



Joe Biden Embraces Competitive Capitalism

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By crossing a barrel of big-ticket items off conservatives' wish lists, President Joe Biden reframed the debate and outfoxed his political rivals on economic freedom.

Republican strategists warn of an epic clash between capitalism and socialism because that's a fight the GOP can reliably win. But Biden flipped the script July 9, casting himself as a market-minded Martin Luther who wants to rescue American capitalism from the clutches of cronyism.

Instead of 95 theses, his reformation began with 72 actions in a sweeping executive order meant to promote competition, empower workers and consumers and prevent industry heavyweights from putting the squeeze on small businesses.

Calling himself a "proud capitalist," Biden said dismantling some rules that tilt the playing field and enforcing others that keep the juggernauts from running up the score on everyone else will promote the kind of sustainable growth that benefits companies and workers alike.

"Fair competition is why capitalism has been the world's greatest force for prosperity and growth," he said during a signing ceremony in the State Dining Room.

The executive order encourages the Federal Trade Commission to ban or limit noncompete agreements that block workers from changing jobs to secure better pay and working conditions.

Once an obscure clause in high-level executives' employment contracts, the boilerplate noncompete has spread like kudzu. The White House says one in five workers without a college degree is subject to the restrictions.

While many courts view noncompete agreements with skepticism and may decline to enforce them unless trade secrets are involved, the threat of a costly lawsuit is enough to make low-wage workers feel trapped.

Biden cited the example of Burger King franchises making employees sign away their rights to take a job at McDonald's.

Another provision calls on the FTC to limit occupational licensing laws that require people to pay fees and obtain permission from state regulators before they can work in their chosen profession or trade. A White House fact sheet says nearly 30% of all U.S. jobs now require a license.

Boards and commissions that license employees, enforce career-specific state laws, promote best practices and facilitate in-service training may be defensible for lawyers, doctors, nurses and teachers.

But for thousands of other jobs, they function as little more than a barrier to entry. States often require licenses to work as a hairstylist or hair braider, a florist, a limousine driver, a locksmith or an auctioneer.

It's bad enough that state-sanctioned panels of practitioners, often stocked with political appointees who cashed in a favor from the governor or state legislators, can withhold, suspend or revoke licenses to limit their own competition. Even worse, these petty fiefdoms try to interfere in businesses they aren't authorized to regulate.

In 2010, the FTC sued the North Carolina State Board of Dental Examiners for trying to stop nondentists from offering cosmetic tooth whitening treatments. The board claimed immunity from antitrust law and lost at every juncture of the case, which ended with a 6-3 U.S. Supreme Court defeat in 2015.

In April, the North Carolina Board of Examiners for Engineers and Surveyors sent threatening letters to photographers and videographers who capture aerial images with drones, accusing them of practicing land surveying without a license. Instead of differentiating surveyors' work from ordinary drone photography, the state board chose protectionism.

The libertarian-leaning Cato Institute, a think tank founded and funded by the billionaire Koch brothers, has long opposed occupational licensing abuse and noncompete agreements. Yet it took a Democratic president — not the Republican lawmakers who supposedly do the Kochs' bidding — to start unraveling these fundamentally unfair, anti-worker systems.

Other highlights in the executive order direct the Food & Drug Administration to allow states and Native American tribes to import medicine from Canada as an end-run around soaring U.S. pharmaceutical prices. That sounds a lot like the Republican pitch to lower health-care costs by allowing insurance to be sold across state lines, and approving over-the-counter sales of hearing aids, eliminating a needless prescription requirement that inflates the medical devices' cost.

“All told, between rising prices and lowering wages, lack of competition costs the median American household \$5,000 a year,” Biden said.

Common sense free-market reforms can put the bulk of that cash back in taxpayers' pockets, earning support from conservatives and progressives alike. One thing's for sure: Uncle Joe is no socialist.