# EDINA MZ SEPTOBER NEG

## CASE

*We negate.*

**Contention One is the Rise of the Far Right**

**Walt ‘19 of Time** finds that far-right parties across Europe could win one-third of votes for the first time in decades, allowing them to push their anti-immigration agenda.

*The EU joining the Belt and Road would increase far-right support for 2 reasons:*

*First, Export Competition*

**Casarini ‘16 of the Italian Institute of International Affairs** writes that China is seeking to export goods priced below production costs into Europe, crowding out domestic European industries.

Critically, **Stanig ‘18 of the University of Bocconi** reports that a Chinese import shock would rally radical-right political parties in Europe, concluding a one-standard deviation increase of import competition increases protectionist vote share of far right parties by 3.7 percentage points.

*Second, Chinese Infrastructure*

**Broder ‘19 of the CQ Researcher** finds that China requires that BRI partners hire Chinese construction companies with Chinese workers.

As a result, far right support would skyrocket. **Esparraga ‘17 of the Institute for Security and Development Policy** explains the mere fear of non-European workers would galvanize Europe’s far-right party.

*The impact is blocking refugees*

Without far-right political control, **Calamur ‘19 of the Atlantic** reports that Europe accepted nearly 600,000 refugees in the 2018 alone.

**Schultheis ‘19 of the Atlantic** finds that one of the main policies of the far right is to block all refugees and migrants from the EU, preventing hundreds of thousands from finding asylum.

**Contention Two is a Global Meltdown**

*There are 2 scenarios where the EU joining the BRI would threaten global stability:*

*The first is EU tariffs*

Currently, **Ewing ‘19 of the New York Times** explains three days ago that the European Central Bank is preventing recession by cutting interest rates and reviving a money-printing program.

If the EU joined the BRI, however, this progress would be overwhelmed. According to **Barkin ‘19 of The Atlantic**, Europe will determine the US-China strategic competition, concluding America will lash out if China’s influence continues to grow through the BRI.

**Schuman ‘19 of the Atlantic** finds that smaller countries such as Italy joining the BRI have only been minor setbacks for Trump. However, the EU collectively joining would push the US to punish the EU with tariffs.

**Amaro ‘19 of CNBC** writes that Trump is on the verge of implementing auto tariffs on the EU at a rate of 20%.

Critically, **Deusterberg ‘19 of Foreign Policy** writes that these tariffs would propel Europe into a recession because of the EU’s heavy reliance on auto exports to the US.

Should the EU go into a recession, it would spread into a global recession due to their economic linkages. As a result, **Blanchard ‘13 of the IMF** confirms the next global economic shock would push 900 million people into poverty.

*The second is ending Chinese trade talks*

The US-China trade war is looming, but progress is currently being made.

**Mason ‘19 of Reuters** explains that China has called for renewed negotiations in the face of a crippled Chinese economy, with Trump also coming to the table in order to strike a deal.

However, the EU joining Belt and Road would strain US/EU relations and would display China’s expansion.

Critically, when China and the BRI expands into the EU, the US would back out of talks and reignite the trade war. **Natapoff ‘19 of George Washington University** finds that unprecedented movement of the BRI, such as the EU joining the BRI, would become a national security threat for the US, forcing Trump to impose tariffs on China.

Problematically, the trade war would split the world into 2 global orders, **Pei ‘18 of the SCMP** notes that the trade war will lead to political division and fragmentation, pushing the world into 2 economic world orders, decoupling the world, one centered around China and one around the US.

**Pei continues** that such fragmentation would unravel the entire global financial system.

As a result, **Ahya ‘19 of Morgan Stanley** concludes that a renewal of Trump's trade war with China could send the U.S. into recession in less than a year.

Even worse, **Pei** continues that economic decoupling would decrease communication between both sides, preventing innovation and tech transfers, and halting the last chance to solve climate change. **Pei** concludes that since the two world orders would not transfer new innovations, the fate of humanity is at risk due to decoupling.

*Thus, we negate.*

## CARDS

### Populism

#### [Walt 19]

Vivienne Walt, Time, 4-11-2019, ["How Nationalists Are Joining Together to Tear Europe Apart", https://time.com/5568322/nationalism-in-europe/, accessed 9-12-2019]AM In an interview last fall, Salvini told TIME the aim would be “to re-establish the European spirit that has been betrayed by those who govern this union,” including a severe crackdown on illegal migration and emphasizing Europe’s “Christian-Judeo roots.” To make a difference in Brussels, the anti-E.U. parties would need to win at least one-third of votes, something that seems possible for the first time in decades, according to some polls. If–and it is a big if–the parties coalesce, they could block key appointments and overrule decisions in a tactic that Bannon described to TIME as “command by negation.” And they could push their own hard-line candidates for key positions, in particular those involved in migration and free trade.

#### [Casarini 16]

Nicola Casarini, Italian Institute of International Affairs (IAI), Rome, and Graduate Institute, Geneva, 2016, [“When All Roads Lead to Beijing. Assessing China’s New Silk Road and its Implications for Europe”, [http://sci-hub.tw/https://www.tandfonline.com/doi/abs/10.1080/0393272 9.2016.1224491]AM](http://sci-hub.tw/https%3A//www.tandfonline.com/doi/abs/10.1080/0393272%099.2016.1224491%5DAM) There are growing concerns in Europe that, through the Belt and Road initiative, China is seeking to tackle industrial overcapacity at home by dumping or exporting goods priced below production costs, risking thus to bring entire industrial lines across Europe to their knees. If the EU were to designate China a market economy, it would then be impossible for Brussels to strike back against unfair export practices with countervailing tariffs. There is, therefore, growing opposition in Europe to granting China market economy status, especially from manufacturing industries that see themselves as vulnerable.

#### [Stanig 18]

Stanig, Piero, 18, (Professor at University of Bocconi), "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe", No Publication, 4-18-2018, https://onlinelibrary.wiley.com/doi/full/10.1111/ajps.12358, DOA-7-13-2019 (MO)

We have provided evidence on how the Chinese import shock—by imposing uneven adjustment costs across regions—has caused a surge in support for nationalist and radical‐right political parties in Europe. The existence of this type of backlash implies that globalization might not be sustainable in the long run if the welfare gains that trade brings are not equally shared within society. Appropriate redistribution policies are needed in order to compensate those categories of people, and those local communities, that have been bearing most of the adjustment costs in developed countries. The success of nationalist parties might endanger the very survival of the open world we have gotten used to in the past 30 years. Indeed, if parties and candidates proposing economic nationalist platforms become more influential across advanced democracies, they are likely to push forward a coordinated protectionist agenda. Yet, a return to protectionism is not likely to solve the problems of those who have lost ground due to globalization without compensation, and it is bound to harm growth in emerging economies. The world rather needs a better, more inclusive, model of globalization.

Stanig, Piero 18, (Professor at University of Bocconi), "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe", No Publication, 4-18-2018, https://onlinelibrary.wiley.com/doi/full/10.1111/ajps.12358, DOA-7-13-2019 (MO)

Import data are sourced either from Eurostat Comext (for European Union [EU] countries) or from CEPII‐BACI (for Norway and Switzerland). Starting from product‐level values, import flows are computed at the same level of industry disaggregation as the employment data. This allows us to retrieve according to Equation 1. There is substantial variation in exposure to the shock, both across regions and over time. This is key for our identification. The average import shock, evaluated over 2 years, is equal to **0.063, corresponding to an increase in Chinese imports by 63 (real) euros per worker.5 The standard deviation is 0.133**. More descriptive evidence is provided in Section B of the SI.

