

Opinion

# Reaganomics, not Bidenomics

By Rainer Zitelmann July 31, 2023 10:37 AM



The United States has a problem: Economic freedom is under threat. The Heritage Foundation's 2023 Index of Economic Freedom gives the U.S. its worst rating since the first index in 1995. Accordingly, as many as

16 [European](#) countries now enjoy [more economic freedom](#) than the U.S.!

I visited the U.S. quite often this year and last, conducting over 50 interviews with mostly conservative radio and TV stations. I noticed that resentment against “big business,” the “super-rich,” and even capitalism is no longer something you only find on the Left, where you would expect, but is also rising on the Right. Former President Ronald Reagan is no longer the undisputed conservative hero, and, in some cases, resentment against capitalist globalization and free trade on the Right is indistinguishable from the antipathy of the Left. Sen. Bernie Sanders (I-VT) and former President Donald Trump are not that far apart when it comes to free trade.

## **REPUBLICAN CANDIDATES TEST HOW FAR THEY CAN GO IN CRITICIZING TRUMP**

We see the same tendency in Europe: Anti-capitalism is not only intensifying on the Left, but it is also increasing on the Right. The radical Right in many European countries — France, for example — has adopted traditionally left-wing economic policies, calling for bigger government and a tighter rein on the market. In the U.S., journalist Michael Schaffer recently [wrote](#) in *Politico*:

**“And in that debate, a lot of the energy has come from the folks launching once-unthinkable broadsides from the right against ‘market fundamentalism,’ ‘libertarian dogma,’ ‘Zombie Reaganism’ and other alleged vices of the pre-2016 GOP elite. Once derided as a half-baked effort to intellectualize Trumpy applause lines, the nationalistic, market-skeptical right has in short order incubated its own establishment of organizations, major public events and Beltway wonk-world celebs.”**

It was high time for the Republican Party to articulate opposition to these developments. Recently, numerous leading figures, including Grover Norquist (the leading anti-tax advocate), Dick Armey (author of *Freedom Revolution*), George Will, and a host of prominent think-tank representatives, published a [manifesto](#) . The manifesto includes the following:

**“The free enterprise system is the foundation of prosperity. Americans can only prosper in an economy in which they can afford the basics of everyday life: food, shelter, health care, and energy. A corrosive combination of government intervention and private cronyism is making these basics unaffordable to many Americans. We commit to reducing the cost of living through competitive markets, greater individual choice, and free trade with free people, while upholding the rule of law, freedom of contract, and freedom of association.”**

Under Reagan, such commitments were a matter of course for the Republican Party. Nowadays, unfortunately, that is no longer the case. Yet today, it is more important than ever to remember these truths.

President Joe Biden is increasingly leading the U.S. toward a planned economy. What he calls the “ [Green New Deal](#) ” has already failed catastrophically in Germany. The transformation of Germany’s energy industry into a planned economy began under Angela Merkel, and German Minister of Economics Robert Habeck has picked up where Merkel left off. The consequences: In the International Monetary Fund’s latest World Economic Outlook, Germany is the only one of 22 countries and regions expected to experience a decline in GDP in 2023, a predicted fall of 0.3%, an even worse performance than Russia. The impact of planned economy policies needs a certain

time to unfold, and a continuation of “ [Bidenomics](#) ” would hit the U.S. hard.

Reagan created 17 million jobs by cutting the top tax rate from 70% to 28%. He also defeated inflation. Biden is equally proud of the jobs he has created, but they largely just replace jobs lost during the COVID-19 pandemic.

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Biden’s policies need a clear counterposition. And that can only be “Reaganomics, not Bidenomics.” Reaganomics advocated smaller government, lower taxes, and deregulation. Bidenomics equals big government and less market freedom.

Thankfully, the authors of the Freedom Conservatism manifesto remind us why the U.S. has been so successful. The principles of capitalism must be defended today against the Left — and against segments of the Right. I am optimistic because a majority of people still believe in capitalism, as an Ipsos MORI survey for my book *In Defense of Capitalism* confirms. The survey has now been conducted in 34 countries. The result: Second only to Poland, the U.S. is one of seven countries where support for capitalism remains strong.

*Rainer Zitelmann is the author of the book [In Defense of Capitalism](#) .*