

Política Internacional e Geopolítica

a crise do mundo globalizado

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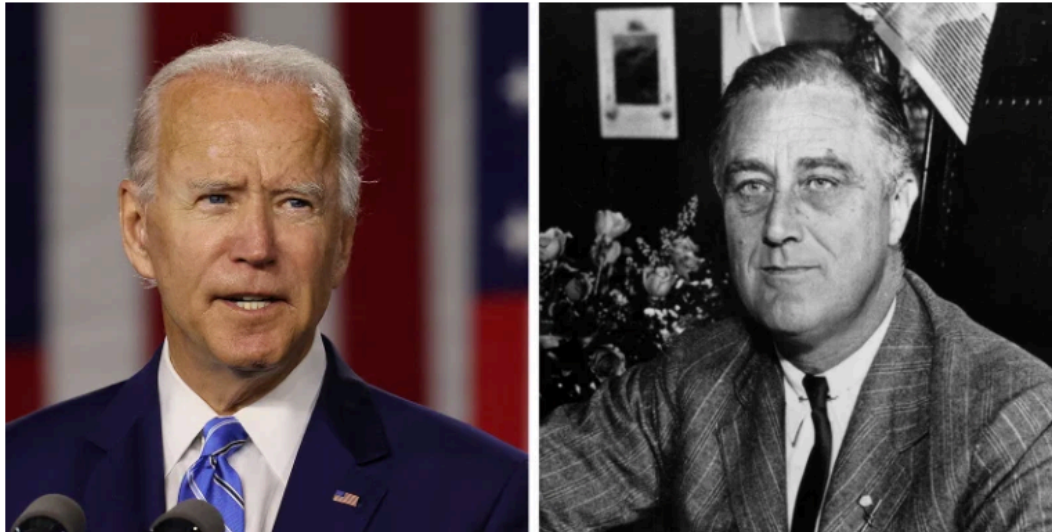
**2020-2021
SESSÃO Nº 21**



PARTE I – TEMA PRINCIPAL

O plano de recuperação económica dos EUA: impacto económico e geopolítico (1) [FONTE: Time 28/10/2020]

How Joe Biden Is Positioning Himself as a Modern FDR



Chip Somodevilla—Getty Images; Keystone Features—Getty Images

He ran for President at a time of record unemployment and economic despair, with democracy itself in apparent retreat around the globe. He overcame tremendous personal hardship and promised to heal a battered nation. His friends thought of him as a unifier; his enemies called him a socialist.

If this sounds to you like Joe Biden, you'd be right. If this sounds like Franklin Delano Roosevelt, you'd also be right.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (2) [FONTE: Guardian 6/03/2021]

**Biden's FDR moment? President in
New Deal-like push that could cement
his legacy**



▲ Biden in the White House in January. During his presidential campaign, Biden cast the infrastructure effort as an economic road map to revitalize American industry and help the nation compete with China. Photograph: Mandel Ngan/AFP/Getty Images

O plano de recuperação económica dos EUA: impacto económico e geopolítico (3) [FONTE: NYT, 22/03/2021]

Biden Team Prepares \$3 Trillion in New Spending for the Economy

A pair of proposals would invest in infrastructure, education, work force development and fighting climate change, with the aim of making the economy more productive.



A wind farm in Carbon County, Wyo. Clean energy is among the areas that would see investment under President Biden's infrastructure plan. Benjamin Rasmussen for The New York Times

O plano de recuperação económica dos EUA: impacto económico e geopolítico (4)

[FONTE: NYT, 22/03/2021]

The overall price tag of the package could approach \$4 trillion since it includes several tax incentives, like credits to help families afford child care and to encourage energy efficiency in existing buildings. It could also extend temporary tax cuts meant to fight poverty, which could increase the size of the proposal by hundreds of billions of dollars, according to estimates prepared by administration officials.

Mr. Biden supports all of the individual spending and tax proposals under consideration, but it is unclear whether he will back splitting his agenda into pieces, or what legislative strategy he and Democratic leaders will pursue to maximize the chances of pushing the effort through Congress.

His advisers have debated the merits of aggressively pursuing compromise with Republicans and business leaders on an infrastructure package, which would most likely require dropping or scaling back plans to raise taxes on corporations. Another route would be to move the sweeping bill through a special parliamentary process that would require only Democratic votes, as Mr. Biden did with the stimulus package.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (5) [FONTE: Jorge

Nascimento Rodrigues / Expresso, 5/03/2021]

EUA: New Deal de Biden provoca tempestade nos mercados



O New Deal de Joe Biden arrisca-se a levar um sério corte no Senado Joshua Roberts/REUTERS

O plano de recuperação económica dos EUA: impacto económico e geopolítico (6)

[FONTE: Jorge Nascimento Rodrigues / Expresso, 5/03/2021]

O pacote já foi batizado de um novo New Deal, colocando o atual Presidente democrata como um novo Roosevelt salvador da economia norte-americana, como em 1933, depois da Grande Depressão. Mas a realidade está a ser madrasta para a corrida dos democratas, que querem que o pacote chegue à Sala Oval para ser assinado pelo Presidente até 14 de março, daqui a semana e meia.

Envolvendo 1,9 biliões de dólares (€1,6 biliões, mais de duas vezes a 'bazuca' europeia da Next Generation), passou quase à tangente na Câmara de Representantes (deputados), com dois democratas da maioria a votarem contra e sem um único voto a favor de republicanos, mesmo moderados. Esta semana entrou em discussão no Senado, onde se prevê que alguns dos seus pontos sejam sacrificados pelos próprios democratas — como a subida do salário mínimo horário para mais do dobro — ou sofram uma cura de emagrecimento, como o cheque de 1400 dólares (€1160) para a maioria dos contribuintes ou os 400 dólares por semana para os desempregados.

Com quase 4 biliões de dólares (€3,3 biliões) aprovados em 2020 para o combate à pandemia, dos quais 900 mil milhões (€745 mil milhões, praticamente a 'bazuca' de Bruxelas) no final do ano passado, muitos congressistas e economistas começaram a interrogar-se se esta nova injeção, com esta envergadura, é indispensável para a economia norte-americana. Ao mesmo tempo, a Reserva Federal (Fed), o banco central, prevê injetar perto de 1,5 biliões de dólares (€1,2 biliões) até final do ano através do seu programa de compra de ativos.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (7) [FONTE: Jorge

Nascimento Rodrigues / Expresso, 5/03/2021]

Três vezes mais do que o necessário

As vozes dissonantes vieram do próprio quadrante democrata. A crítica mais mediática partiu de Larry Summers, o ex-secretário do Tesouro de Clinton, que veio avisar que tanto dinheiro vai gerar um disparo na inflação. Nas contas de Summers, o pacote de Biden é três vezes superior ao que é necessário para fazer com que a economia norte-americana atinja o seu potencial de pleno uso dos recursos, incluindo o pleno emprego no mercado laboral.

