

The BRI and Recovering from COVID-19 Economically

1. Lessons to be learned from the 2008 financial crisis.
2. A Matter of economic principle.
3. China's version of the American System of Political Economy.

Hussein Askary
Belt and Road Institute in Sweden
Webinar
Stockholm
June 11, 2020

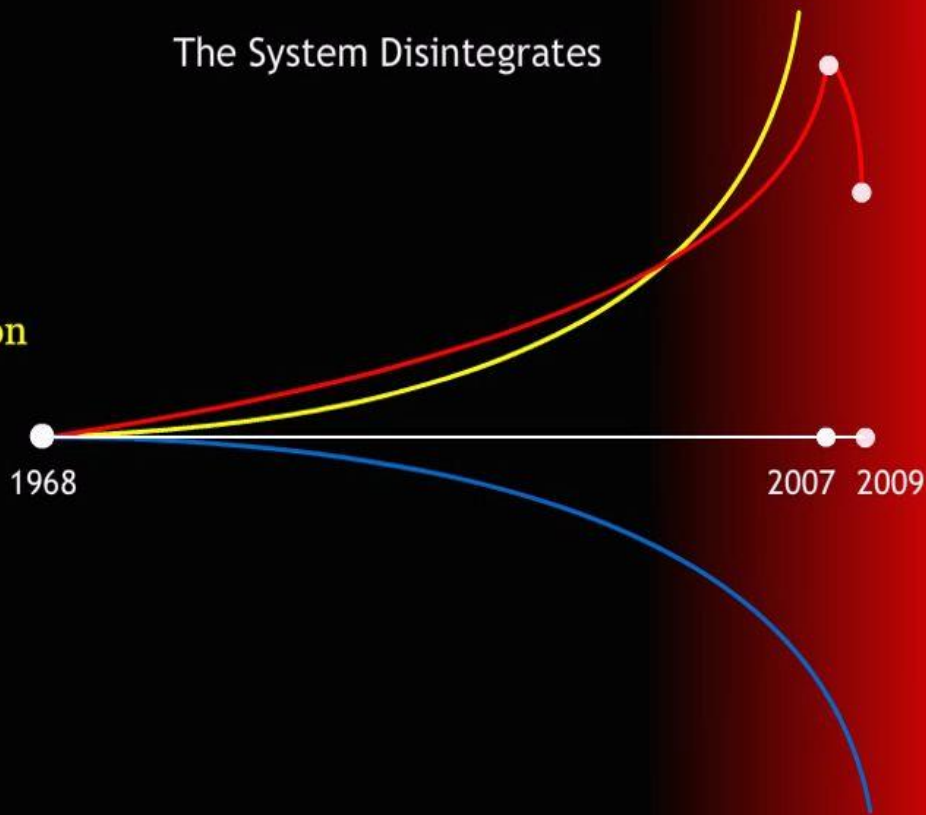


1. The 2008 Global Financial Crisis

The TRIPLE Curve

Lyndon LaRouche's Typical Collapse Function

- 1. Financial Aggregates
- 2. Monetary Aggregates
- 3. Physical Economic Input/Output



