# St. Dootton Ranch

OOOOAAAAAMMMMLLLL

# AFF

# General BRI

## A2: EU = BRI reform / leverage Carter (Done)

### [Only if NOT running funding]

1. Investment abroad has increased drastically due to the BRI. Indeed, Reuters reports that planned investment is up tenfold and energy investment is up 24fold. Clearly China does not need any additional funding.

### [Read whenever]

1. [Delink] The EU will only have leverage over projects they fund. We would say that China will only let them fund projects of little political importance. Once China makes a return on these investments, they can put the money into anything they want.
2. [Non Unique]Broer of the Diplomat from a few months ago finds that the European Union is already on good terms with China, explaining that China has already made concessions for the EU regarding industrial policy and technology transfer. This means that Chinese cooperation with the EU over reform isn't unique to affirming
3. [Terminal Defense] Investment into the BRI will be private rather than public for x reasons
    a. The EU is coming right out of a Debt crisis. Romei of Financial Times writes that the EU has cut public investment, without improvement despite looser policies in recent years.
    b. Stability and Growth pact. This agreement in the EU fines countries that run excessive deficits, thus incentivizing countries to remain in a surplus.

However, Poggetti of the Institute for China Studies explains that an EU signature to the BRI would drastically improve legitimacy, thus increasing private investment. Because private investors have no organized motives, China would not need to make concessions

4. [Delink] Wong of the Baker McKenzie Institute 17 conclude that by 2030, more than half of BRI projects will be funded outside of China. That means that other countries, banks, and institutions will have just as much control over the funding and the projects China enters. If the issues are as easy to fix with leverage as they make it seem, any of these other actors will do the same.
5. [Delink] Peel of the Financial Times in 2019 finds that the BRI has divided EU states between supporting a tough stance against China and those who want to strengthen economic and political ties. This means that the EU will never be able to push for change because they can't even agree on
    a. Whether or not they want to have a close political connection with China
    b. What kind of reform they would push for

**Stability and Growth Pact, Investopedia**, https://www.investopedia.com/terms/s/stability-growth-pact.asp

How the Stability and Growth Pact (SGP) Works The **Stability and Growth Pact (SGP) aims to ensure that countries in the EU do not spend beyond their means**. To achieve this goal, a set of fiscal rules are **enforced to limit budget deficits and debt relative to gross domestic product (GDP).** The European Commission and the Council of Ministers issue an annual recommendation on policy measures and surveil member states to keep each nation compliant with budget regulations. According to the agreement, **countries that break the rules for three consecutive years are fined a maximum of 0.5% of their GDP.**

Valentina **Romei**, 10-6-**2016**, "The scale of the European investment crisis and why it matters", **Financial Times,** https://www.ft.com/content/779023ac-bf5e-381e-866d-18958ff91bec

**European countries**, particularly in the periphery**, cut public investment following the financial crisis**. As conditions improved, **many governments began adopting looser policies, but this barely affected spending in investmen**t. Instead, taxes were cut and administrations focused on encouraging consumption. But, says Barnes, these initiatives won't do much to promote longer-term growth. One way public investment could be bolstered is by rethinking the European Union's fiscal rules and exclude net investment from the spending limit of three per cent of GDP. This is a controversial suggestion, but as they say sometimes stirring the boat is the only way to keep it from sinking.

Al Ai **Wong** & Stanley **Jia**, **2017**, "Belt and Road: Opportunity & Risk," Baker Mackenzie, https://www.bakermckenzie.com/-/media/files/insight/publications/2017/10/belt-road/baker_mckenzie_belt_road_report_2017.pdf?la=en // RM

**China will not fully fund BRI. By 2030,** we expect that **over half of BRI-related projects will be funded by private capital, multilateral banks and foreign governments.**

CT, Bart **Broer**, 4-16-**2019**, “Last week’s EU-China summit taught Europe that acting in harmony pays off. But can Europe’s unity last?”, **The Diplomat,** https://thediplomat.com/2019/04/is-europe-finally-rising-to-the-china-challenge/

This unity allowed the **EU negotiators to take a tough approach,** even threatening to leave the talks on a summit statement if their **Chinese counterparts were willing to make genuine headway on some of the longstanding irritants straining the Sino-European relationship: involuntary technology transfers, an industrial policy heavy on subsidies, and the lack of market access for European companies. This strategy worked, with China making last-minute concessions to secure a meaningful joint statement. In that statement, Beijing reaffirmed its support for the rules-based trading system and committed to discussing its industrial policy.** Notably, the statement also included a reference to forced transfers of technology, in what can be seen as tacit Chinese acknowledgement of the prevalence of this issue in its domestic market. The statement hence provides a glimmer of hope to longstanding critics of China’s disappointingly slow and shallow economic reforms.