The coefficient on the import shock is positive and precisely estimated across the board. The IV estimates of the coefficient are systematically higher than the OLS ones. This is consistent with there being unobserved factors, such as positive demand shocks, that correlate at the same time with higher imports from China and a lower propensity to vote in a nationalist and radical‐right direction. The first‐stage coefficient on our instrument is positive and significant, and the F‐statistic does not signal a weakness problem, in line with earlier studies (e.g., Autor, Dorn, and Hanson 2013). How strong is the effect of import competition? The most intuitive way to grasp the substantive magnitudes is by considering the radical‐right result. According to the IV estimate in column 10, a one standard deviation (0.133) increase in import shock leads, ceteris paribus, to higher support for radical‐right parties by around 1.7 percentage points (i.e., 0.132\*0.133)—not a negligible impact, considering that the average radical‐right vote share is 5%, with a standard deviation of 7%. Table 2 reports IV results for the alternative measures of ideology, and for the vote shares of four families of parties, identified according to Figure 2. In column 1, the outcome variable is the center of gravity score of Net Autarky. The coefficient on the import shock is positive and statistically significant, indicating that electorates tilt in a more protectionist and isolationist direction when exposed to stronger shocks, in line with the nationalism results described above. In columns 2–5, the dependent variable is the combined vote share of the following families of parties: protectionist left, protectionist right, liberal right, and pro‐trade left. The coefficient on the shock is positive and significant for the protectionist right, and negative and significant for the pro‐trade left. This suggests that, in response to the import shock, the electorate tends to abandon mainstream social‐democratic parties and favor parties that propose economic nationalism. **A one standard deviation increase in import competition would** determine an **increase in the vote share of protectionist right parties by 3.7 percentage points** (i.e., 0.278\*0.133).

How strong is the effect of import competition? The most intuitive way to grasp the substantive magnitudes is by considering the radical-right result. According to the IV estimate in column 10, a one standard deviation (0.133) increase in import shock leads, ceteris paribus, to higher support for radical-right parties by around 1.7 percentage points (i.e., 0.132∗0.133)— not a negligible impact, considering that the average radical-right vote share is 5%, with a standard deviation of 7%.

#### [Broder 19]

Jonathan Broder, CQ Researcher, 1-25-2019 ["China's Belt and Road Initiative" http://library.cqpress.com/cqresearcher/document.php?id=cqresrre2019012500]Accessed9-12-2019 // RZ

With the world watching, China now faces pressure to deliver on its promises.”4 Long Description The process by which China undertakes Belt and Road infrastructure projects or invests in overseas commercial ventures is highly fluid and murky, according to Martin Chorzempa, a China expert at the Peterson Institute for International Economics, a Washington think tank. Generally, he says, governments interested in participating in the BRI sign a memorandum of understanding (MOU) with Beijing. Officials from both sides then negotiate what infrastructure projects will be built; how much the member government must borrow from China's state-owned banks; and the terms of the loan. In some cases, he adds, the two sides forgo a MOU and proceed directly to negotiations, the details of which are often shrouded in secrecy. Development experts point out that unlike the World Bank and other multilateral lending institutions in the West, China does not require borrower governments to abide by free-market principles and democratic norms. Beijing only requires that the borrower hire state-owned Chinese construction companies to perform the work. “So even though the money is officially loaned to a country, much of it winds up back in China,” Chorzempa says. In the five years since the BRI's official launch in late 2013, China has provided $404 billion in loans and investments to developing countries, according to the China Global Investment Tracker, a program run by two conservative Washington think tanks, the American Enterprise Institute and the Heritage Foundation.5 Long Description The money has made the BRI the largest development endeavor in history, dwarfing the United States’ $13.2 billion Marshall Plan

#### [Zeneli 19]

Valbona Zeneli (Chair of the Strategic Initiatives Department at the George C. Marshall European Center for Security Studies, USDOD) The Diplomat, Diplomat, 3-23-2019, ["Italy Signs on to Belt and Road Initiative: EU-China Relations at Crossroads?", https://thediplomat.com/2019/04/italy-signs-on-to-belt-and-road-initiative-eu-china-relations-at-crossroads/, accessed 7-10-2019]AM With a government debt of 130 percent of the gross domestic product, Italy is hoping to finance some of its infrastructure projects with Chinese money. Since 2000, Italy has attracted a stock of $16 billion in Chinese investment. While Chinese banks might finance some of the needed infrastructural work in Italy, there are concerns that this might lead to a new and unsustainable financial situation, adding to the economic and political strings attached to Chinese economic funding under the BRI. In BRI countries, Beijing has been accused of leveraging its economic capacity to take control of strategically important infrastructure assets, while countries have become heavily indebted to China. The hope that membership in the BRI will open new areas of cooperation for Italian companies might look optimistic in the short term, but naïve over the long term. One should consider that the EU as a whole has not achieved more market access in China after long years of insistence. On the contrary, it is probable that the strengthening of the transportation networks and future Chinese control over infrastructure and strategic investment will, in the long term, destroy Italy’s local industries.

#### [Esparraga 17]

Frank **Esparraga**, 09/17/**17**, “Rhetoric of the Right: European Populist’s View of China,” *Institute for Security and Development Policy,* <http://isdp.eu/content/uploads/2017/09/2017-205-right-wing-populist-view-china.pdf> dpet

Some far-right parties have identified with the protectionist conservative notion and believe that local systems need to be insulated and not reliant on outside factors. They also suspect that domestic jobs and national heritage are lost due to immigration. It is **the fear of** the unknown, **non- European workers**, that **has galvanized** some elements of **Europe’s far-right**, and caused them to oppose globalization. In Italy, Umberto Bossi, founder of the far-right Lega Norda said, “Our companies however have not been saved, rather the production has been moved somewhere else and we have been assaulted by China. We should legitimize this word: protectionism.” This sentiment is not new, the Lega Norda has been maintaining this argument since 2003. Anti-Chinese sentiment in Prato, Tuscany is also rife. The textile-hub town has been governed by the left-wing for decades, but recently changed its voting pattern by electing a mayor from the Northern League who has conducted raids on Chinese clothing factories and demanded stricter regulation of Chinese immigration and business. Of particular significance are nationalist parties in larger countries like France and the effect that they might have on the rest of Europe. Front National France leader Marine Le Pen has always been critical of China. “The countries which have protected their industries, which have developed a national strategy and have diversified their international clients are those who feel the effects of the passing Chinese tsunami the least,” she said in a Communiqué du Press du Front National in 2015. The poster child of Europe’s right, United Kingdom’s. Independence Party (UKIP) went one step further in 2016, “China is doing, and will do, more damage to impoverish the British people by their control of British companies and the creation of unemployment, than the Germans did in two Wars.” The British National Party (BNP) also describes China as a hostile entity and more widely, in British far- right discourse, China is seen as a communist dictatorship, a symbol for oppression. However protectionism as a approach to deal with Chinese trade has broader implications. Some within these kinds of parties even question trade within the EU block. This sentiment is largely what fueled pro-Brexit sentiments, and there are fears that these ideas may further divide the EU. But paradoxically, a smaller EU could help push European economies looking for attractive trade deals into the hands of China.