DERIVATIVES

TRILLIONS OF DOLLARS OF
FICTITIOUS DEBT

DERIVATIVES

708

TRILLIONS USD DOLLARS

100

DERIVATIVES

80

60

40

20

0

ASSETS

JP Morgan

Citibank

B-of-A

Wachovia

HSBC

US GDP

800

700

600

500

400

300

200

100

0

TRILLIONS USD DOLLARS

OTC
Derivatives

Global
Annual GDP

Domestic
Debt Securities

Global Stock
Market Cap

International
Debt Securities

US
National Debt

US
Annual GDP

China
Annual GDP

70

70

45

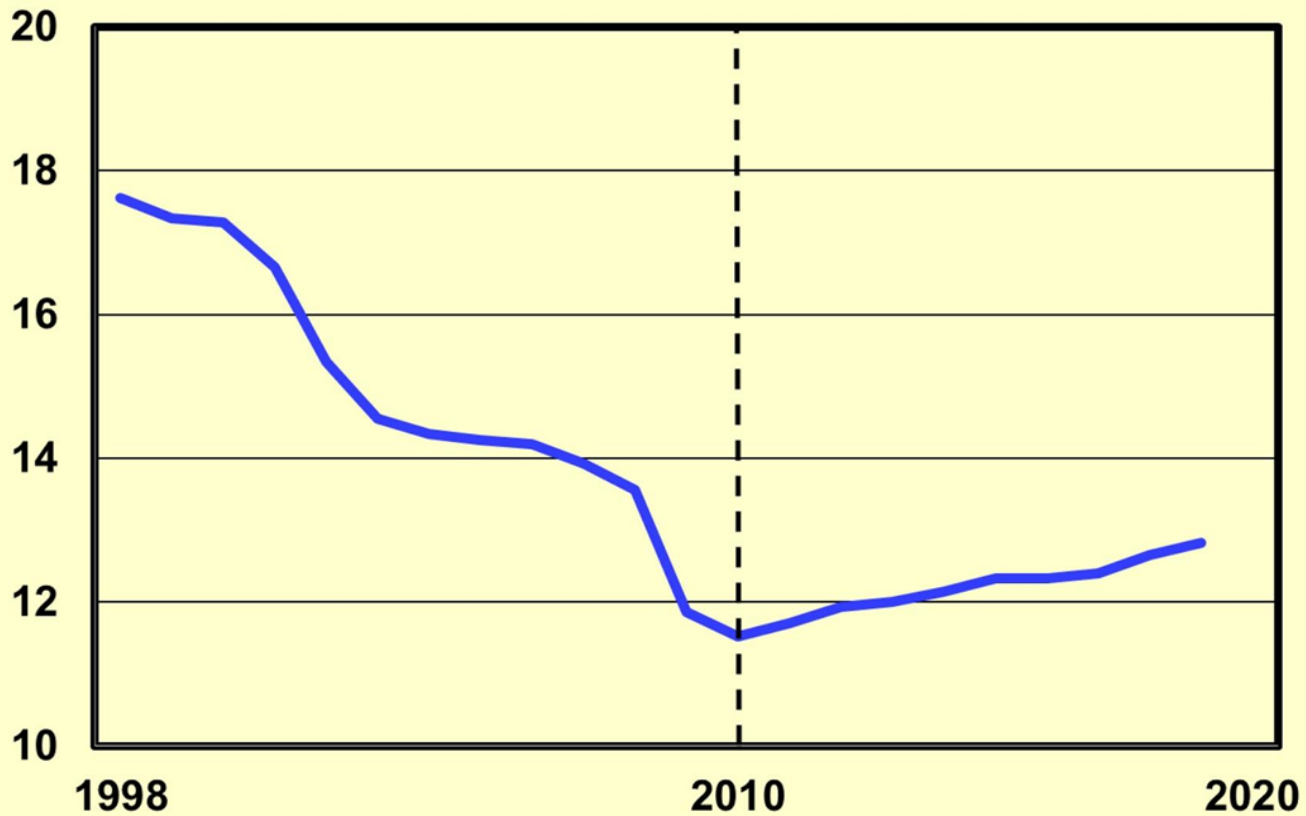
29

16

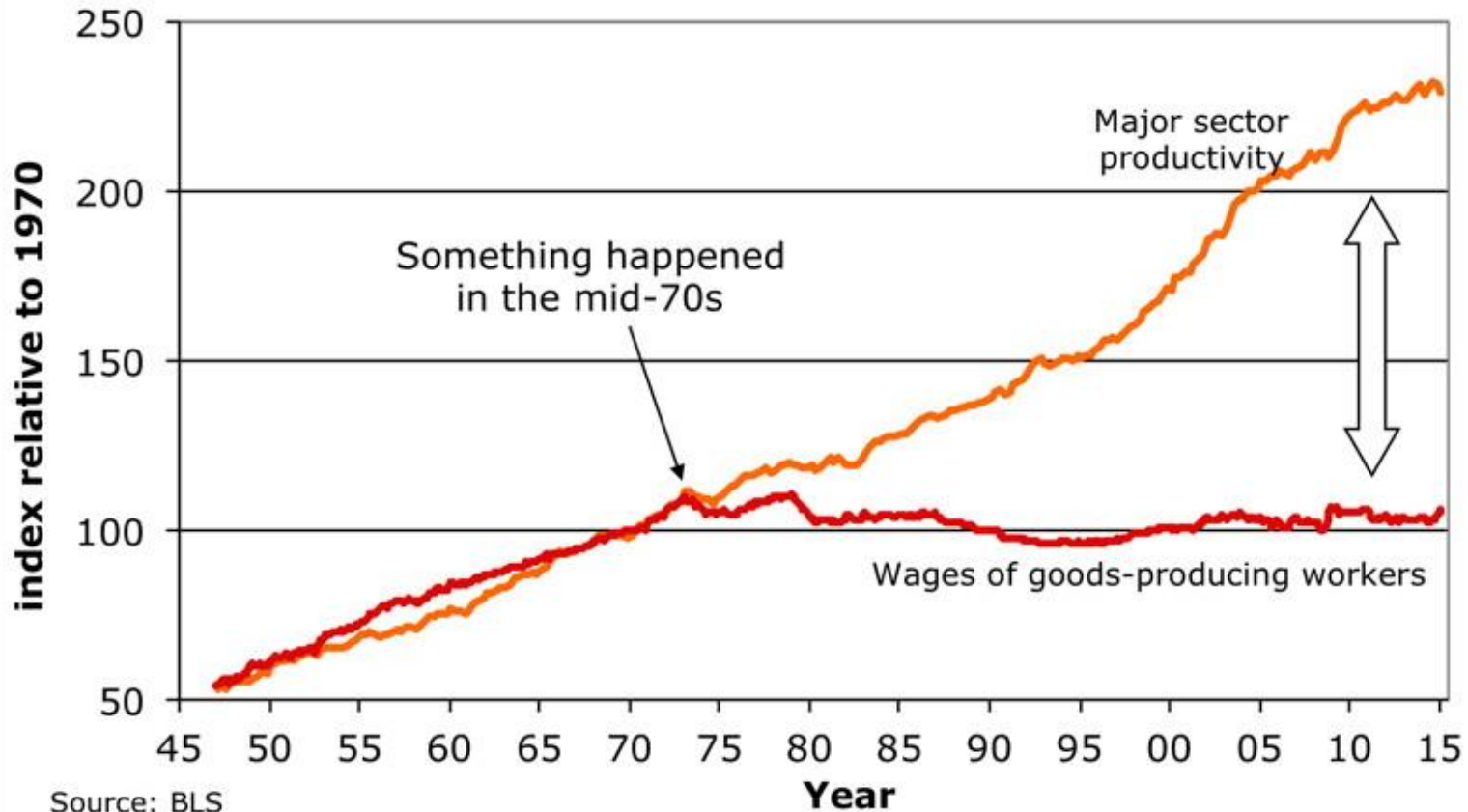
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7.7

U.S. Manufacturing Employment (millions)