Com tanto dinheiro em circulação por via orçamental e monetária, a economia dos EUA vai sobreaquecer, dizem os críticos. Por isso as expectativas de inflação para os próximos 10 anos subiram nos últimos 12 meses. Em março do ano passado, a expectativa apontava para uma inflação baixa, de 0,5%, em 2030; um ano depois, a expectativa é que chegue a 2,2%. Esta alteração de expectativas foi o suficiente para gerar uma tempestade no mercado da dívida, com os juros dos títulos do Tesouro a subirem para 1,6% numa das sessões de final de fevereiro. Depois de um ligeiro recuo, regressaram a 1,5% esta semana.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (8) [FONTE: Público,

3/04/2021]

Na corrida à recuperação económica, EUA ganham terreno à Europa

EUA responderam ao fundo de recuperação europeu com um plano de investimento de cerca de dois biliões de euros. É mais um episódio no embate de medidas tomadas pelos dois blocos económicos para contrariar a crise.



O plano de recuperação económica dos EUA: impacto económico e geopolítico (9) [FONTE: Comissão Europeia]

Total das dotações do Quadro Financeiro Plurianual 2021-2027 por rubrica*

	<i>QFP</i>	<i>NextGenerationEU</i>	<i>TOTAL</i>
1. Mercado único, inovação e digitalização	132,8 mil milhões de EUR	10,6 mil milhões de EUR	143,4 mil milhões de EUR
2. Coesão, resiliência e valores	377,8 mil milhões de EUR	721,9 mil milhões de EUR	1 099,7 mil milhões de EUR
3. Recursos naturais e ambiente	356,4 mil milhões de EUR	17,5 mil milhões de EUR	373,9 mil milhões de EUR
4. Migração e gestão das fronteiras	22,7 mil milhões de EUR	-	22,7 mil milhões de EUR
5. Segurança e defesa	13,2 mil milhões de EUR	-	13,2 mil milhões de EUR
6. Países vizinhos e resto do mundo	98,4 mil milhões de EUR	-	98,4 mil milhões de EUR
7. Administração pública europeia	73,1 mil milhões de EUR	-	73,1 mil milhões de EUR
TOTAL QFP	1 074,3 mil milhões de EUR	750 mil milhões de EUR	1 824,3 mil milhões de EUR

Todos os montantes são expressos em milhares de milhões de euros, a preços constantes de 2018. Fonte: Comissão Europeia

O plano de recuperação económica dos EUA: impacto económico e geopolítico (10)

[FONTE: Congress

Budget Office / March 2021]



O plano de recuperação económica dos EUA: impacto económico e geopolítico (11)

[FONTE: Congress Budget Office / March 2021]

- **Deficits.** At an estimated 10.3 percent of gross domestic product (GDP), the deficit in 2021 would be the second largest since 1945, exceeded only by the 14.9 percent shortfall recorded last year. In CBO's projections, deficits decline as the effects of the 2020–2021 coronavirus pandemic wane. But they remain large by historical standards and begin to increase again during the latter half of the decade. Deficits increase further in subsequent decades, from 5.7 percent of GDP in 2031 to 13.3 percent by 2051—exceeding their 50-year average of 3.3 percent of GDP in each year during that period.
- **Debt.** By the end of 2021, federal debt held by the public is projected to equal 102 percent of GDP. Debt would reach 107 percent of GDP (surpassing its historical high) in 2031 and would almost double to 202 percent of GDP by 2051. Debt that is high and rising as a percentage of GDP boosts federal and private borrowing costs, slows the growth of economic output, and increases interest payments abroad. A growing debt burden could increase the risk of a fiscal crisis and higher inflation as well as undermine confidence in the U.S. dollar, making it more costly to finance public and private activity in international markets.
- **Spending.** After the spending associated with the pandemic declines in the near term, spending as a percentage of GDP rises in most years in CBO's projections. With growing debt and rising interest rates, net spending for interest more than triples relative to the size of the economy over the last two decades of the projection period, accounting for most of the growth in total deficits. Another significant contributor to growing deficits is the increase in spending for Social Security (mainly owing to the aging of the population) and for Medicare and the other major health care programs (because of rising health care costs per person and, to a lesser degree, the aging of the population).

O plano de recuperação económica dos EUA: impacto económico e geopolítico (12)

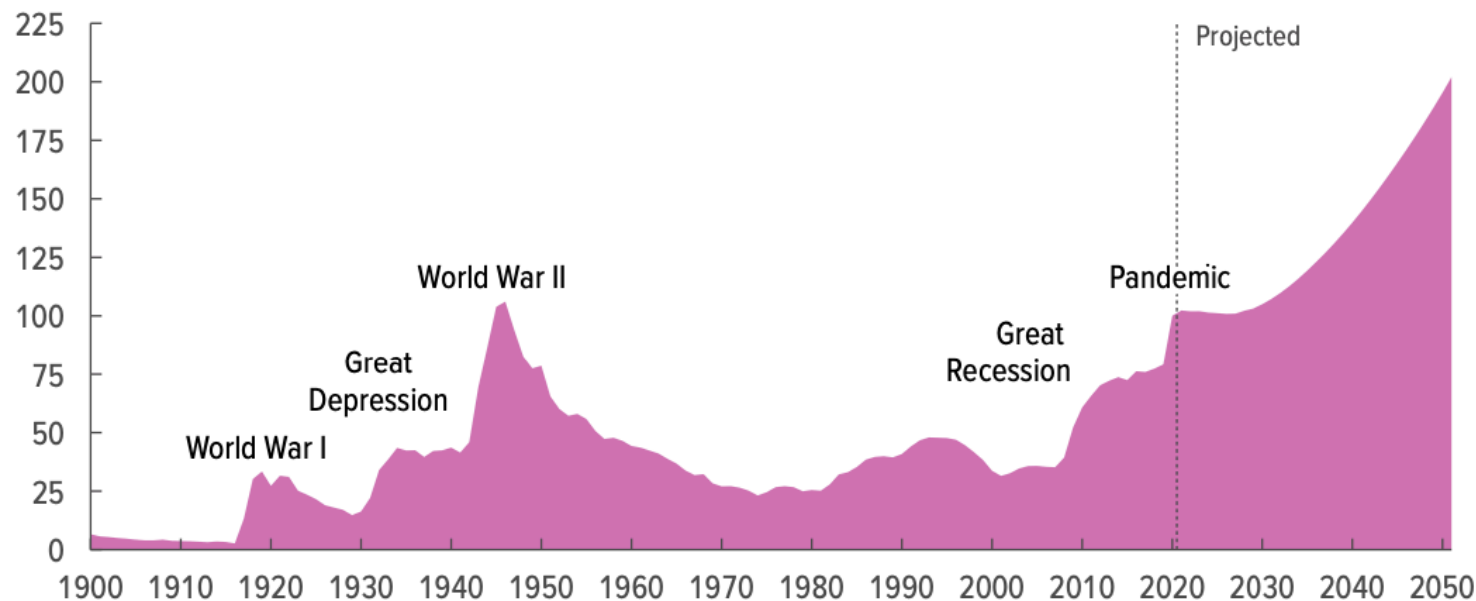
[FONTE: Congress

Budget Office / March 2021]

Debt and Deficits

Federal debt held by the public is projected to equal 202 percent of gross domestic product (GDP) in 2051, and the deficit is projected to equal 13 percent of GDP.