CT, Lucrezia **Poggetti**, 3-19-**2019**, “This could be a watershed moment for Italy’s China policy”, Mercator **Institute for China Studies**

How important would it be for Beijing if Italy were to sign the BRI MoU? **Italy’s signature would give the BRI project a huge boost in legitimacy**. Beyond the economics, an Italian endorsement would be politically symbolic for China. I**taly would be the first G7 member state and the first EU founding country to sign up to BRI. An endorsement by the third largest economy in the Eurozone would allow Xi Jinping to show domestic audiences that his initiative enjoys a great reputation in Europe and the world,** while in fact the BRI faces criticism that it has created debt traps, political dependencies and has failed to meet international standards.

**CT, Reuters,** 7-30-**2019**, “Chinese renewable energy investment abroad soars – but coal still dominant”, **South China Morning Post**, https://www.scmp.com/news/china/diplomacy/article/3020597/chinese-renewable-energy-investment-abroad-soars-coal-still

**Chinese equity investment in solar, wind and coal power projects in Belt and Road Initiative countries surged from 2014 to 2019, with planned capacity up more than tenfold compared with the previous five-year period**, environmental group Greenpeace has said. The Belt and Road Initiative is a Beijing strategy to boost economic and trade ties in dozens of countries in Asia, Europe and beyond, mostly through investments in energy and infrastructure. According to a study published by Greenpeace on Monday, China’s wind and solar power investments in belt and road countries amounted to **12.6 gigawatts since the initiative was launched in 2014. It had invested in just 0.45GW of solar before 2014.** The country has also invested in 67.9GW of new coal-fired power in belt and road countries since 2014, but Greenpeace climate and energy campaigner Liu Junyan said the increase in the share of renewables should be welcomed.

CT, Michael **Peel**, 4-26-**2019**, “China pledges open Belt and Road but west is split on project”, **Financial Times**, https://www.ft.com/content/b10359ce-669f-11e9-9adc-98bf1d35a056

**The BRI has divided the EU between states that support a tougher stance against a “systemic rival” and others including Italy, Hungary and Greece, which want tighter political and investment ties with Beijing.** More than half of the EU’s 28 member states have now signed bilateral endorsements of the BRI. “On the political level there are these divisions in the EU, and China has garnered a level of influence,” said Thomas Eder, a research associate at the Mercator Institute for China Studies, a Berlin think-tank. “This is something that the big EU countries have to think about.” Western commercial centres led by London and Switzerland are also lining up to get involved in BRI projects, a day after China pledged to open the programme to more international and private financing.

# A2: Health Silk Road Kevin (done)

1. [Disad] Trade will spread diseases. **Ding writes in 2017** that trade spreads infectious diseases to new BRI countries. For example, in Liberia, an Ebola outbreak caused GDP growth to drop by **8%** in one year. This outweighs their argument in 2 ways.
    a. Timeframe.
    b. Yeet.
2. [Disad] Trade will spread tobacco. **Friedman 18'** explains that BRI will help Chinese tobacco companies 'go global.' This would have terrible health consequences. **BCC writes in 2015** that in China alone, 1 out of 3 men will die because of tobacco. This outweighs their case in 3 ways.
    a. Amen.
    b. Preach.
    c. Anuraag a hoe ass bitch.
3. [Strategic Muddling] China sends dangerous medicine. **Kova 18'** explains that China has given thousands of faulty vaccines to Africa and **Mclaughlin of Pultzer** writes that up to ⅓ of pills for diseases such as Malaria sent to Africa were fake, and instead made the bacteria resistant to actual medication.
4. [Terminal Mitigation] Funding for the HSR is literally close to nothing. In fact, **Kong quantifies in 2019** that funding for health infrastructure is close to 0% of total funding for the BRI.
5. [Terminal Defense] China doesn't send doctors. **Ma 19'** explains that in places like Pakistan, looming security threats have forced China to stop sending doctors. Instead, China tries to train them. This is bad for 2 reasons
    a. **First,** takes multiple years to train a doctor, meaning that the diseases that are immediately spread through the BRI will prevent any beneficial progress by eroding gdp growth and potentially killing millions.
    **b.** **Second,** it will be near impossible to train large numbers of people through a language barrier. Problematically, **Tutt of UChicago** explains that there is a doctor shortage of 2.4 million in developing countries. Thus, even if they can teach a couple thousand doctors, it won't be nearly enough.
6. [Terminal Defense/Turn] They don't solve the biggest issue. Empirically, **Berg 18'** explains that in South Africa, almost all medical interviews are conducted in a 2nd or 3rd language. In fact, **Berg** concluded that the biggest obstacle to access was not economic viability, but rather the language and cultural barrier.
    a. This also functions as a turn because for the few people who do attempt to get help from authorities, **Fernandez 07'** explains that the communication barrier leads to misdiagnosis, which even in developed nations like the US, kills up to **4** million every decade.