Productivity and average real earnings



Liquidity injection since 2008

Federal Reserve

Bank of England

ECB

Bank of Japan



22 trillion \$



18 trillion \$

Export-Import Bank

Construction Bank

Development Bank

National Agricultural Bank

German GDP

Eurozone GDP

DB Total Derivative Exposure

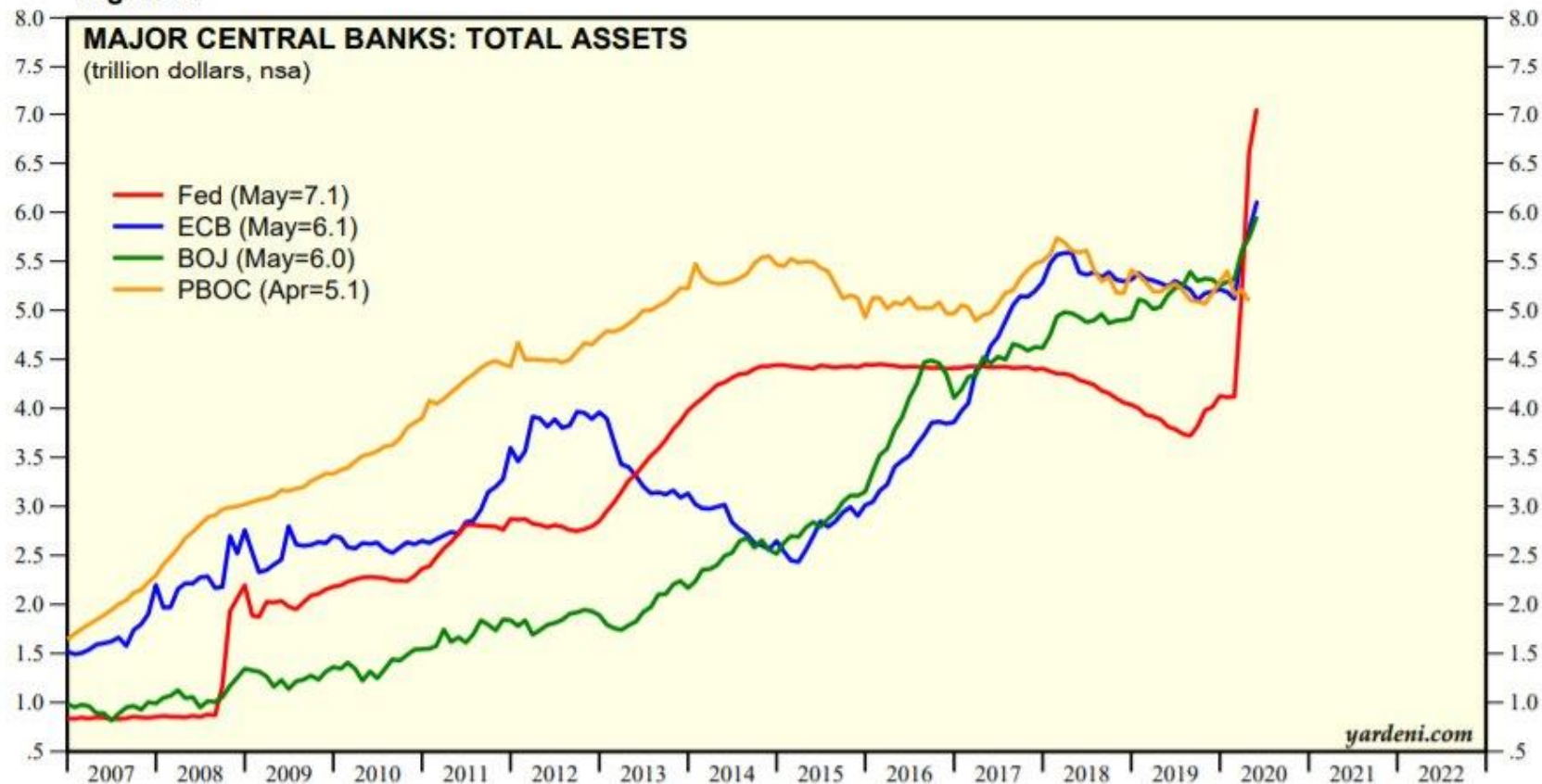
€2.74 Trillion

€9.6 Trillion

€54.7 Trillion

Total Assets of Major Central Banks

Figure 1.

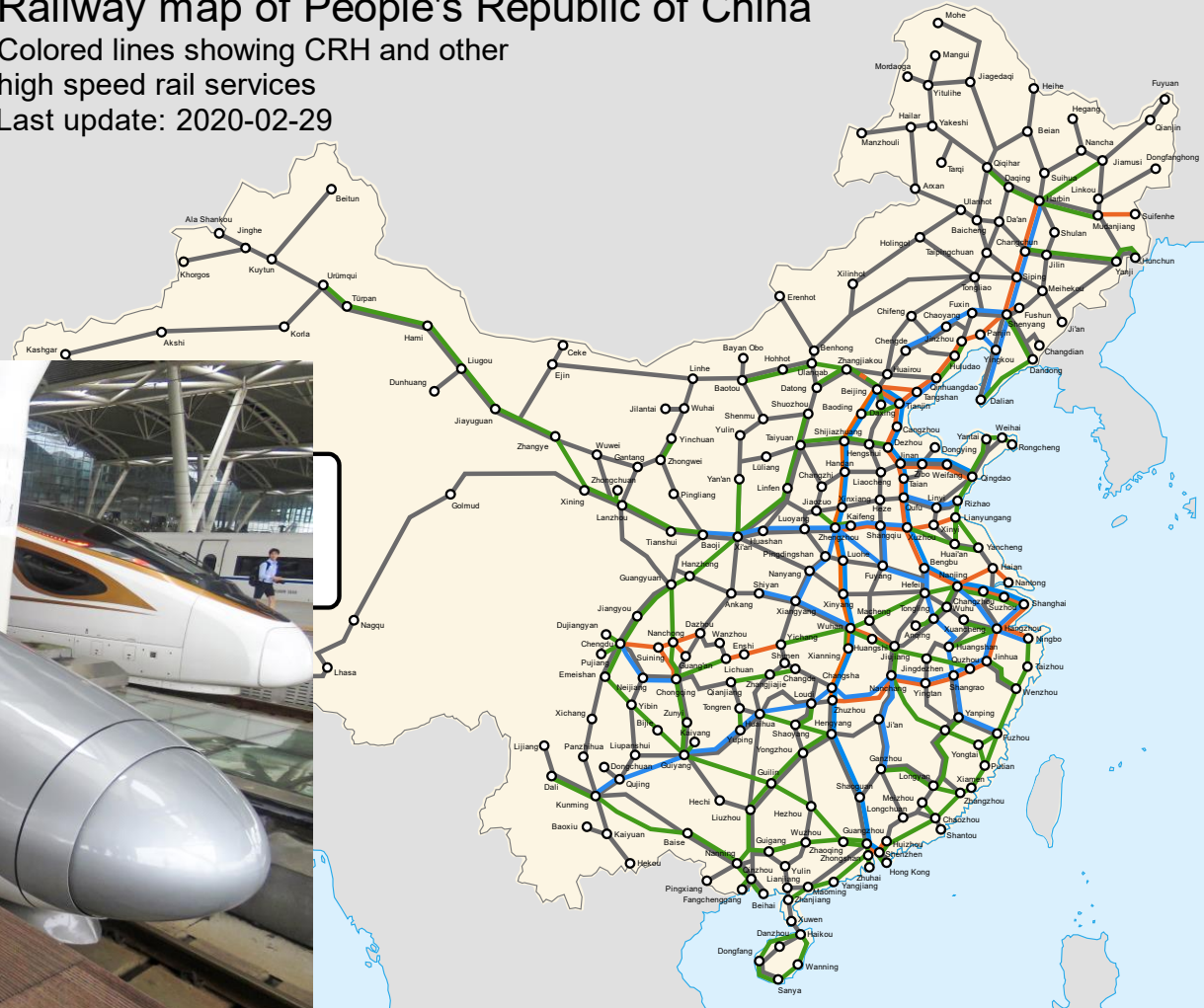


Source: Haver Analytics.