Percentage of Gross Domestic Product



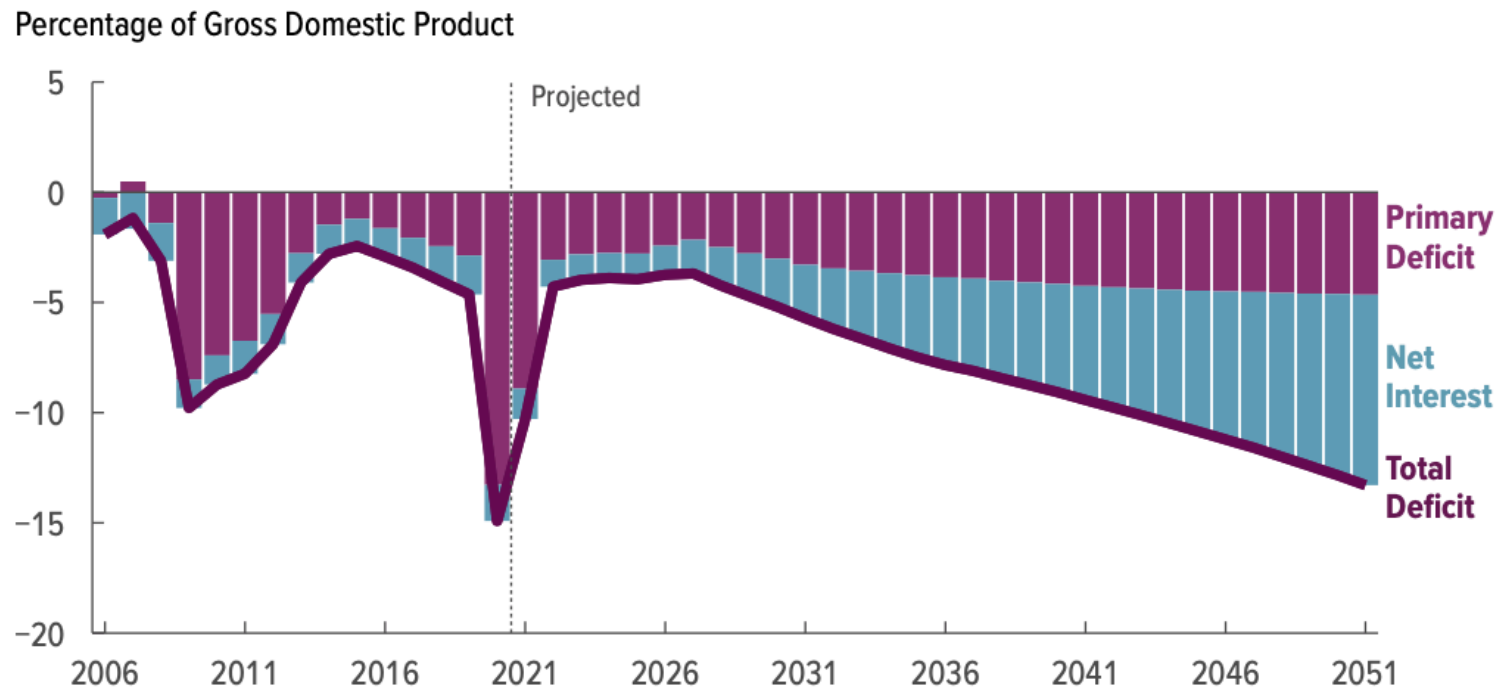
In CBO's projections, federal debt held by the public reaches 107 percent of GDP (surpassing its historical high) in 2031 and continues to climb.

See Figure 1 on page 6

O plano de recuperação económica dos EUA: impacto económico e geopolítico (13)

[FONTE: Congress

Budget Office / March 2021]



After decreasing as the effects of the 2020–2021 coronavirus pandemic wane, deficits grow, largely because net spending for interest increases rapidly in the last two decades of the projection period. Deficits exceed their 50-year average of 3.3 percent of GDP in each year of that period.

See Figure 2 on page 8

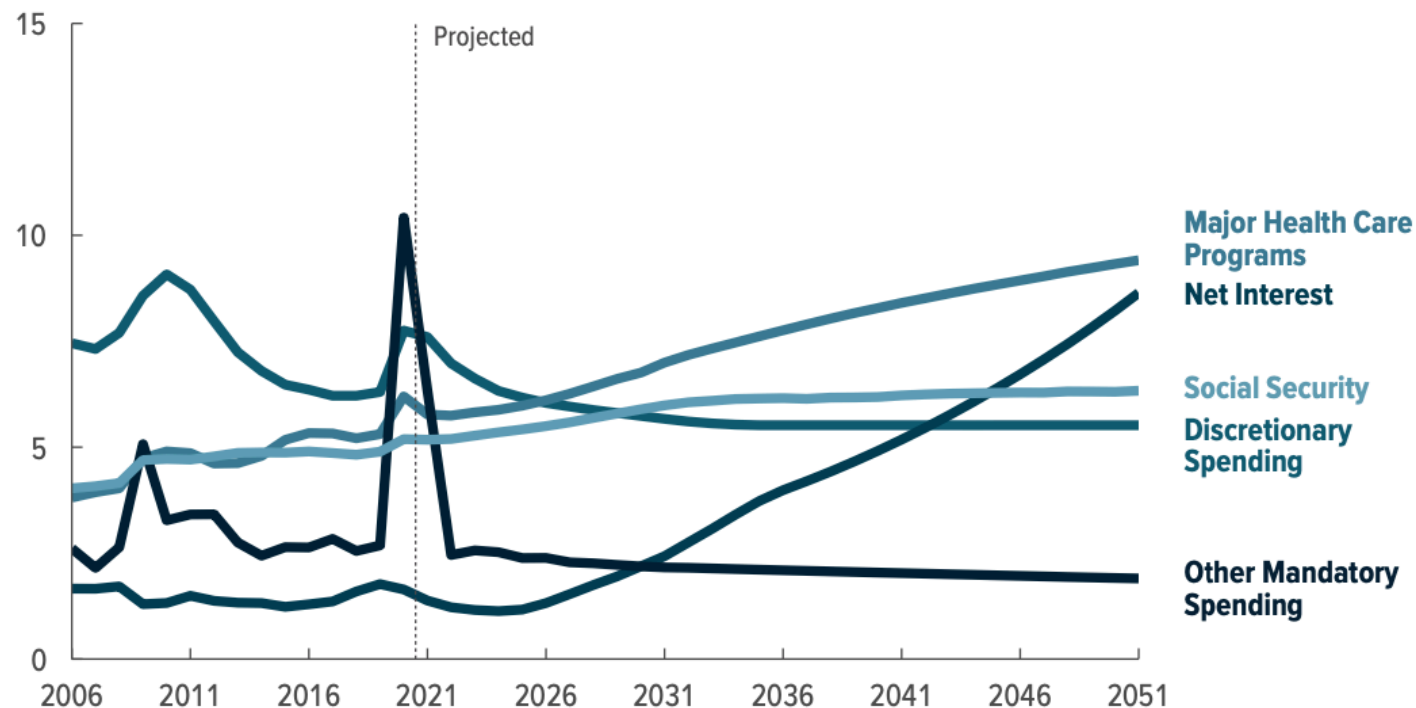
O plano de recuperação económica dos EUA: impacto económico e geopolítico (14) [FONTE: Congress

Budget Office / March 2021]

Spending

Federal spending grows from an average of 21.3 percent of GDP over the 2010–2019 period to an average of 29.7 percent over the 2042–2051 period in CBO's projections.