#### [Calamur 19]

Krishnadev Calamur, Atlantic, 3-16-2019 ["The Nativists Won in Europe" https://www.theatlantic.com/international/archive/2019/03/europe-refugees-syria-borders/585097/]Accessed9-12-2019 // RZ

The Nativists Won in Europe Even moderate countries have severely restricted the number of refugees they allow to stay within their borders. KRISHNADEV CALAMUR MAR 16, 2019 Enjoy unlimited access to The Atlantic for less than $1 per week. Sign in Subscribe Now A Syrian refugee carries his daughter in Greece as he approaches the Greek-Macedonian border in September 2015.YANNIS BEHRAKIS / REUTERS Share Tweet Email The arrival of more than 1 million migrants in Europe in 2015 transformed the region’s political landscape. Four years later, the numbers seeking refuge have fallen sharply—even if the rhetoric surrounding the newcomers has not. European Union data released Thursday showed that the number of first-time asylum seekers in the bloc declined for the fourth straight year. It now stands at 580,800, just above the number that arrived in 2014, the year before the migrant crisis began. These latest figures are significant not because a semblance of order has been restored to those countries that account for the main source of asylum seekers—Syria, Afghanistan, and Iraq remain in various stages of tumult—but because migration remains a potent rallying call for far-right and populist parties that continue to use the issue to mobilize voters ahead of European Parliament elections in May. Additionally, European governments have tightened their rules not only for immigration but also for asylum, resulting in a steep decline in approval rates, according to separate European data. Read: How the far right weaponized Europe’s interior ministries to block refugees Still, the numbers released Thursday are unlikely to placate the plurality of Europeans who say they believe immigration is the most important issue facing the bloc. Indeed, the arrival of large numbers of migrants four years ago fostered a belief that EU governments had lost control of the bloc’s borders, bolstering support for parties that until then had occupied the fringes of European politics. That has changed markedly, though: Populist parties are expected to make significant enough gains in the upcoming polls to put a major dent in the four-decade-long electoral dominance of the EU’s centrist parties—a repeat of the pattern seen in an array of national elections across Europe.

#### [Schultheis 19]

Emily Schultheis, The Atlantic, 5-7-2019 ["The Far Right Wants to Gut the EU, Not Kill It" https://www.theatlantic.com/international/archive/2019/05/far-right-politicians-euroskeptics-election-europe/588316/]Accessed9-12-2019 // RZ

The ultimate goal of the AfD and other parties, of course, remains the same: to return more decision-making power from the EU to the national level, particularly on policies related to refugees and migration. Were these parties to get their way, the EU would be gutted of all but its most basic duties—and after decades of greater integration and moves toward an “ever closer union,” the trajectory of Europe would turn back to having countries fend far more for themselves. “None of them want to come across as crazy right-wing populists anymore—they all want to come across as serious politicians that represent the main right-wing party of their country,” Catherine Fieschi, the executive director of Counterpoint, a London-based think tank, told me. “They’ve all gone from deciding the best thing they could do is agitate and say outrageous stuff, to realizing … their best bet is actually to use [the EU] to make sure that they graduate to the next step, of legitimate politician.” Read: A new European political bloc wants to dismantle Europe Europe has had a difficult decade: Two major crises, one financial and one migration-related, have helped fuel euroskeptic rhetoric and given rise to parties that espouse it. After the 2008 financial crisis, the EU’s decision to bail out debt-ridden countries such as Greece helped bring about anti-euro movements. And when an influx of refugees arrived in Europe in 2015 and 2016, the resulting debate over who—if anyone—should take them in became the primary mobilizing issue for far-right parties. Running as a euroskeptic in European Parliament elections seems, at first glance, a bit counterintuitive. If a party favors getting rid of EU structures entirely, why is it fielding candidates to serve in one of the bloc’s main institutions? When leaders of these groups have an answer to that question, they’ve suggested that as long as the EU exists, a seat at the table is better than being left standing on the outside. But contradictions aside, euroskeptic, far-right parties have typically performed well in European elections, benefiting from low turnout and a core base of energized supporters ready to air their grievances. Still, the tide has changed since the last time these parties ran a European-level campaign—public support for the EU remains fairly high in many of their respective countries, and the ongoing Brexit saga makes replicating Britain’s path less palatable. In a Eurobarometer survey last fall, a record 68 percent of EU residents said that being part of the bloc has benefited their respective countries. When Le Pen ran for president of France in 2017, opponents painted her as the potential destroyer of the EU. Anti-EU rhetoric, and especially her proposal to leave the euro zone, played a pivotal role in her campaign pitch. But after flopping in a televised debate when asked how her plan to ditch the euro would actually work, Le Pen paid the price at the polls, losing to now-President Emmanuel Macron by 32 points. After the election, she vowed to lead a “deep transformation” of her party and acknowledged that her strategy on Europe hadn’t helped. “We have heard the French people,” she said later that year. “In numerous areas it is possible to improve the daily life of the French without quitting Europe or the euro currency.” Read: How to discuss the far right without empowering it Italy’s Salvini has a similar story. After rising to the leadership of his far-right League in 2013, Salvini intensified the party’s rhetoric on both the euro and immigration. His strategy took the League from a struggling regional movement to a national force, earning 17 percent of the vote in last year’s Italian elections. Since entering into a governing coalition with the antiestablishment Five Star Movement last year, however, he’s taken a more pragmatic tack on Europe and talks today about “common sense” solutions and reforms, even as he blasts the bloc for its handling of migration policy. At his gathering of like-minded far-right parties in April, the tagline towards a common sense europe! appeared on a banner. “We don’t want to leave anything; we want to change the rules of the EU from the inside,” Salvini told Italian television in December. In Austria, too, the far-right populist Freedom Party (FPÖ) had long been critical of the EU; some of its leaders even raised the possibility of a referendum for an “Oexit,” using the German name for Austria, Österreich, to build on the Brexit portmanteau. But when the FPÖ entered a governing coalition with Sebastian Kurz and his center-right People’s Party, in late 2017, Kurz took pains to make clear that the FPÖ had committed to a “pro-European” government. Standing alongside Kurz, the FPÖ’s leader, Heinz-Christian Strache, said at the time: “We stand by the European Union; we stand by Europe’s peace project.” (And earlier this year, the FPÖ’s top candidate in the European elections, Harald Vilimsky, said the party never actually wanted to leave the EU.) The same transformation can be seen elsewhere. Jimmie Åkesson, the head of the right-wing populist Sweden Democrats, wrote in the Swedish newspaper Aftonbladet recently that his party was revising its stance on the EU. In order to truly be effective in today’s European political environment, Akesson wrote, one must “be pragmatic and fully utilize the opportunities that exist.” How, precisely, these parties intend to actually reform Europe is typically not well explained. Apart from weakening the decision-making power of EU institutions and generally handing key functions back to individual nations, they have offered little in the way of concrete plans. Even among themselves, little agreement seems to exist, beyond the overall belief that Islam is a threat to what the parties perceive as a Christian Europe, and their desire to keep refugees and migrants out. Read: How the far right weaponized Europe’s interior ministries to block refugees “It’s mainly empty rhetoric; it’s really vague,” says Julian Göpffarth, a researcher at the London School of Economics who focuses primarily on the German far right. “I don’t think they have a real concept of what the EU would look like in the future.”

### EU Tariffs

#### [Ewing 19]

Jack Ewing, New York Times, 9-12-2019 ["E.C.B. Acts to Head Off Recession Threat in Europe, With a Caveat" https://www.nytimes.com/2019/09/12/business/ecb-europe-recession-stimulus.html]Accessed9-12-2019 // RZ

E.C.B. Acts to Head Off Recession Threat in Europe, With a Caveat Image The European Central Bank, its headquarters in Frankfurt, cut a key interest rate.CreditCreditFelix Schmitt for The New York Times By Jack Ewing Sept. 12, 2019 Updated 3:26 p.m. ET 6 FRANKFURT — The European Central Bank took unexpectedly aggressive steps on Thursday to head off a downturn before it gained momentum, but the bank signaled that it was reaching the limits of what it could do to stimulate the eurozone economy. The central bank cut a key interest rate and revived a money-printing program, but later issued an unusually strong call for eurozone governments to do more of the economic heavy lifting. Those countries that can afford it should stimulate growth by increasing public spending, Mario Draghi, the central bank president, said during a news conference. Asked whether the message to political leaders was that they can’t expect the central bank to come to their rescue forever, Mr. Draghi answered: “Definitely yes.” Subscribe to With Interest Catch up and prep for the week ahead with this newsletter of the most important business insights, delivered Sundays. SIGN UP Mr. Draghi’s call for government action, which he said had the unanimous support of the bank’s 25-member Governing Council, was also an expression of unity with his soon-to-be-successor, Christine Lagarde. Ms. Lagarde, who will become the European Central Bank’s president in November, issued a similar plea when she spoke to members of the European Parliament last week. For much of the last decade, the European Central Bank has prevented the eurozone economy from collapsing with an array of sometimes unprecedented crisis measures. But economic growth has almost stalled, and there is a growing consensus among analysts that wealthier countries like Germany or the Netherlands need to pump money into their economies, and by extension the rest of the eurozone, with tax cuts or public works projects. You have 6 free articles remaining. Subscribe to The Times Central banks are “not the only game in town,” Ms. Lagarde said at the European Parliament last week. Read more: Central banks around the world are cutting rates to fend off recession. The measures that the European Central Bank announced Thursday go beyond what many analysts were expecting. Recent comments by members of the Governing Council had cast doubt on whether the bank would restart purchases of government and corporate bonds. It has been only nine months since the bank [ended a previous bond-buying program](https://www.nytimes.com/2018/12/13/business/ecb-quantitative-easing.html?module=inline), an initiative that started in the midst of the financial crisis.