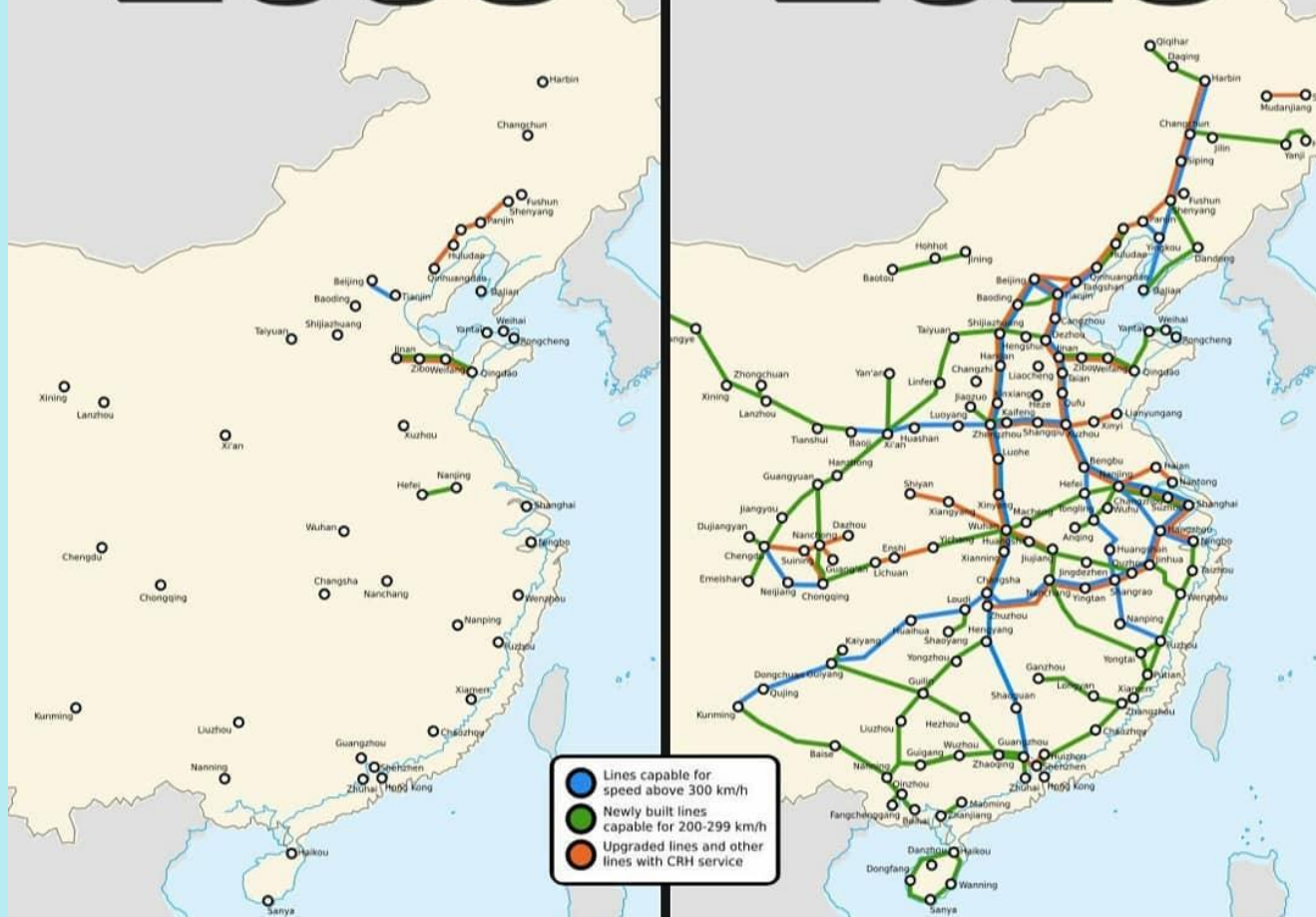
Railway map of People's Republic of China

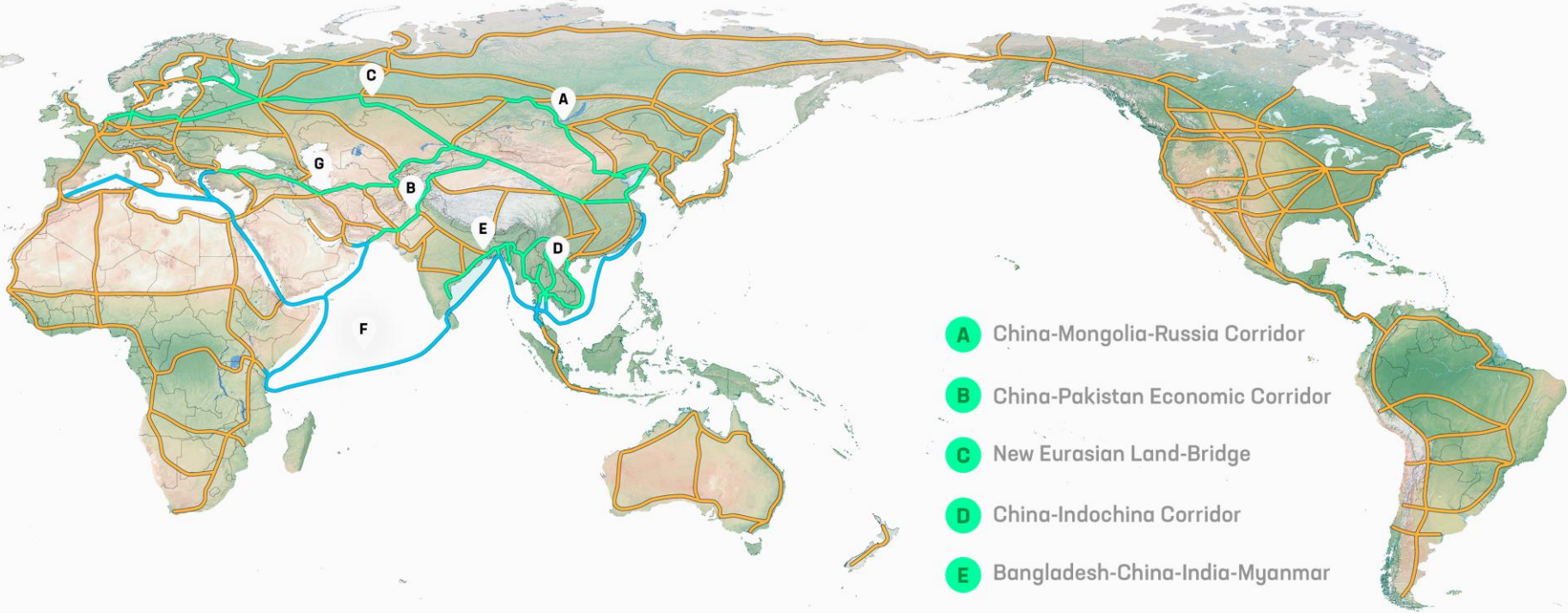
Colored lines showing CRH and other high speed rail services