Percentage of Gross Domestic Product



Net spending for interest, measured as a share of GDP, begins to increase in 2025 and more than triples over the last two decades of the projection period. Spending for the major health care programs and Social Security increases in almost every year of the period.

See Figure 3 on page 9

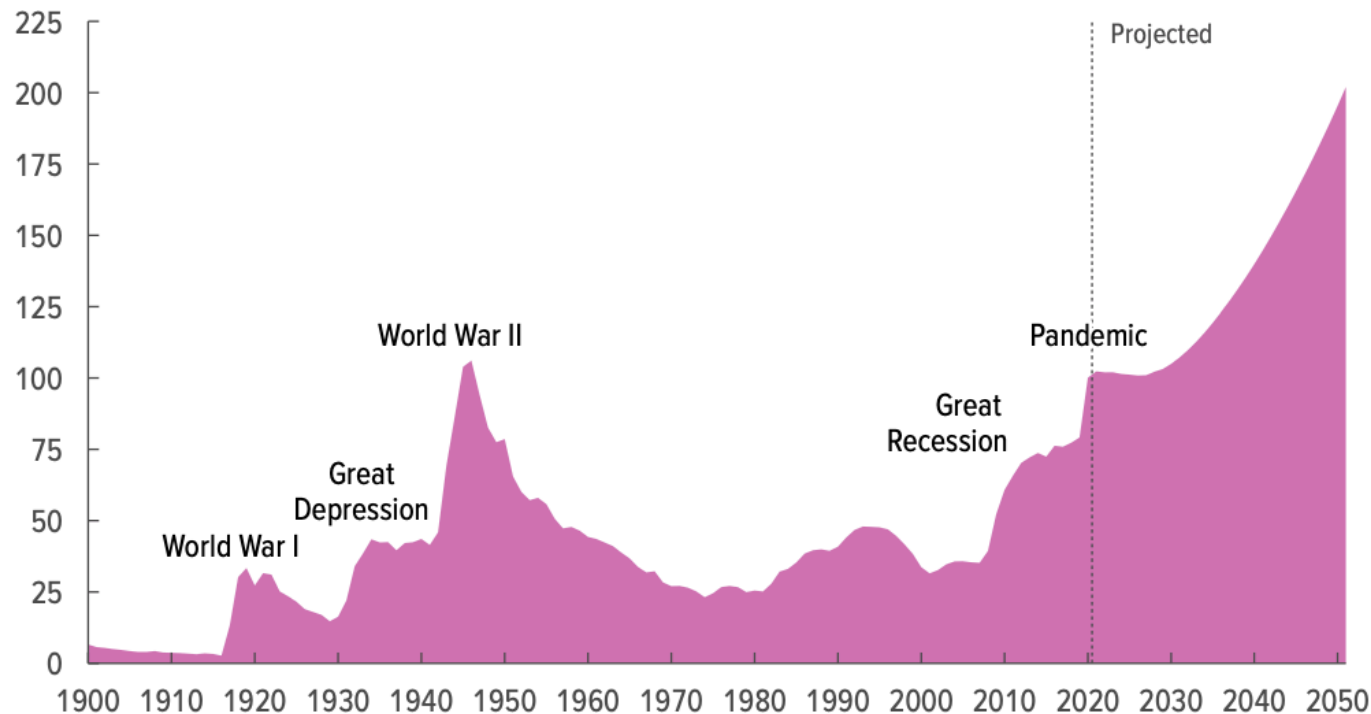
O plano de recuperação económica dos EUA: impacto económico e geopolítico (15)

[FONTE: Congress Budget Office / March 2021]

Figure 1.

Federal Debt Held by the Public, 1900 to 2051

Percentage of Gross Domestic Product



Growing deficits are projected to drive federal debt held by the public to unprecedented levels over the next 30 years. By 2051, debt is projected to reach more than 200 percent of gross domestic product.

Data source: Congressional Budget Office. See www.cbo.gov/publication/56977#data.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (16) [FONTE: Congress Budget Office / March 2021]

Consequences of High and Rising Federal Debt

If federal debt as a percentage of GDP continued to rise at the pace that CBO projects it would under current law, in the long term the economy would be affected in two significant ways:

- That debt path would raise borrowing costs, reduce business investment, and slow the growth of economic output over time,⁸ and