#### [Barkin 19]

Noah Barkin, 6-4-2019, "The U.S. Is Losing Europe in Its Battle With China", Atlantic, https://www.theatlantic.com/international/archive/2019/06/united-states-needs-europe-against-china/590887/ // JJ
On a sunny afternoon in early April, about a dozen diplomats from European and other allied nations gathered with their American counterparts around a conference table at the State Department. In a month’s time, China’s President Xi Jinping would host a summit in Beijing to celebrate his grand infrastructure project, the Belt and Road Initiative. The Americans wanted to send Xi a message. At the meeting in Washington, D.C., they pressed their allies to sign on to a joint statement condemning the Chinese plan. But it soon became clear that neither the Europeans nor a small group of other countries from Asia and Latin America were ready to fall in line. “No one was willing to go along with it,” one European diplomat familiar with the details of the meeting, who requested anonymity to discuss sensitive negotiations, told me. “We may agree that China is a strategic threat, but you can’t just put them in a corner.” For the Europeans, the meeting at the State Department was another sign of what they see as the White House’s misguided zero-sum approach to dealing with China, and its mistaken belief that it can employ an à la carte approach with its partners, denouncing them publicly on some issues while expecting cooperation on others. For the Americans, the talks were the latest sign of Europe’s reluctance to stand up to China. “Europe,” one person close to the Trump administration who declined to be named told me, “is almost on a different planet.” [A U.S. Ally Is Turning to China to ‘Build, Build, Build’](https://www.theatlantic.com/international/archive/2019/05/philippines-us-ally-china-investment/588829/) [TIMOTHY MCLAUGHLIN](https://www.theatlantic.com/author/timothy-mclaughlin/) [Read: The U.S. can’t make allies take sides over China](https://www.theatlantic.com/international/archive/2019/04/us-allies-washington-china-belt-road/587902/) After two years of escalating tensions between the United States and Europe over issues ranging from trade and Iran to defense spending and Russian gas pipelines, China should be the issue that unites the two sides, or at least eases some of the transatlantic strain. The European Union—with Germany and France leading the way—has adopted a much tougher stance on China over the past year, introducing new rules allowing for [closer scrutiny of Chinese investments](http://europa.eu/rapid/press-release_IP-19-1532_en.htm) in European countries, exploring changes to the EU’s industrial, competition, and procurement policies to ensure Beijing is not unfairly advantaged, and, after years of avoiding clashes with Beijing, declaring China a “strategic rival.” This shift mirrors the harder line adopted by Washington under President Donald Trump, who has dialed up his two-year confrontation with Beijing several notches over the past month by raising tariffs on Chinese goods and putting the Chinese telecommunications group Huawei and scores of its affiliates on an [export blacklist](https://www.reuters.com/article/us-usa-china-huaweitech/chinas-huawei-70-affiliates-placed-on-us-trade-blacklist-idUSKCN1SL2W4) that could severely restrict their access to vital U.S. technology. But conversations I had with dozens of officials on both sides of the Atlantic—many of whom requested anonymity to talk about diplomatic and intelligence issues—suggest that instead of coming together, Europe and the U.S. might be in the early stages of a damaging divergence on the China challenge. Trump’s latest moves, which raise the specter of a prolonged economic Cold War between Washington and Beijing, are likely to deepen the divide, taking the U.S. down a path that is unpalatable for even the hardest of European hard-liners. “If you listen to the people in the Trump administration, who view China as an existential threat, they are not in a place most Europeans can get to,” says Evan Feigenbaum, who held senior Asia-focused roles in the State Department during George W. Bush’s presidency and is now at the Carnegie Endowment for International Peace. The dissonance raises the prospect of a Western split on what both sides agree is likely to be the biggest geopolitical challenge of the 21st century—responding to the rise of an authoritarian China. A series of meetings in recent months, and the disparate ways in which they were interpreted by either side, illustrate the widening chasm. The European diplomat who discussed the April meeting likened Washington’s uncompromising stance on Belt and Road to its position on the Asian Infrastructure Investment Bank (AIIB) a few years prior. Back then, the United States, under President Barack Obama, [failed to convince allies](https://www.vox.com/2015/4/1/8311921/asian-infrastructure-investment-bank) to join a boycott of the new China-led development bank, leaving the Americans embarrassed and isolated. U.S. officials, by contrast, point to talks months before the meeting in Foggy Bottom, when Washington was pushing for a joint declaration denouncing human-rights abuses in Xinjiang, the western Chinese region where more than a million members of the Muslim minority have been detained in reeducation camps. That effort was also abandoned after what U.S. officials described as an exasperating back-and-forth with the European Union and individual member states. Among the American officials I spoke with, there was an air of what felt like panic—over what they saw as the global spread of Chinese influence through Xi’s Belt and Road initiative, the lack of [an American alternative to Huawei](https://www.csis.org/analysis/how-5g-will-shape-innovation-and-security), and the persistent failure of the World Trade Organization to tackle China’s unfair trade practices. One senior administration official likened discussions of China policy to the period after the 9/11 attacks. Inevitably, this person said, there will be an “overreaction” from Washington, with “collateral damage” for other countries, before U.S. policy settles down. In Brussels, senior officials are comparing the Trump administration’s China policy to Brexit. Both, they say, are based on the deluded notion that a fading great power can reverse the course of history and return to its glorious past. The irony is that senior U.S. administration officials acknowledge in private that American success in its competition with China might ultimately hinge on what happens in Europe. Yet many U.S. officials have no patience, at least in the highest ranks of the Trump administration, when it comes to working with European allies. Nor do they have much appreciation for the steps Europe has taken over the past year to push back against China. Several U.S. officials described the EU’s recent measures as baby steps that fall far short of what is needed. “The Americans are out to beat, contain, confront China,” a senior EU official who asked not to be identified told me. “They have a much more belligerent attitude. We believe they will waste a lot of energy and not be successful.” This does not mean that transatlantic channels of communication on China have broken down. A group of hawkish pragmatists including [Matt Pottinger](https://www.nytimes.com/2017/04/04/world/asia/matthew-pottinger-trump-china.html), who oversees Asia policy at the National Security Council, and Randall Schriver, a senior Pentagon official, have been trying to reach out to Europe for months, U.S. and European officials confirm. [Richard Fontaine: The China problem isn’t going away](https://www.theatlantic.com/ideas/archive/2019/05/us-china-trade-war-only-beginning/590206/) Last year, discussions focused on measures to protect against Chinese acquisitions. More recently, they have shifted to talks on next-generation 5G mobile networks, as well as joint responses to Belt and Road, an issue about which Washington and Brussels agreed last month to hold quarterly coordination meetings, according to EU officials. And last month, an American delegation traveled to Berlin for talks with German officials on China as part of a biannual get-together that began under the Obama administration and has continued, without a hitch, under Trump. Other changes are under way too: Last year, according to U.S. and European officials, the State Department appointed China point people in many of their European embassies, with officials estimating that roughly 150 U.S. diplomats on both sides of the Atlantic now spend at least part of their time focusing on China in Europe; at a meeting of NATO foreign ministers in Washington in late March, China was [on the agenda](https://www.wsj.com/articles/china-threat-rises-to-natos-agenda-11554225508) for the first time; and Belt and Road could be a discussion point when France hosts a G7 summit in Biarritz in August, European officials have suggested. The outlines of what a transatlantic agenda might look like are not difficult to discern. In responding to Belt and Road, the U.S. and Europe could work together to develop common transparency, environmental, and social standards for infrastructure projects, while pooling their financial resources. At the very top of the priority list would be a set of common rules for data privacy and [artificial intelligence](https://www.oecd.org/science/forty-two-countries-adopt-new-oecd-principles-on-artificial-intelligence.htm), alongside joint efforts to make telecommunications infrastructure and supply chains bulletproof against Chinese espionage and sabotage. In Washington, some officials I spoke with suggested that a transatlantic consortium—grouping Huawei’s European rivals Nokia and Ericsson with U.S. firms—could be the solution to the 5G conundrum. On trade, the U.S. and Europe could form a powerful coalition with Japan, Canada, Australia, and other like-minded democracies to push back against unfair Chinese practices, perhaps in a comprehensive joint complaint to the World Trade Organization. (The Trump administration’s cooperation with other countries on trade has been limited, though, beginning with the president’s withdrawal of the U.S. from the Trans-Pacific Partnership, a trade deal aimed in large part at containing China.) Some China hawks in Europe are holding out hope that progress on a more comprehensive agenda could come if a Democrat replaces Trump in 2020. While all the leading candidates, including Joe Biden, Bernie Sanders, Elizabeth Warren, and Pete Buttigieg, [have been critical of China](https://www.ft.com/content/f3b9202e-760c-11e9-bbad-7c18c0ea0201), they have stressed the need to work more closely with allies in pushing back against Beijing. Still, Europeans should be careful what they wish for. The bullying tone that the Trump administration has frequently employed with Europe on China might disappear if a Democrat enters the White House. But so would one of the Europeans’ main excuses for not compromising with the United States on China and a range of other issues: Trump himself. Europe has profited in the short term from Trump’s confrontation with Beijing, [wringing concessions](https://eeas.europa.eu/delegations/china_en/60836/Joint%20statement%20of%20the%2021st%20EU-China%20summit) from a Chinese government desperate to prevent a transatlantic front. When Xi held his Belt and Road summit in April, half a dozen EU heads of state and government attended, while the Americans stayed home. European companies continue to invest heavily in China, including in sensitive new technologies such as artificial intelligence. When push comes to shove, will the Europeans be ready to give up the advantages they have gleaned from playing the nicer cop? Will they be prepared to put long-standing commercial ties with China at risk? And will they consider assuming more of the military burden in their own backyard as a future U.S. administration pares back its security commitments in Europe to help pay for domestic priorities like health care, education and infrastructure? “You may have more civility at the top with the Democrats,” says Orville Schell, the director of the Center on U.S.-China Relations at the Asia Society. “But there is no constituency anywhere in American politics right now for cooperation with China.” Regardless of who is in the White House, European countries must prepare for a world in which they will be viewed by Washington through a China prism—much in the same way that Europe was seen through a Soviet lens during the Cold War. If no common agenda is possible, the transatlantic relationship might be headed for even more trouble, Trump or no Trump.