Last update: 2020-02-29



2008 2018



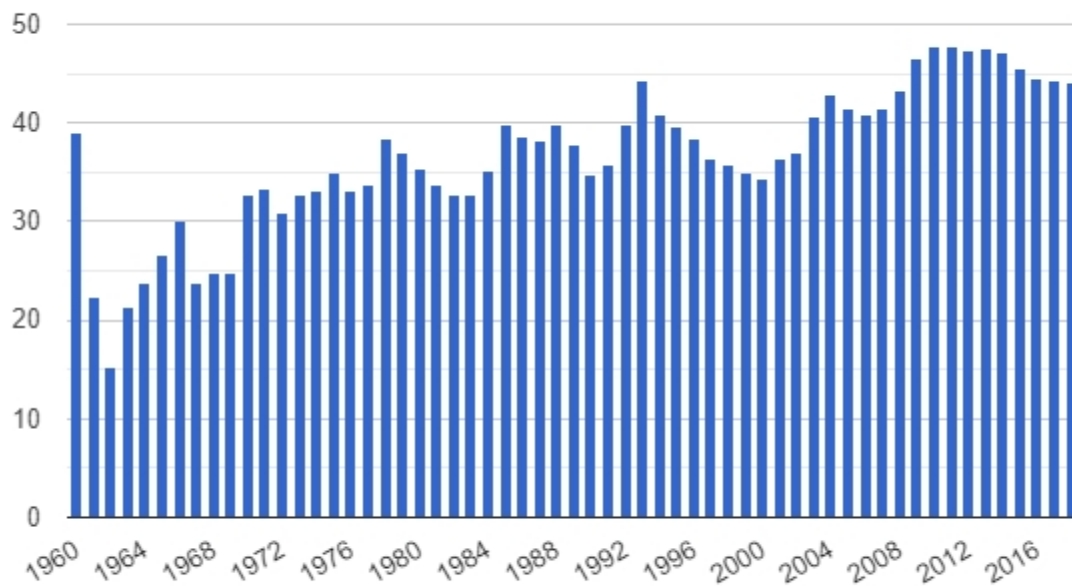


— Belt Corridors Completed/Under Construction.
— Maritime Silk Road, Operating.
— Under Construction, Planned and Envisioned Future Connection.

- A China-Mongolia-Russia Corridor
- B China-Pakistan Economic Corridor
- C New Eurasian Land-Bridge
- D China-Indochina Corridor
- E Bangladesh-China-India-Myanmar
- F The Maritime Silk Road
- G China-Central & West Asia (The Silk Road)

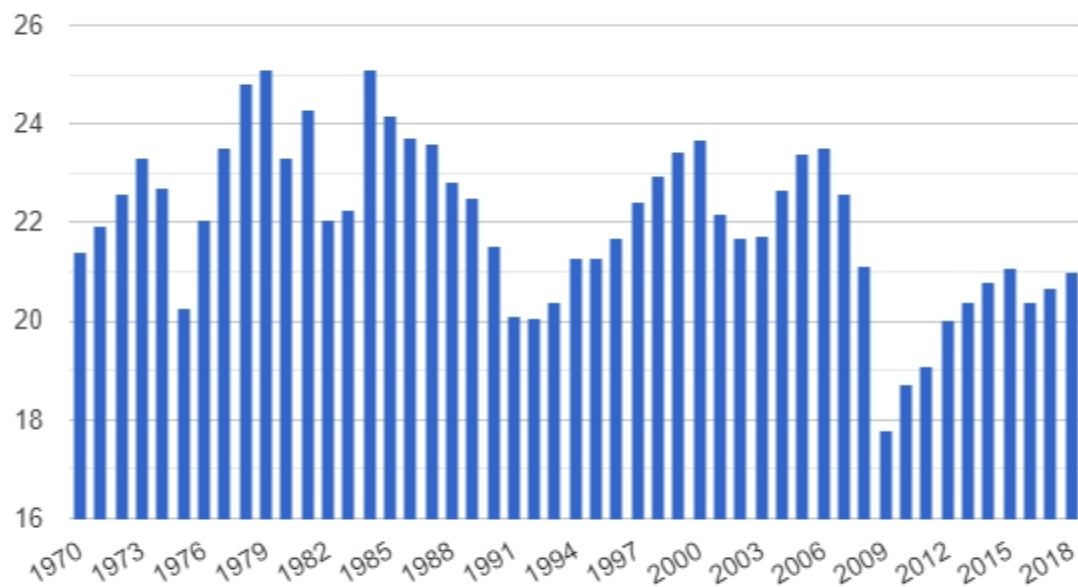


China - Capital investment, percent of GDP



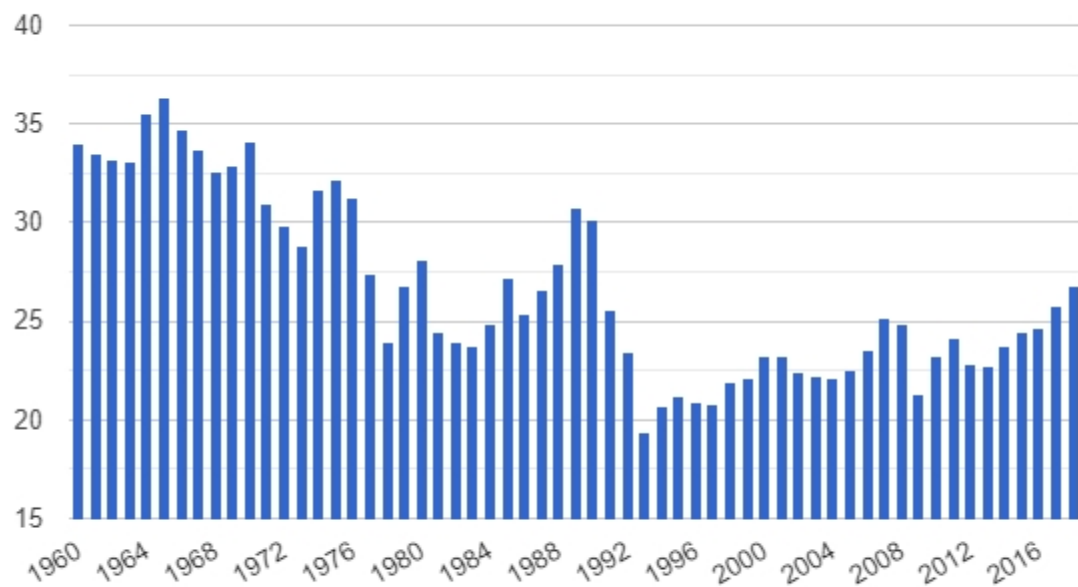
Source: TheGlobalEconomy.com, The World Bank