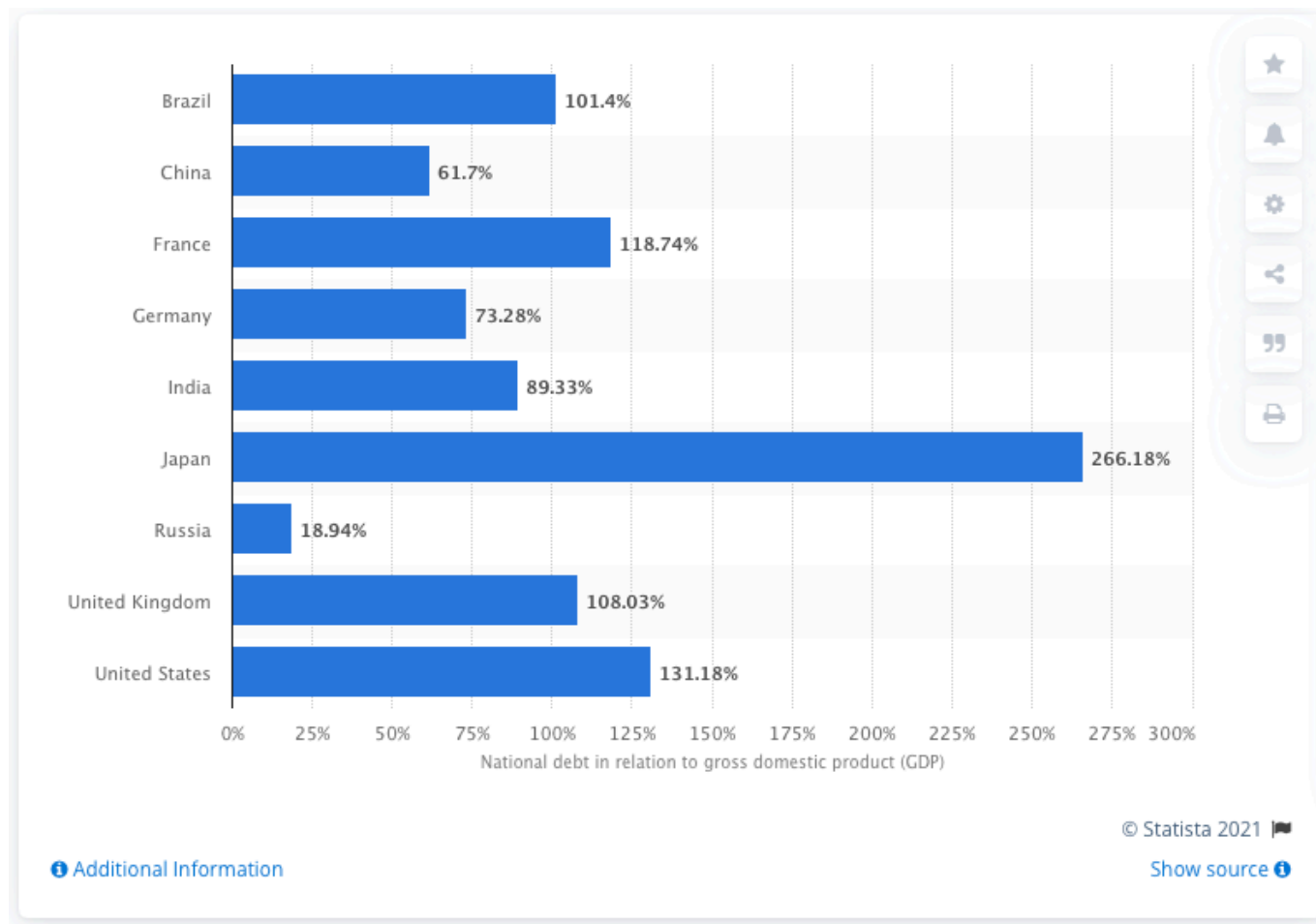
Persistently rising debt as a percentage of GDP would also pose significant risks to the fiscal and economic outlook, although financial markets currently do not reflect those concerns. In particular, that debt path would have these economic and financial effects:

- It would increase the risk of a fiscal crisis—that is, a situation in which investors lose confidence in the U.S. government's ability to service and repay its debt, causing interest rates to increase abruptly, inflation to spiral upward, or other disruptions—and
- It would increase the likelihood of less abrupt, but still significant, adverse effects, such as expectations of higher rates of inflation, an erosion of confidence in the U.S. dollar as an international reserve currency, and more difficulty in financing public and private activity in international markets.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (17) [FONTE: Statista]

National debt of important industrial and emerging countries in 2020 in relation to gross domestic product

(GDP)



O plano de recuperação económica dos EUA: impacto económico e geopolítico (18) [FONTE: Fortune, 14/01/2021]

The U.S. now has a debt level that rivals Italy's

For the past decade, international economists and ratings agencies have been blaming Italy's gigantic debt load for making the nation the most worrisome basket case among Europe's major economies. That burden is so heavy that Italy can only lure investors to buy its bonds by paying rates 2.5% higher than those of fiscally prudent Germany. Its economy advances at such a sluggish pace in good times—a paltry 0.8% on average from 2014 to 2019—that Italy can't generate gains in tax revenues big enough to match the rising trajectory in government spending, meaning that its deficits and borrowing are destined to keep expanding unless it enacts a severe austerity program to curb expenditures.

It's unlikely that America will face the kind of crisis threatening Italy: a sudden perception that reckless spending and crippling debt make the nation a serious credit risk, spurring foreign creditors to dump our Treasuries. That flight would drive rates higher, forcing our government to pay much more interest on the trillions in bonds that roll over each year,

O plano de recuperação económica dos EUA: impacto económico e geopolítico (19) [FONTE: Fortune, 14/01/2021]

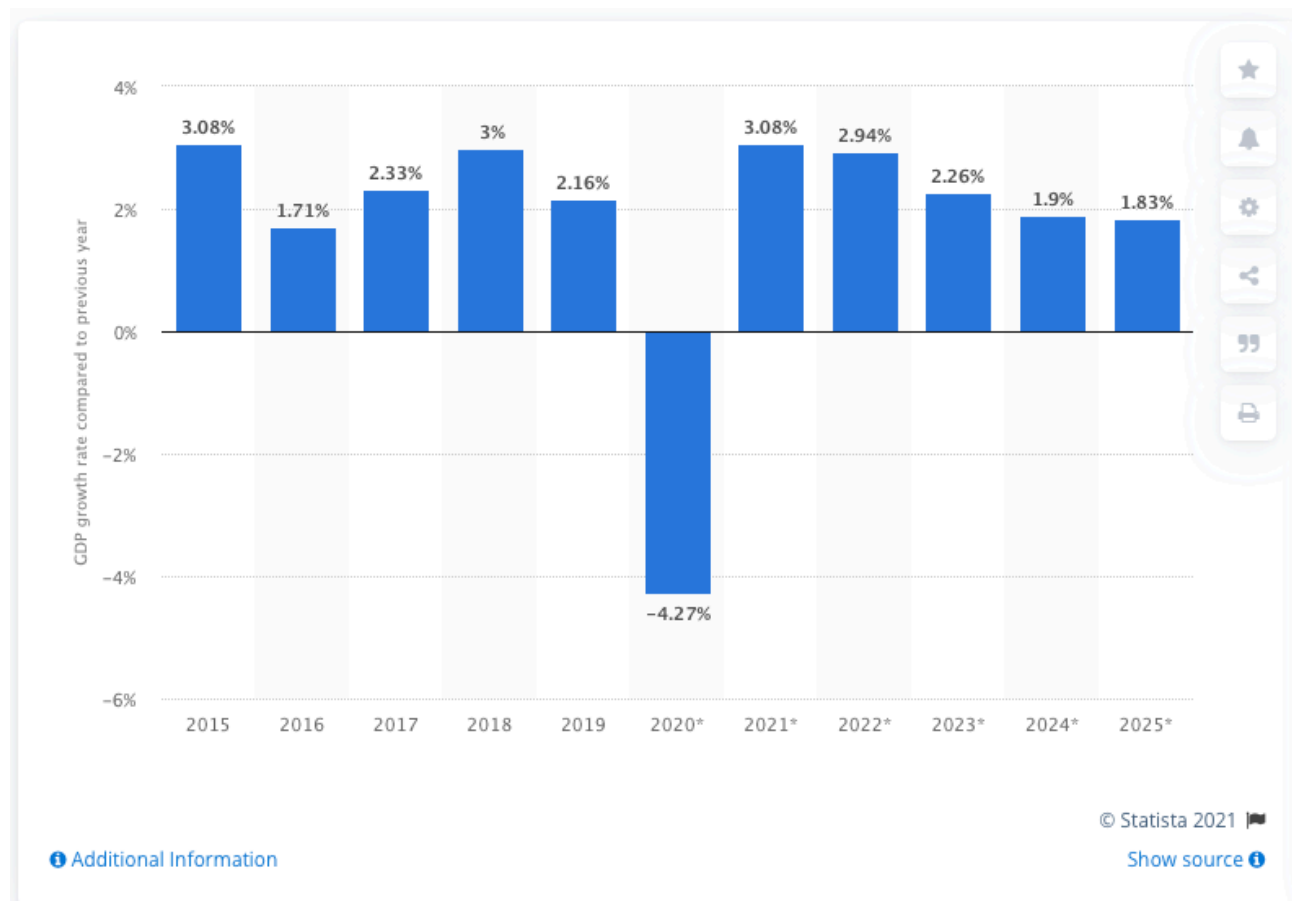
Using all national debt as the metric, the U.S. in 2020 had borrowings to GDP of around 134% according to Commodity.com, whose website shows current debt and GDP levels for a number of nations. That's a jump from under 109% in 2019. Right now, Italy stands at 152%. So U.S. debt as a proportion of the national income needed to pay for it is now almost 90% as high as for the sick man of Europe. In 2020, the U.S ranked third in debt-to-GDP among the 21 nations with GDP of over \$500 billion. Besides Italy, the only country carrying a heavier load was Japan, at 258%. At 134%, America's load by the end of last year dwarfed that of South Korea (44%), China (48.5% in 2020), India (52%), the U.K. (90%), Brazil (97%), and France (106%).