#### [Schuman 19]

Michael Schuman, Atlantic, 4-25-2019 ["The U.S. Can’t Make Allies Take Sides Over China", https://www.theatlantic.com/international/archive/2019/04/us-allies-washington-china-belt-road/587902/ 7-16-2019] msa

Such setbacks don’t necessarily mean that the U.S. is “losing” to China. Many countries around the world remain wary of China’s growing ambitions, expanding military capabilities, unfair trade practices and ever-tightening domestic security state.  Though Germany is sending a delegation to the Belt and Road Forum—led by Minister for Economic Affairs Peter Altmaier—and defying Trump on Huawei, it hasn’t turned traitor. The German government has raised new hurdles on foreign investment, a move aimed at fending off undesirable Chinese acquisitions of German companies and technology.

Michael Schuman, Atlantic, 4-25-2019 ["The U.S. Can’t Make Allies Take Sides Over China", https://www.theatlantic.com/international/archive/2019/04/us-allies-washington-china-belt-road/587902/ 7-16-2019] msa

This is not the case anymore. While Washington and Beijing have different political ideologies, akin in some ways to the former Cold War divide between the “free” and “unfree” worlds, their economies are tightly intertwined with each other’s, and with the rest of the world’s. Longtime security allies of the U.S., such as Japan, South Korea, and Germany, also have strong trade and investment links with China that are crucial to their economic future. So while they are not prepared to ditch their alliance with Washington, they can’t afford to unduly alienate Beijing, either. Add in other divisions—the strained relations between the U.S. and Europe, for instance, or within the European Union itself—and the global picture becomes even fuzzier. All these geopolitical complexities are tied up in this week’s Belt and Road Forum. The initiative, also known as One Belt, One Road, is the brainchild of Chinese President Xi Jinping, and aims to build railways, port facilities, power systems, and other infrastructure across the globe. Xi has sold it all as a model of peaceful development. “We should foster a new type of international relations featuring win-win cooperation,” he once said when discussing the initiative. Washington has painted a very different picture, of a self-serving scheme designed to extend Chinese strategic and economic influence. U.S. Secretary of State Mike Pompeo recently charged that the Belt and Road plan was “a non-economic offer,” and said Washington was “working diligently to make sure everyone in the world understands that threat.” Granted, the Belt and Road program has run into its fair share of potholes. The amorphous program lacks transparency on how projects get chosen, financed, and built, and major Asian countries have either stayed away or minimized their involvement. India—even more distrustful of China than it is desperate for infrastructure—has rebuffed Beijing’s advances. In Pakistan, Belt and Road projects are being blamed for burying the country in debt, forcing the government in Islamabad to scale back the building program. But generally, countries of diverse political persuasions can’t stay away. Some governments simply need Chinese cash to help finance roads, rails, and other infrastructure. Others want a piece of the construction action: Austrian Chancellor Sebastian Kurz, Russian President Vladimir Putin, and Swiss President Ueli Maurer are expected to join Italy’s Conte at this week’s gathering. So is Malaysia’s Prime Minister Mahathir Mohamad, who initially shelved a high-profile rail development and other Chinese-backed projects, complaining of the excessive price tag; he’s back on board after wrangling a better deal for the contentious railway. In all, the Chinese government says that 125 countries have signed on to the program. The U.S. is not having much success in other points of conflict with China, either. Washington is on a strident campaign to persuade its allies to bar telecommunications equipment made by China’s Huawei Technologies, claiming that its gear presents a security threat. Some traditional allies share that fear; Australia and New Zealand have banned Huawei from building their next-generation mobile-data networks, and the United Kingdom is leaning that way too. But Huawei is hardly a company on the ropes. According to its latest annual report, Huawei’s revenue in 2018 jumped nearly 20 percent from last year, to $105 billion. The company ranked third in the global smartphone market in 2018, just behind Apple, according to the research firm Strategy Analytics. Many governments, even those with close ties to Washington, remain unmoved by American warnings. Germany, for instance, is still open to Huawei even though Donald Trump’s administration has threatened to curtail intelligence-sharing with European allies which allow the use of the company’s equipment. Barack Obama’s administration didn’t have much better luck. It tried to dissuade its allies from participating in the Asian Infrastructure Investment Bank (AIIB), a Beijing-sponsored multilateral lending institution, on the grounds that it might not uphold proper standards like the U.S.-led World Bank.That argument, too, swayed almost no one. Australia, Canada, France, Germany, the United Kingdom, and other usually reliable U.S. partners all became AIIB members.