USA - Capital investment, percent of GDP



Source: TheGlobalEconomy.com, The World Bank

Sweden - Capital investment, percent of GDP



Source: TheGlobalEconomy.com, The World Bank

2. A Matter of Economic Principle.

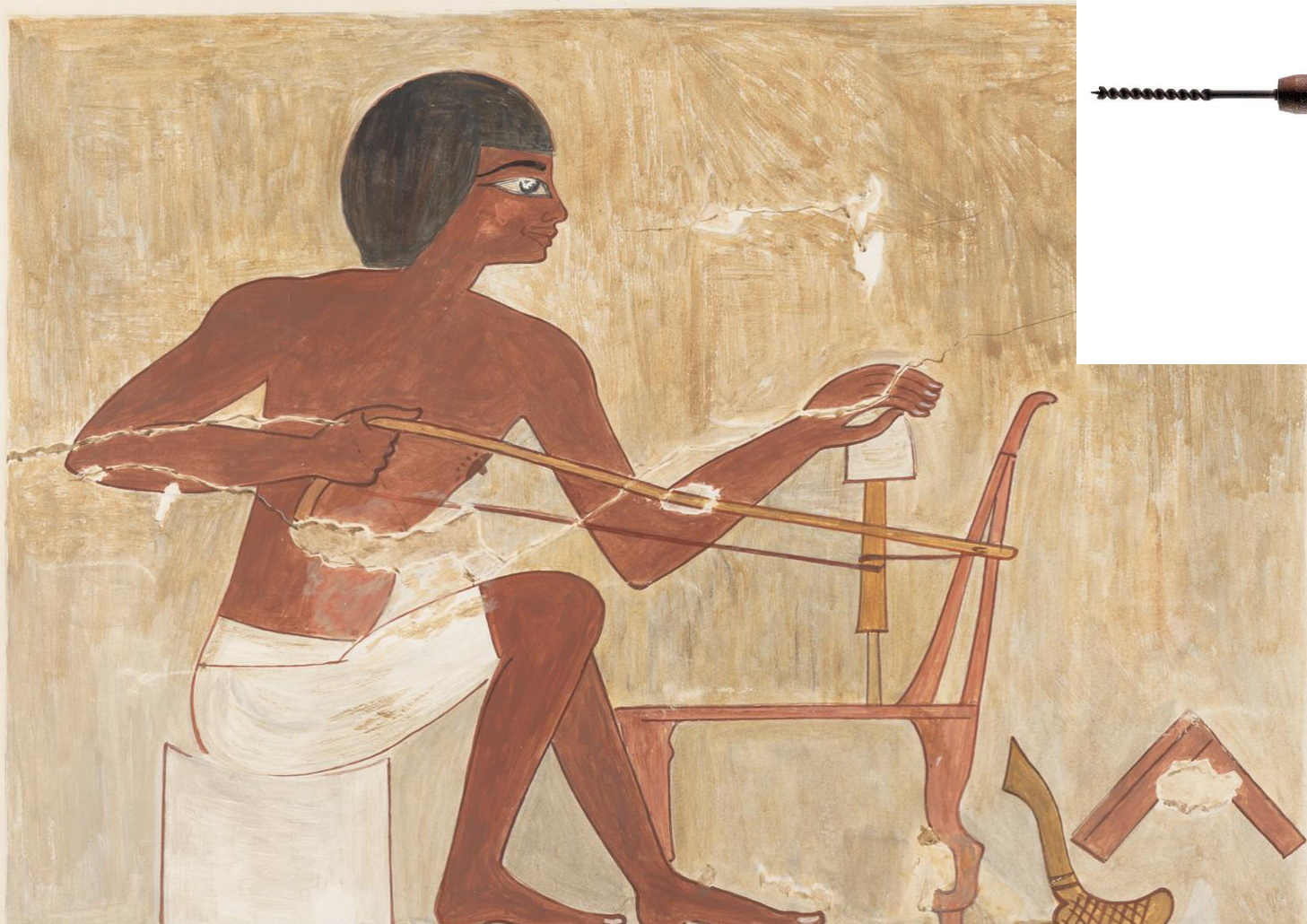
“So we must consider innovation as the primary driving force of growth and the core in this whole undertaking, and *human resources as the primary source to support development*. We should promote innovation in theory, systems, science and technology, and culture, and make innovation the dominant theme in the work of the Party, and government, and everyday activity of society.”