We can assume that the anticipated extra \$3-trillion-plus deficit will raise our debt-to-GDP ratio next year to around 150%. Of course, it's likely that Italy will also significantly raise spending to fight a deep recession, thus maintaining its lead over the U.S. Still, we're getting close.

O plano de recuperação económica dos EUA: impacto económico e geopolítico (20) [FONTE: Statista]

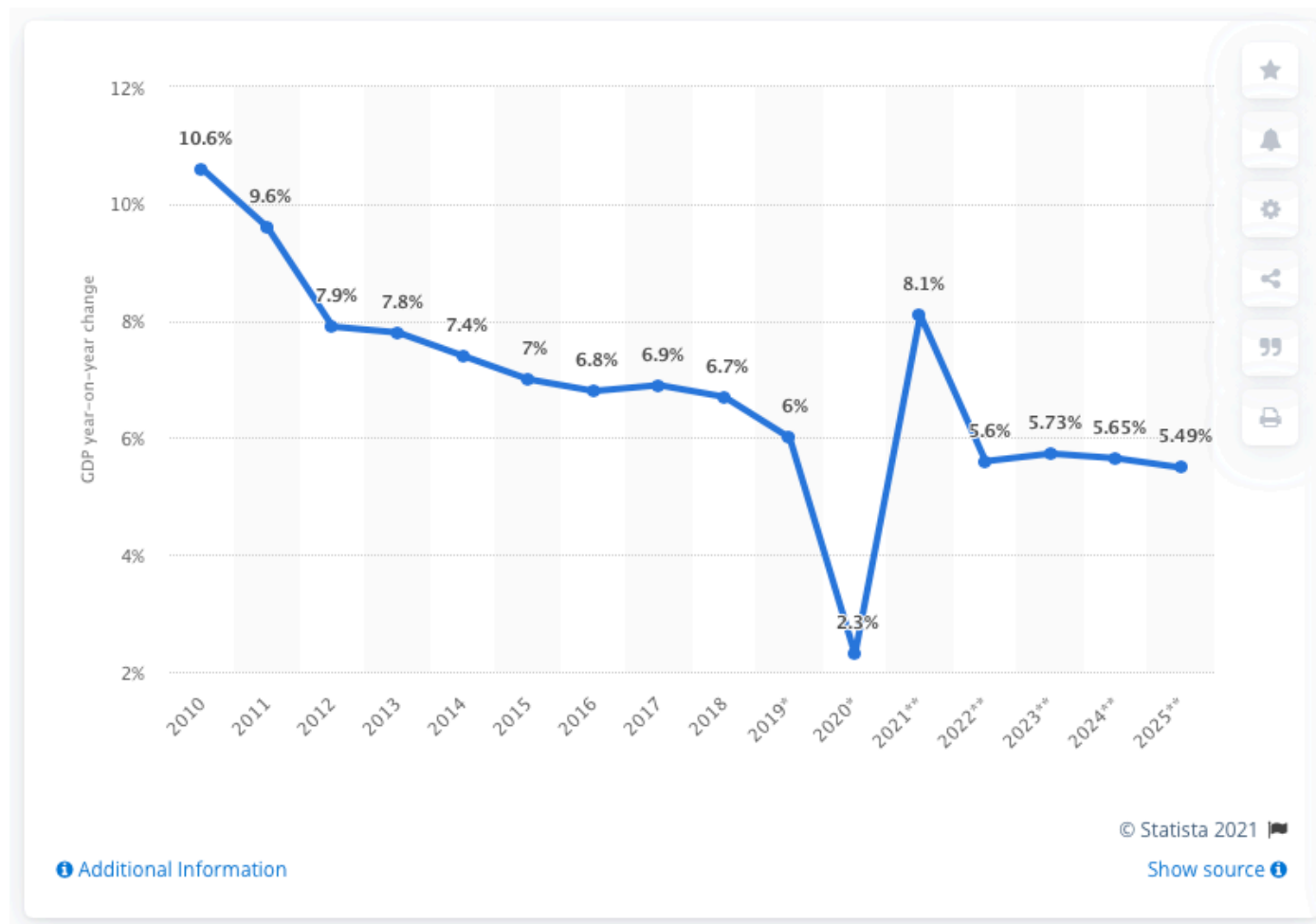
Real gross domestic product (GDP) growth rate in the United States from 2015 to 2025

(compared to the previous year)



O plano de recuperação económica dos EUA: impacto económico e geopolítico (21) [FONTE: Statista]

Growth rate of real gross domestic product (GDP) in China from 2010 to 2020 with forecasts until 2025



O plano de recuperação económica dos EUA: impacto económico e geopolítico (22) [FONTE: Chicago Tribune]





PARTE II – NOTAS BREVES

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (1) [FONTE: US Federal Reserve History]

Creation of the Bretton Woods System

July 1944

A new international monetary system was forged by delegates from forty-four nations in Bretton Woods, New Hampshire, in July 1944. Delegates to the conference agreed to establish the International Monetary Fund and what became the World Bank Group. The system of currency convertibility that emerged from Bretton Woods lasted until 1971.



