as the Department of Energy's Loan Programs Office, the Biden plan courts international partners to build up American manufacturing with an eye to America's place in a globalized economy.

In contrast, Donald Trump lays out a vision of "[Economic Nationalism](#)," which is everything the name suggests. With a bend toward the revanchist, Mr. Trump would like his followers to believe that he is rectifying what are seen as economic injustices from the perceived effects of a [hyperglobalization](#) affecting his largely blue-collar political base—done by focusing his economic plans on legacy industries such as steel, auto manufacturing, and coal mining.

Where both plans diverge markedly, a large range of industries and workers, as well as trade partners of the United States have a lot to prepare for depending on the outcome of the election, meanwhile each candidate will have to come to terms with how to bring their plans to implementation. For the Democratic Party's agenda, the Biden administration's policies may have to grapple with how to blend the massive needs for new technology and large-scale manufacturing of climate idealism with the realities of successfully challenging the way hundreds of millions of Americans travel, work, and live. For example, setting the United States into a massive paradigm shift, Biden's new vehicle emissions standards are designed to encourage a transition to electric vehicles to meet a target of two-thirds of all new vehicles sold being EVs by 2032, and this will require a whole-of-society reformation to realistically go into effect.

On the other side of things, Trump's campaign has put its sights on dismantling the United States' modern focus on free trade and the current administration's policies. In addition to a 10 percent tariff on foreign imports (as well as reciprocal tariffs as a backup) this includes commitments to terminate the Inflation Reduction Act, dismantle the Indo-Pacific Economic Framework, and end the Biden administration's new vehicle emissions standards—all undoing hard fought coordinated policy successes both in the domestic private sector as well as with economic allies of the United States.

With that in mind, the theme of a second Trump administration could be one of disruption, which may cause unprecedented ripple effects throughout the global economy. Indeed, a recent report by Moody's posits that if Trump's policies on tariffs, immigration, and the IRA were instigated, it would result in higher inflation and weaker economic growth, meanwhile doing little to help the US trade deficit. Billions of dollars of investments placed by companies into chips manufacturing, electric vehicle batteries, and renewable energy would come under jeopardy, and nearly every country the United States conducts commerce with would need to reassess their entire trade position.

These disruptions could go further for specific allies such as Korea, where Trump mixes security and economic objectives. At a rally last September, Trump stated, "I will then go to every foreign country where we're paying billions and billions of dollars for their military defense, as I was doing before, and tell them that if they do not massively increase their purchases of Fords, Chevys, GMs, and Jeeps our troops are packing up and we're coming home." Trade items like the US FTA with Korea could come under Trump's scrutiny, and Trump's associated think tanks have gone even further to take positions on gutting investment fostering programs with Korea like the CHIPS Act and DOE Loan Programs Office.

Even as rhetoric, the visions for economic policy being articulated by both candidates means that there are significant stakes for Korea in the election. Both candidates' visions set the country in different directions and may require contingency planning to avoid full-blown shock.

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