President Xi Jinping

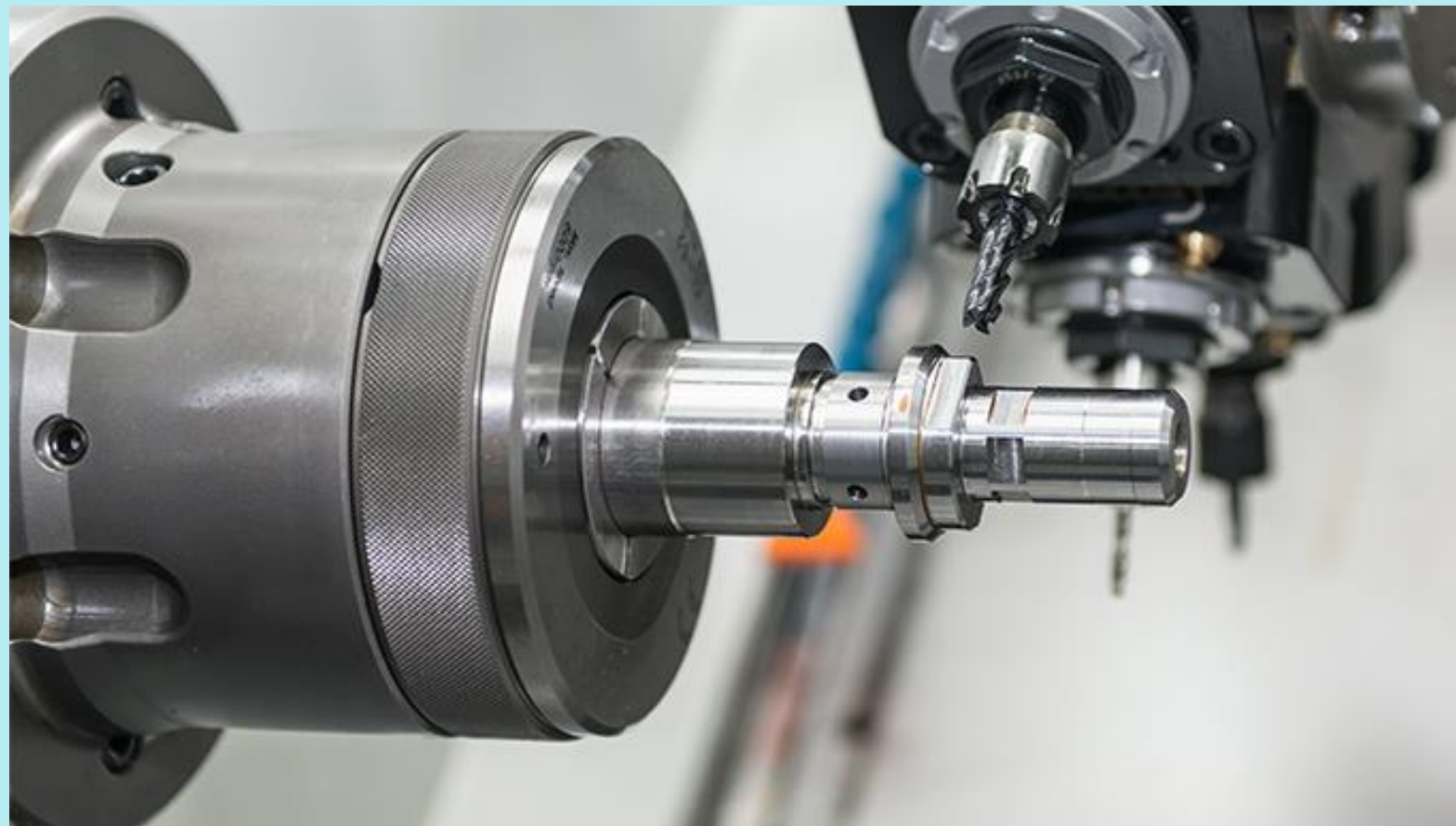
“A Deeper Understanding of the New Development Concepts,”

January 18, 2016

Speech at study session of the implementation of the Fifth Plenary Session of the 18th CPC
Central Committee







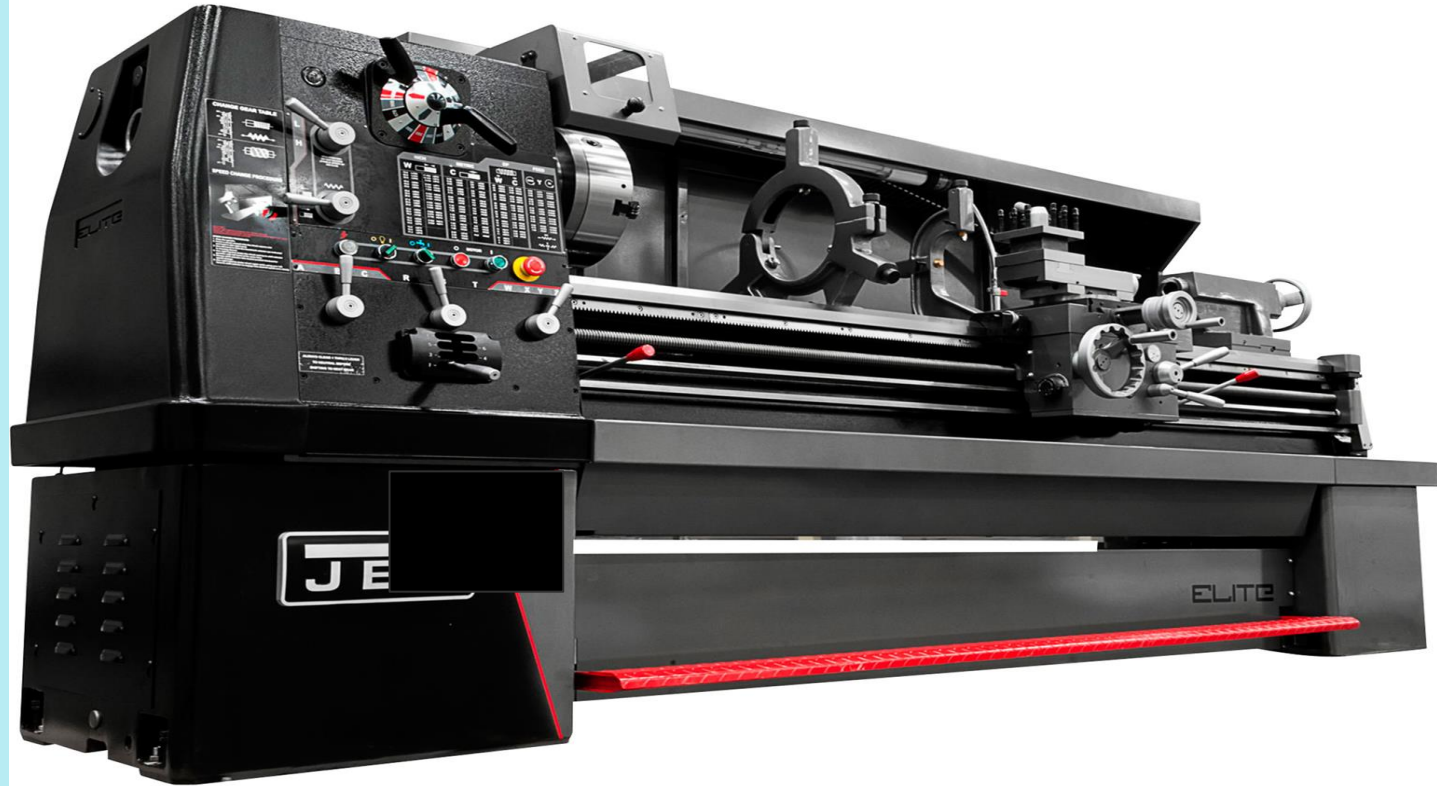
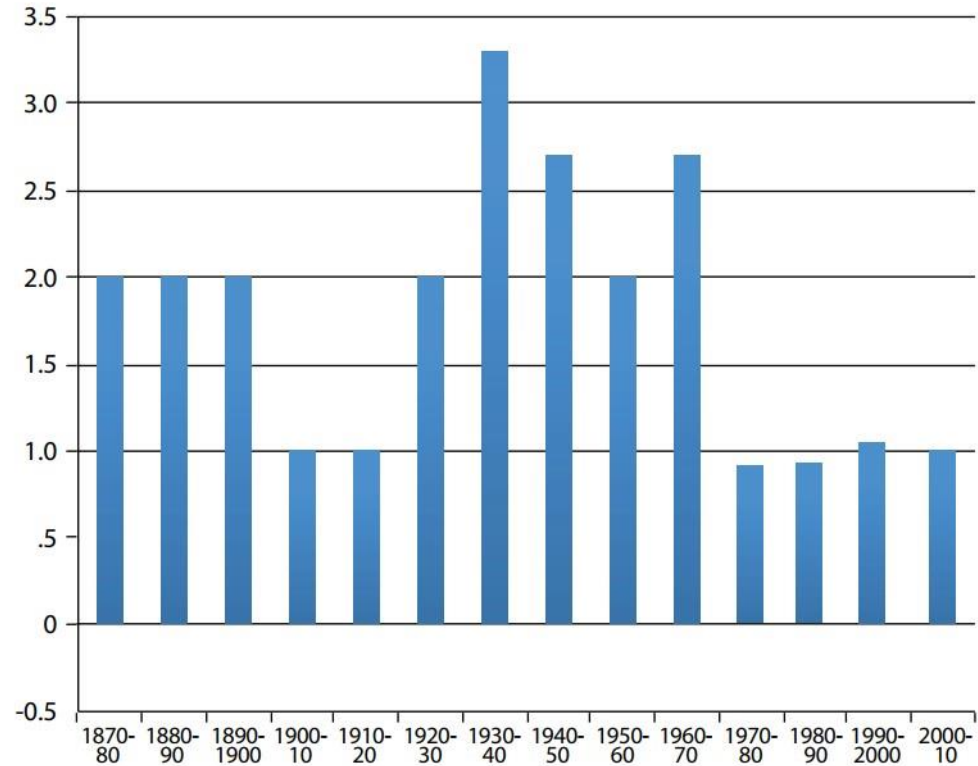