U.N. Monetary Conference (Photo: Associated Press; Photographer: Abe Fox)

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (2) [FONTE: US Federal Reserve History]



The Mount Washington Hotel, White Mts., N.H. (Photo: Library of Congress, Prints & Photographs Division, Detroit Publishing Company Collection, LC-D4-19762)

The 730 delegates at Bretton Woods agreed to establish two new institutions. The International Monetary Fund (IMF) would monitor exchange rates and lend reserve currencies to nations with balance-of-payments deficits. The International Bank for Reconstruction and Development, now known as the World Bank Group, was responsible for providing financial assistance for the reconstruction after World War II and the economic development of less developed countries.

The IMF came into formal existence in December 1945, when its first twenty-nine member countries signed its [Articles of Agreement](#). The countries agreed to keep their currencies fixed but adjustable (within a 1 percent band) to the dollar, and the dollar was fixed to gold at \$35 an ounce. To this day, when a country joins the IMF, it receives a quota based on its relative position in the world economy, which determines how much it contributes to the fund.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (3) [FONTE: FT, 8/02/2013]

Indispensable nation

How America built a global economic order around itself at Bretton Woods – before retreating to leave a vacuum that no other government could fill

February 8 2013



John Maynard Keynes (left) and Harry Dexter White in 1946

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (4) [FONTE:

Henry Paulson / Foreign Affairs, 19/05/2020]

The Future of the Dollar

U.S. Financial Power Depends on Washington, Not Beijing

BY HENRY M. PAULSON JR. May 19, 2020

HENRY M. PAULSON, JR., is Chair of the Paulson Institute. From 2006 to 2009, he served as U.S. Secretary of the Treasury.

In late March, global financial markets were collapsing amid the chaos of the novel coronavirus pandemic. International investors immediately sought refuge in the U.S. dollar, just as they had done during the 2008 financial crisis, and the U.S. Federal Reserve had to make huge sums of dollars available to its global counterparts. Seventy-five years after the end of World War II, the primacy of the dollar has not waned.

The enduring dominance of the dollar is remarkable—especially given the rise of emerging markets and the relative decline of the U.S. economy, from nearly 40 percent of world GDP in 1960 to just 25 percent today. But the dollar's status will be tested by Washington's ability to weather the COVID-19 storm and emerge with economic policies that allow the country, over time, to manage its national debt and curb its structural fiscal deficit.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (5) [FONTE:

Henry Paulson / Foreign Affairs, 19/05/2020]

The stature of the dollar matters. The dollar's role as the primary global reserve currency makes it possible for the United States to pay lower rates on dollar assets than it otherwise would. Equally significant, it enables the country to run larger trade deficits, reduces exchange-rate risk, and makes American financial markets more liquid. Finally, it favors U.S. banks because of their enhanced access to dollar funding.

That the dollar has maintained this stature for so long is a historic anomaly, particularly in the context of a rising China. The Chinese renminbi (RMB) has by far the greatest potential to assume a role rivaling that of the dollar. China's economic size, prospects for future growth, integration into the global economy, and accelerated efforts to internationalize the RMB all favor an expanded role for the Chinese currency. But by themselves, these conditions are insufficient. And China's much-touted successes in the realm of fintech—including its rapid deployment of mobile payment systems and the recent pilot project by the People's Bank of China to test a digital RMB—will not change that. A central bank-backed digital currency does not alter the fundamental nature of the RMB.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (6) [FONTE:

Henry Paulson / Foreign Affairs, 19/05/2020]

The dollar's status is a proxy for the fundamental soundness of the American political and economic system. To safeguard the dollar's position, the U.S. economy must remain a model of success and for emulation. That, in turn, requires a political system capable of implementing policies that will allow more Americans to flourish and achieve economic prosperity. It also requires a political system capable of maintaining the country's fiscal health. History knows of no country that remained on top without fiscal prudence over the long term. The U.S. political system must be responsive to today's economic challenges.

The United States' economic policy choices abroad also matter greatly because they affect U.S. credibility and, to a large extent, determine its ability to shape global outcomes. To sustain that leadership, the United States should champion an initiative to adjust and update the global rules and norms that govern trade, investment, and competition in technology to reflect twenty-first-century realities.

Washington should also be mindful that unilateral sanctions—made possible by the primacy of the dollar—are not free of cost. Weaponizing the dollar in this way can energize both U.S. allies and foes to develop alternative reserve currencies—and maybe even to join forces to do so. That is precisely why the European Union has been pushing to further promote the euro in international transactions.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (7) [FONTE:

Japan Times, 10/01/2021]

China's rapid recovery puts U.S. dollar's global hegemony in doubt

The dollar's demise as the world's reserve currency has been idly speculated on and predicted for years, of course. Prior to the yuan, all the hype was about the euro as the dollar's successor. Nothing, though, ever managed to dent the twin forces underpinning dollar supremacy: the U.S.'s role as both global growth engine and haven of first choice for investors during crises. So powerful were these two pillars that they were given a catchy nickname in trading circles years ago — the "dollar smile."

But recently, that smile has looked more like a smirk, with the virus eroding both of the currency's traditional supports. Instead, it's the yuan that's benefiting from demand for economic outperformance, and for assets insulated from the pandemic's fallout, bringing the currency's long-term prospects back into focus.

"The center of the world's economy is shifting from the Northern Atlantic, where it's been for 500 years, to the Pacific," said Marc Chandler, chief market strategist at Bannockburn Global Forex. "The currency markets are going to reflect that over time."

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (8) [FONTE:

Japan Times, 10/01/2021]

Greater influence

While more than 60% of the world's currency reserves are denominated in dollars — as they have been for over two decades — holdings of the greenback fell to the lowest since 1996 at the end of the third quarter. The euro, pound and yen have gained from this decline, yet only the yuan has seen allocations increase — to 2.1% — for the last three quarters.

That has some analysts rethinking their approach to the currency. HSBC Holdings PLC sees the yuan increasingly influencing weekly price changes in the pound and commodity-linked currencies, while strategists at Societe Generale SA see it affecting risk sentiment.

The currency is now the fifth-most used currency for global payments, accounting for about 2% of transactions, according to data from the Society for Worldwide Interbank Financial Telecommunications, which handles cross-border payment messages for more than 11,000 financial institutions in 200 countries. While that's still a small share, when Swift first started tracking currencies in this way in 2010, the renminbi was ranked 35th.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (9) [FONTE: FT, 17/01/2021]

Virtual control: the agenda behind China's new digital currency

The planned 'e-yuan' could boost Beijing's surveillance state and create competition for private fintech groups

February 17 2021



China's digital plan dovetails with broader ambitions for its currency as Beijing hopes the technology will help promote the renminbi

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (10) [FONTE:

FT, 17/01/2021]

internationally and weaken the US dollar's supremacy. While bankers say the focus initially will be on using the digital currency in the domestic economy, it will probably be used for trade settlement in a number of years, several Chinese analysts said.

But the other objectives behind China's virtual currency present a sharp contrast with public discussion about the issue in many other parts of the world. While in the US [cryptocurrencies are steeped in the language of libertarianism](#), in China the digital currency project is tied up in the [Communist party's drive to maintain control over society](#) and the economy. The technology is partly designed to reinforce its surveillance state.