#### [Amaro 19]

Silvia Amaro, CNBC, 5-07-19, [“Trump’s tariffs on China are a ‘harbinger’ for Europe, here’s why”, https://www.cnbc.com/2019/05/06/trumps-tariffs-on-china-are-a-harbinger-for-europe-heres-why.html, accessed 7-17-2019]AM
The latest U.S. tariffs on China could be a sign of what’s to come for Europe, analysts have told CNBC. President Donald Trump announced Sunday that the current tariffs of 10% on $200 billion of Chinese goods will increase to 25% on Friday. In a Twitter post, he also threatened to impose an extra 25% levies on an additional $325 billion of Chinese goods “shortly”. His decision sparked a sell-off in global equity markets and created further jitters in Europe whose exports could also face similar U.S. tariffs. “It is a harbinger of what is likely to come for Europe,” Fredrik Erixon, head of the European Centre for International Political Economy (ECIPE), told CNBC via email. “Trump may be an economic illiterate, but he means what he says, and the message that has been coming for quite a while is that European auto producers will be hit with higher tariffs as well,” Erixon added. President Trump threatened in early 2018 to impose duties of 20% on European cars. Since then, he has met the president of the European Commission, the EU’s executive body, and both decided to seek an agreement over trade and avoid tariffs. Nearly a year since their meeting, both sides of the Atlantic have yet to start those official trade talks. On Monday, European auto stocks fell more than 3%. “On the one hand, this (tariff announcement on China) just confirms what we already know, which is that President Trump is willing to publically escalate conflicts to achieve policy objectives. So, we may also see volatility in the settling of European trade negotiations,” Mark Haefele, chief investment officer at UBS Global Wealth Management, told CNBC via email.

#### [Deusterberg 19]

Thomas Duesterberg, Foreign Policy, 3-15-2019, ["Trans-Atlantic Trade Is Headed Toward Disaster", https://foreignpolicy.com/2019/04/05/trans-atlantic-trade-is-headed-toward-disaster/, accessed 7-18-2019]AM Germany also resolutely refuses to stimulate its weakening economy, consistently running budget surpluses against the advice of the European Commission. European and German economic policy hence promises to exacerbate trade imbalances with the faster-growing U.S. economy The United States has traditionally been tolerant of the EU’s soft protectionism, especially in the decades devoted to bringing Europe back to prosperity and into the anti-Soviet bloc after World War II and later to help convince the Chinese to move in a democratic, market-oriented direction. But in recent decades the costs of the growing trade imbalances on the industrial and technology sectors have led to a shift in thinking about the trade-offs in a liberal trade regime and helped propel Trump to the presidency. The other serious trans-Atlantic conflict is over reform of the WTO. All sides agree that current rules fail to cover issues of great importance to the 21st-century economy, such as digital trade, subsidized state-owned enterprises, and protection of intellectual property. The rise of the huge, mercantilist Chinese economy is an important stimulus to agree on new rules. Since the George W. Bush administration, the United States has also built a critique of the operations of the WTO, centered on its desultory pace of action and the judicial activism of its [Appellate Body](https://www.wto.org/english/tratop_e/dispu_e/appellate_body_e.htm), which settles disputes. The United States, the EU, and Japan have been working diligently since late 2017 to devise solutions to the problems of the WTO. But European unwillingness to recognize in a substantial way the U.S. critique of the Appellate Body overstepping its mandates and assuming rule-making powers threatens this process as well. (The emblematic case of this overreach is the [2006 ruling](https://scholarship.law.nd.edu/law_faculty_scholarship/84/) invalidating the methodology for imposing anti-dumping duties used by the United States and accepted in the negotiations establishing the WTO.) Since the Appellate Body will cease to be operational by December because the United States, beginning under the Obama administration, has refused to appoint new judges to it, the future of the WTO itself may be hanging in the balance. Moreover, the need for consensus on new rules has paralyzed the WTO since its inception and has led many to question the effectiveness of the institution. Trump certainly does not help matters by constantly invoking the looming threat of tariffs. While his proposed auto tariffs are a bad idea, Trump’s frustration with Europe can certainly be understood. Congress could help by limiting the president’s power to use tariffs but needs to suggest alternatives to incentivize Europe to act. Failure to bridge differences in the dispute settlement problem and agree on broader WTO reform could result in the effective demise of this foundational part of global economic order. Unfortunately, some EU leaders in recent weeks have further raised tensions by promoting subsidized industries, as they did with Airbus and [contemplate doing](https://www.dw.com/en/german-and-french-ministers-issue-manifesto-for-european-industrial-policy/a-47591419) for artificial intelligence and electric batteries, in the guise of national champions; renewing an easy money policy that weakens the euro; siding with the Chinese mobile communications [powerhous e](https://foreignpolicy.com/2019/04/03/the-improbable-rise-of-huawei-5g-global-network-china/)Huawei in the dispute over 5G deployment; and joining China’s multibillion-dollar Belt and Road Initiative. This may be enough to provoke Trump into pulling the trigger on auto tariffs and send the global economy into a tailspin.

Thomas Duesterberg, Foreign Policy, 3-15-2019, ["Trans-Atlantic Trade Is Headed Toward Disaster", https://foreignpolicy.com/2019/04/05/trans-atlantic-trade-is-headed-toward-disaster/, accessed 7-18-2019]AM After an Oval Office meeting last month between U.S. President Donald Trump and Irish Prime Minister Leo Varadkar, Trump took a hard line on trade with the European Union. “We’re going to tariff a lot of their products,” he [said](https://www.ft.com/content/ce0cc7ea-4678-11e9-a965-23d669740bfb), unless Europe compromises on long-standing trade issues. U.S. Trade Representative Robert Lighthizer, responding to pressure from Congress, added that the trade agreement between Washington and Brussels would be a “dead letter” absent the inclusion of agricultural issues. On the European side, however, trade commissioner Cecilia Malmstrom reiterated the refusal to include any discussion of agriculture in these talks. Moreover, the European Parliament failed to endorse the proposed European Commission mandate for negotiations, and both institutions mulled banning all talks until the United States rejoined the Paris climate accord, a position that French President Emmanuel Macron has advanced. The French also blocked the adoption of a negotiating mandate in late March. Unless both sides reconsider their intractable positions, and Malmstrom gets approval to open talks, an impatient Trump could impose 25 percent auto tariffs. Such a move would likely put the already weak European economy into a recession and cause a breakdown in trans-Atlantic economic cooperation, which has been a pillar of the global economic order since the Bretton Woods system was established in 1944. The EU [enjoys](https://www.census.gov/foreign-trade/balance/c0003.html) a nearly $170 billion merchandise trade surplus with the United States, of which Germany alone accounts for some $70 billion. In some part, this represents trade benefits built up by Europe over time as the United States assisted it in regaining economic vitality after World War II, which were never relinquished despite continued U.S. efforts over many decades.