FIGURE 3

Total Factor Productivity in the U.S. Economy

(Annual Growth by Decade)



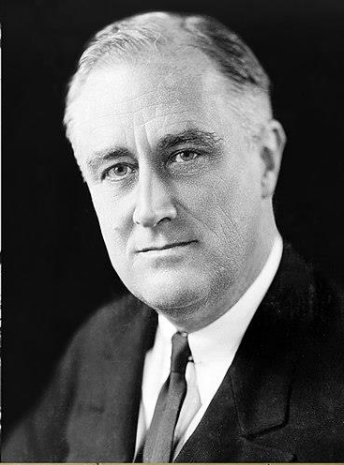
Source: NBER, Congressional Research Paper "Total Factor Productivity Growth in Historical Perspective", 2013

3. China's version of the American System of Political Economy.

Alexander Hamilton (1755- 1804)

“Promote the general welfare”
of the people!





Franklin D. Roosevelt (1882-1945)

The New Deal



Tennessee Valley Authority –
TVA – 1933



Bretton Woods Conference
July 1944



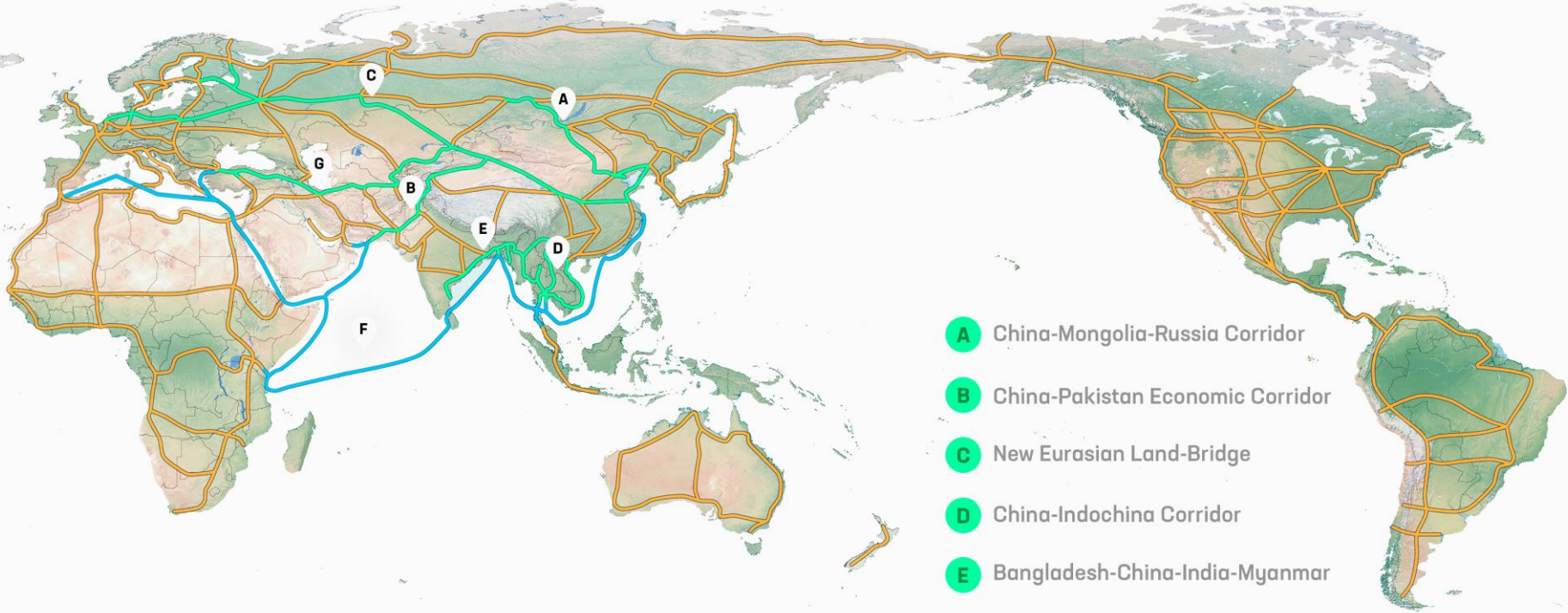
Sun Yat-Sen

"The International Development of China", 1919

"In this International Development Scheme, I venture to present a practical solution for the three great world questions which are the International War, the Commercial War and the Class War."



New Bretton Woods?



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Blue Maritime Silk Road, Operating.
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