China's digital renminbi is a "central bank digital currency", making it in some ways the opposite of cryptocurrencies such as bitcoin. Cryptocurrencies are often decentralised; they are not issued or backed by governments. The "e-yuan", by contrast, is part of China's top-down design. It is issued and regulated by the central bank and its status as legal tender is guaranteed by the Chinese state.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (11) [FONTE:

WSJ, 25/01/2021]

China's Economy Overtaking the U.S. Will Be Harder Than It Looks

Estimates that China will soon overtake the U.S. in total economic heft depend on it maintaining current growth trends, and poor demographics will make it difficult to hold the lead



Wall Street Moves Into China, Despite Tech and Trade Battles

With tensions running high, Washington and Beijing have pushed to decouple technology and trade. But American financial firms including JPMorgan and Goldman Sachs are doubling down on investing in China and expanding headcount. Photo Composite: Crystal Tai (Originally Published Oct. 7, 2020)

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (12) [FONTE: WSJ, 25/01/2021]

Researchers at investment bank Nomura recently suggested that if the yuan were to strengthen further and to hold at around 6 to the dollar, the U.S. economy would be eclipsed by the Chinese economy by 2026.

The estimate is based on extrapolating International Monetary Fund estimates of 7.9% nominal GDP growth in 2025 further out into the future, and depends on the assumption that the U.S. economy will remain permanently below its pre-pandemic path. Neither outcome, nor continued currency appreciation, is certain. But even leaving the path of the U.S. aside, [demographics and productivity trends](#) will make sustaining China's pre-pandemic growth rates increasingly difficult.

Even if fertility trends improve overnight, China's 20-65 year old cohort will have shrunk in size by one-tenth by the late 2030s. Sometime between 2035 and 2040, China's old-age dependency ratio—the proportion of people older than 65 compared with the working-age population—will surpass the U.S. equivalent, according to United Nations projections.

The components of growth are labor, capital and the elusive total factor productivity. The domestic working-age population, as discussed, will be contracting. That means that unless China manages to attract many more immigrants or dramatically boost labor-force participation, it will ultimately need to maintain growth with [sustained productivity improvements](#). And that is precisely the element that will be most difficult.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (13) [FONTE:

Global Times, 9/03/2021]

US economic recovery builds on risky stimulus plan: Global Times editorial

By Global Times



Illustration: Chen Xia/GT

The US Senate approved a \$1.9 trillion coronavirus relief plan on Saturday. Both US public opinion and the market have regained confidence, with forecasts emerging that the US economy will grow at its fastest pace in decades this year. Some even said that the US will surpass China again to contribute the most to global growth after the stimulus bill was approved.

A luta pelo poder mundial: a supremacia financeira dos EUA está em causa? (14) [FONTE:

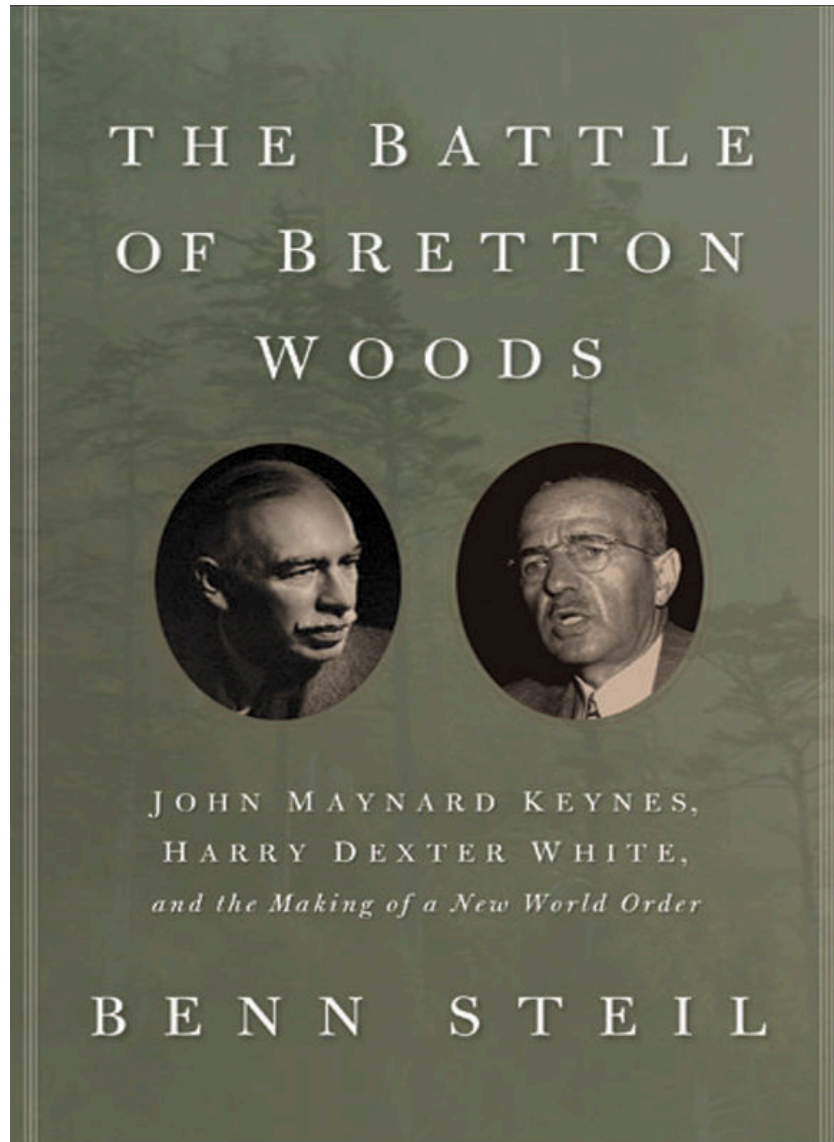
Global Times, 9/03/2021]

Having learned the side effects of strong stimulus policies adopted at home and abroad, China has since refused to adopt "flood like" strong stimulus policies. When the economy was highly impacted in 2020, China remained restrained. The reason the US has adopted such big-scale quantitative easing policies has to do with the fact that its system encourages the pursuit of immediate interests and that current administration does not have to worry about the side effects in the future. However, it doesn't work in China.

In addition, the US dollar enjoys a status of the global currency, and the excessive dollars distributed to the public are easier to disperse outside the US than other currencies. To a certain extent, the world pays for the quantitative easing of the US, which also relieves pressure on the US government when it raises the debt.

But at this rate, the US economy is like a dangerous system under increasing pressure that, according to common sense, is bound to explode sooner or later. It may bring short-term prosperity, helping realize the market rebound last year, but it also puts a huge thunderbolt over its head of as well as the world.

Sugestões de leitura



NATIONAL BESTSELLER

"Thucydides's Trap identifies a cardinal challenge to world order."

—HENRY KISSINGER, *former US secretary of state*

DESTINED FOR WAR

CAN AMERICA AND CHINA
ESCAPE THUCYDIDES'S TRAP?

GRAHAM
ALLISON