#### [Blanchard ‘13]

Oliver Blanchard, IMF, 3-14-2013 ["" https://www.imf.org/external/np/pp/eng/2013/031413.pdf]Accessed7-24-2019 // RZ

Income inequality has increased in past decades in many Organisation for Economic Cooperation and Development (OECD) countries (OECD, Going for Growth, 2012) and is also on the rise in many 1 When countries go through phases where the number of workers are growing more rapidly than the number of dependents, the resources saved from having fewer dependents can provide a “demographic dividend,” which can be reaped through the creation of jobs to absorb the new labor force entrants. Figure 1. Developments in World Employment and Growth, 2007-2014 ‐1 0 1 2 3 4 5 6 2007 2008 2009 2010 2011 2012 2013 2014 Real GDP (Change in Percent per Year) Global growth remains subdued, ... Source: WEO 5 6 7 8 9 10 11 12 2007 2008 2009 2010 2011 2012 2013 2014 Europe Middle East Rest of the World Unemployment (in Percent of the Labor Force) ... unemployment very high, particularly in Europe and the Middle East, ... Source: ILO and IMF staff calculations 11.4 11.6 11.8 12 12.2 12.4 12.6 12.8 13 2007 2008 2009 2010 2011 2012 2013 2014 Youth Unemployment (in Percent of the Youth Labor Force) ... youth unemployment alarmingly high, ... Source: ILO and IMF staff calculations 60.0 60.2 60.4 60.6 60.8 61.0 61.2 61.4 2007 2008 2009 2010 2011 2012 2013 2014 Employment (in Percent of Population Age 15 or Above) ... and employment at its lowest level in two decades. Source: ILO JOBS AND GROWTH INTERNATIONAL MONETARY FUND 5 others. Across OECD countries, the gender wage gap is estimated at 16 percent (OECD 2012). Although we are on track to meet the Millennium Development Goal (MDG) of halving the proportion of people living in extreme poverty (on less than $1 a day) by 2015 relative to 1990 levels, over 900 million people are expected to remain vulnerable to being pushed back into poverty in the face of adverse shocks (UN, World Economic Situation and Prospects, 2013). 3. In addition to the current conjuncture of weak aggregate demand, there are global megatrends that are influencing developments in jobs and growth. Globalization (the process by which countries open up to trade and financial flows) and technological change, along with the doubling of the global work force as China, India, and the transition economies opened up in the 1980s and 1990s, have undoubtedly helped raise overall global growth and welfare, but have also posed many challenges.

### Trade War

#### [Mason 19]

Jeff Mason, Reuters., 8-28-2019 ["Trump says China trade deal coming, Beijing calls for resolution of..." https://www.reuters.com/article/us-usa-trade-china-trump/trump-says-china-trade-deal-coming-beijing-calls-for-resolution-of-dispute-idUSKCN1VG0HK]Accessed9-9-2019 // RZ

Trump says China trade deal coming, Beijing calls for resolution of dispute Jeff Mason, Yawen Chen 7 MIN READ BIARRITZ, France/BEIJING (Reuters) - U.S. President Donald Trump on Monday predicted a trade deal with China after positive gestures by Beijing, calming global markets that have been roiled by new tariffs from the world’s two largest economies. Trump said after a G7 summit of world leaders in Biarritz, France, that he believed China was sincere about wanting to reach a deal, citing what he described as increasing economic pressure on Beijing and job losses there. Chinese Vice Premier Liu He, who has been leading the talks with Washington, said on Monday that China was willing to resolve the trade dispute through “calm” negotiations and opposed any increase in trade tensions. Trump cited Liu’s comments as a positive sign, underscoring his seniority, and repeated his assertion that Chinese officials had contacted U.S. trade counterparts overnight and offered to resume negotiations, an assertion that China declined to confirm. “I think they want to make a deal very badly. I think that was elevated last night. The vice chairman of China came out, he said he wants to see a deal made,” Trump told a news conference with French President Emmanuel Macron. “The longer they wait, the harder it is to put back, if it can be put back at all. I don’t think they have a choice.” RELATED COVERAGE Factbox: China's tariffs on U.S. commodities and energy Japan PM Abe: Stable U.S.-China relations crucial for global economy See more stories The trade war between the world’s two largest economies has damaged global growth and raised market fears the world economy will tip into recession. Macron said an agreement would help dispel uncertainty that has been weighing on global markets. He said Trump had told other G7 leaders that he wanted to strike a deal with China. The upbeat tones soothed global markets, sending U.S. stocks higher and bolstering the U.S. dollar, which had fallen to a 2-1/2-year low against the Japanese yen earlier. The S&P 500 gained 31.27 points, or 1.10%, to close at 2,878.38, while the dollar index reversed course to trade higher, last rising 0.4%.

#### [Natapoff 19]

Sam Natapoff, PhD in IR from GW, Salon, 5-4-2019 ["China’s belt and road initiative shows how China and the U.S. are swapping roles in global trade", https://www.salon.com/2019/05/04/chinas-belt-and-road-initiative-shows-how-china-and-the-u-s-are-swapping-roles-in-global-trade/ 7-15-2019] msa

By contrast, President Donald Trump has aggressively and publicly moved the United States, the acknowledged avatar of multilateralism, back toward a more unilateral, confrontational, and truculent public position. Withdrawing from the Trans-Pacific Partnership and its multilateral, consensual approach on his first day in office, Mr. Trump has since explicitly threatened both the United States’s NAFTA partners with trade sanctions and dictated treaty changes, imposed steel tariffs on allies, and declared a trade war against China. His “America First” trade policy approach breaks with seventy years of U.S. practice of free trade underpinned by multilateral organizations, most of which were created, financed, and organized by the U.S. after World War II. Mr. Trump’s overt hostility in trade and his eagerness to impose unilateral trade tariffs on [specious national security grounds](https://www.washingtonpost.com/politics/2019/04/05/wto-just-blew-up-trumps-argument-steel-tariffs/?utm_term=.356f410045e2) harkens more toward China’s modern trade protectionism than it has 20th century U.S. history. The BRI throws this Chinese public shift toward multilateralism and America’s public shift back to unilateralism in sharp relief. Both the BRI and the Marshall Plan mixed national goals with international support. They were both [aimed at providing economic support to win political allegiance](https://www.nature.com/articles/s41599-018-0077-9); the U.S. was aiming to undermine postwar Soviet influence in Europe, while today China seeks to displace U.S. influence in its region. Both intended to stabilize international markets and raise exports for its domestic firms. However, with the Marshall Plan, the U.S. created a multilateral economic institution capable of governing itself beyond direct U.S. control (which still exists as the [OECD](https://www.oecd.org/unitedstates/)), while the BRI was explicitly born a unilateral, Chinese-controlled creation. It is the BRI’s movement toward multilateralism that is so distinctive and unprecedented in modern Chinese history, as is the U.S. movement toward aggressive unilateral trade demands. The BRI’s ramifications extend far beyond economics alone. Its scale and breadth of international participation hold broad international consequences, especially in the environmental sphere. [Isabel Hilton](https://e360.yale.edu/features/how-chinas-big-overseas-initiative-threatens-climate-progress) notes that the BRI is assisting many BRI countries to adopt China’s old energy orientation (installing cheap, dirty coal plants) as opposed to China’s new energy orientation (building clean renewable energy installations). She writes that [Chinese companies](https://e360.yale.edu/features/how-chinas-big-overseas-initiative-threatens-climate-progress) are involved in [at least 240 coal projects](https://www.cnbc.com/2018/04/06/china-is-massively-betting-on-coal-outside-its-shores--even-as-investment-falls-globally.html) in 25 BRI states and many of these projects are installing older technologies and exclude modern [carbon capture technologies](https://www.nytimes.com/2017/07/01/climate/china-energy-companies-coal-plants-climate-change.html). As China has moved strongly toward installing renewable energy domestically, China’s powerful fossil fuel companies have sought new markets overseas, targeting poorer BRI countries. These companies’ coal projects in BRI markets will continue to damage the environment, create more greenhouse gas emissions, and increase climate change, even as [President Xi](http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm) stated in his BRF address that the BRI should “pursue the new vision of green development and a way of life and work that is green, low-carbon, circular, and sustainable.” In the same vein as generals repeatedly fighting the last war, through the BRI China’s policy banks are repeatedly lending money to BRI countries to install the last generation’s energy technologies.

