

# **China vs U.S.**

**Transcript**

You can find a lot of videos predicting imminent disaster for both the Chinese economy and the U.S. economy. Here are the main points.

China has a serious Population decline. Their one-child policy, from 1979 to 2015, was too effective in changing the culture, so that now their birthrates are too low to keep the population constant.

They may be seeing a bubble in their manufacturing sector, where overcapacity led to dumping of subsidized products and retaliation with tariffs, not just from the United States.

The Real estate construction bubble is more obvious in China, where empty apartment buildings are common in many places. Some ghost cities have never been occupied.

Unemployment for young adults, especially those with college degrees, is high enough to be considered a crisis.

Finally, China has a high debt load at all levels, from households to the national level.

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Artificial Intelligence and robots may take a lot of the jobs available today.

Similar to China, the U.S. faces a growing national debt that is already higher than our GDP.

We also have falling birthrates. Our population is not declining yet, but it will soon if we do not have enough immigration.

It will be difficult for both countries to solve these problems for emotional reasons, but the solutions are not rocket science. In the U.S., we need higher taxes, more regulation for worker's rights, a Universal Basic Income of some kind, and in the short term, more immigration from places that have an abundance of young workers, such as Africa. China needs similar measures that will be unpopular.

Every economy has occasional crashes. Remember 2008.

Both China and the United States have significant economic problems. Who has more commitment to solving them? I would love to see your answers in the comments.