#### [Ahya 19]

Chetan Ahya, Morgan Stanley chief, CNBC, 8-5-2019 [“Morgan Stanley Chief” https://www.cnbc.com/2019/08/05/morgan-stanley-escalating-trade-war-means-global-recession-is-coming.html]Accessed9-9-2019 // RZ

Morgan Stanley: If the trade war escalates, a recession will be here in 9 months PUBLISHED MON, AUG 5 2019 7:19 AM EDTUPDATED MON, AUG 5 2019 12:49 PM EDT Michael Sheetz @THESHEETZTWEETZ KEY POINTS Morgan Stanley thinks a global recession will come if the trade war escalates through the U.S. raising tariffs to 25% “on all imports from China for 4-6 months.” “As we view the risk of further escalation as high, the risks to the global outlook are decidedly skewed to the downside,” Morgan Stanley chief economist Chetan Ahya says. China has promised to retaliate to new tariffs that President Donald Trump said will begin on Sept. 1. WATCH NOW VIDEO05:20 Stocks plunge as China threatens to weaponize its currency—Six experts break down what’s next If the U.S. continues to raise a wall of tariffs on Chinese goods in the coming months and China responds, expect a global recession in three quarters, Morgan Stanley said Monday. “As we view the risk of further escalation as high, the risks to the global outlook are decidedly skewed to the downside,” Morgan Stanley chief economist Chetan Ahya said. The firm believes a global recession will come in about nine months if the trade war further escalates through the U.S. raising tariffs to 25% “on all imports from China for 4-6 months,” Ahya said. “We would see the global economy entering recession in three quarters,” he said in a note to investors. President Donald Trump on Thursday unexpectedly announced that, beginning Sept. 1, the U.S. will add levies of 10% on the remaining $300 billion in Chinese imports that had not previously faced duties. These new tariffs “raise downside risks significantly,” Ahya said. “About two-thirds of goods tariffed in this round are consumer goods, which could lead to a more pronounced impact on the US as compared to earlier tranches,” Ahya said. “Trade tensions have pushed corporate confidence and global growth to multi-year lows.” The Chinese yuan has already weakened below a key level, which Reuters reported came after the Chinese central bank set the midpoint of the yuan’s price against the dollar at its weakest level since December. Trump and some analysts attributed the currency’s weakening as retaliation by China, although the country’s central bank denied that it made the move as an intentional response. “Global central banks, in particular the Fed and ECB, will provide additional monetary policy support,” Ahya said. “But these measures, while helpful in containing downside risks, will not be enough to drive a recovery until trade policy uncertainty dissipates.”

#### [Pei 18]

Minxin Pei, South China Morning Post, 10-8-2018 ["How the US-China trade war could doom the entire planet", https://www.scmp.com/comment/insight-opinion/united-states/article/2169608/us-and-china-seek-win-trade-war-whole-world 1-16-2019] msa

As the US and China seek to win the trade war, the whole world could end up the loser on climate change Minxin Pei says a global effort is essential to prevent catastrophic changes in the climate, which can’t happen if China and the US form competing orders The escalating [trade feud](https://www.scmp.com/topics/us-china-trade-war) between the [United States](https://www.scmp.com/topics/united-states) and [China](https://www.scmp.com/news/china) is increasingly viewed as the opening campaign of [a new cold war](https://www.scmp.com/economy/china-economy/article/2165572/economic-cold-war-between-china-and-us-inevitable). But this clash of titans, should it continue to escalate, will cost both parties dearly, to the point that even the winner ([more likely to be the US](https://www.scmp.com/week-asia/opinion/article/2166006/china-will-lose-trade-war-us-then-things-will-get-really-nasty)) would probably find its victory Pyrrhic. Yet, it is the rest of the world that would pay the steepest price. In fact, despite the low probability of a direct military clash between the US and China, a new cold war would undoubtedly produce collateral damage so far-reaching and severe that the very future of humanity could be jeopardised. Already, bilateral tensions are contributing to [an economic decoupling](https://www.scmp.com/comment/insight-opinion/united-states/article/2168600/first-tariffs-and-now-move-isolate-china) that is reverberating across the [global economy](https://www.scmp.com/economy/global-economy). If the end of the cold war in 1991 launched the golden age of global economic integration, the beginning of the next cold war between the world’s two largest economies [this] will undoubtedly produce division and fragmentation. It is easy to imagine a world divided into two [trade](https://www.scmp.com/topics/trade) blocs, each centred on a superpower. Trade within the blocs could continue, or even flourish, but there would be few links, if any, between them. The global financial system would also unravel. President [Donald Trump](https://www.scmp.com/topics/donald-trump)’s administration has shown just how easy it is for the US to hurt its foes (such as [Iran](https://www.scmp.com/topics/iran)) by using sanctions to deny them access to the dollar-denominated international payment system. Given this, America’s strategic adversaries, China and [Russia](https://www.scmp.com/topics/russia) – and even its ally, the [European Union](https://www.scmp.com/topics/european-union) – are trying to establish alternative payment systems to protect themselves in the future. Such economic fragmentation, together with the deeper geopolitical tensions that a cold war implies, would devastate the world’s technological landscape. Restrictions on [technology](https://www.scmp.com/tech) transfers and linkages, often justified by national security concerns, would give rise to competing and incompatible standards. The [internet](https://www.scmp.com/topics/internet) would splinter into competing domains. [Innovation](https://www.scmp.com/tech/innovation) would suffer, resulting in higher costs, slower adoption and inferior products. But the first area to be struck by deep fragmentation would be global supply chains. To avoid being hit by US tariffs, [companies](https://www.scmp.com/business/companies) manufacturing or assembling US-bound goods in China would be forced to move their production facilities to other countries, most likely in [South](https://www.scmp.com/news/asia/south-asia) and [Southeast Asia](https://www.scmp.com/news/asia/southeast-asia). In the short term, such a wave of relocations – China stands at the centre of global manufacturing chains – would be hugely disruptive. The fragmented supply chains that emerge would be much less efficient, as no single country can match China in terms of [infrastructure](https://www.scmp.com/topics/infrastructure), the industrial base or the size and skill of the labour force. Yet, if the US and China actually decided to engage in a prolonged cold war, the economic consequences – however dire – would be dwarfed by another consequence: a lack of sufficiently strong action to combat [climate change](https://www.scmp.com/topics/climate-change). As it stands, China produces over 9 billion tonnes of carbon dioxide per year, making it the world’s largest emitter. The US comes in a distant second, emitting about 5 billion tonnes annually. If these two countries, which [together are responsible for 38 percent](https://www.climateinteractive.org/wp-content/uploads/2016/09/8-31-CI-US-China-Ratification-Fact-Sheet-Release.pdf) of annual global carbon dioxide emissions, are unable to find common ground on climate action, it is all but guaranteed that humanity will miss its last chance to prevent catastrophic global warming. A Sino-American cold war would make such an outcome far more likely. The US would insist that China drastically cut its emissions, because it is the world’s No 1 polluter in absolute terms. China would counter that the US bears more responsibility for climate change, in both cumulative and per capita terms. Locked in geopolitical competition, neither country would be willing to budge. International climate negotiations, already monumentally challenging, would end in deadlock. Even if other countries did agree on measures, the impact would be insufficient without the US and China on board. The one hope humanity would have would lie in technological innovation. Yet such innovation – including the rapid progress in renewable [energy](https://www.scmp.com/topics/energy) over the past decade – has depended crucially on the relatively free flow of technologies across borders, not to mention China’s unique ability to scale up production and reduce costs quickly. Amid cold-war-fuelled economic fragmentation – especially the aforementioned restrictions on trade and technology transfers – urgently needed breakthroughs would become much more difficult to achieve. With that, a technological solution for climate change, already a long shot, would effectively become a chimera. And the greatest existential threat humanity faces would be realised. It is not too late for the US and China to change course. The problem is that, in deciding whether to do so, Trump and his Chinese counterpart, [Xi Jinping](https://www.scmp.com/topics/xi-jinping), will probably focus primarily, if not exclusively, on national interests and personal political calculations. This is short-sighted. Before these two leaders irreversibly doom their two countries to spend the next decades locked in a devastating and avoidable conflict, they should carefully consider what that would mean not just for the US and China, but for the entire world.