7. [Terminal Defense/Turn] Even if there are hospitals with workers, **Wef 17'** explains that lack of clean water, sanitation, reliable electricity, and equipment have doomed health clinics in places like Africa.
    a. This also functions as a turn because **Wef** furthers that the poor sanitation and terrible conditions in these clinics actually made the Ebola outbreak worse by causing more deaths for patients and health workers.
8. [Adriana's ???] They have no probability because they give no reason why the EU will fund the HSR or why they can't do it outside of the BRI. Don't let them explain why in rebuttal, it should have been in case.
9. [Non-unique] The BRI is not necessary. **Dean 19'** explains that in China, many medical companies are looking to expand their market by globalizing into places like Africa. This means that private companies will go into Africa irrespective of the BRI.

**Weighing**

10. [Link-in] Climate Change increases diseases worldwide. In fact, **WHO 17'** explains that a 2 degree Celsius increase in temperatures would increase the number of people infected by malaria worldwide by over 330 million.
11. [Link-in] Climate Change increases the chance of conflict in Africa, destroying infrastructure and scaring China from building additional infrastructure. **Burke 09'** writes that a 1 Celsius increase in temperatures increases the probability of civil war in Africa by 49%.
12. [Link-in] Debt traps
13. [Timeframe]
    a. Food dies. Will preclude the impact of having access to hospitals.

**Ding 2017**

xx-xx-xxxx, "Control of imported mosquito-borne diseases under the Belt and Road Initiative," ResearchGate, https://www.researchgate.net/publication/323781265_Control_of_imported_mosquito-borne_diseases_under_the_Belt_and_Road_Initiative

Mosquito is a vector of many infectious diseases, and it is recognized a leading killer of human in the world. After the Belt and Road Initiative launches, more are countries involved and the international communication and cooperation are significantly growing in China. **Therefore, the risk of imported infectious diseases is increasing as well, some mosquito-borne diseases which have been well controlled or seldom seen in China, will be more risky to cause locally transmission from imported cases and become the threat to people's health in China.** This paper reviews the risk of major imported mosquito borne-diseases to China, and discusses the control strategy as well, so as to provide the suggestion for entry-exit inspection and control of imported mosquito-borne diseases in China.

**IMF 2017**

David E. Bloom, Daniel Cadarette, and Jp Sevilla, 5-30-2018, "The Economic Risks and Impacts of Epidemics," No Publication, https://www.imf.org/external/pubs/ft/fandd/2018/06/economic-risks-and-impacts-of-epidemics/bloom.htm

**Concern over the spread of even a relatively contained outbreak can lead to decreased trade. For example, a ban imposed by the European Union on exports of British beef lasted 10 years following identification of a mad cow disease outbreak in the United Kingdom,** despite relatively low transmission to humans. Travel and tourism to regions affected by outbreaks are also likely to decline. Some long-running epidemics, such as HIV and malaria, deter foreign direct investment as well. **The economic risks of epidemics are not trivial.** Victoria Fan, Dean Jamison, and Lawrence Summers recently estimated **the expected yearly cost of pandemic influenza at roughly $500 billion** (0.6 percent of global income), **including both lost income and the intrinsic cost of elevated mortality**. Even when the health impact of an outbreak is relatively limited, its economic consequences can quickly become magnified. **Liberia, for example, saw GDP growth decline 8 percentage points from 2013 to 2014 during the recent Ebola outbreak in west Africa**, even as the country's overall death rate fell over the same period. The consequences of outbreaks and epidemics are not distributed equally throughout the economy. Some sectors may even benefit financially, while others will suffer disproportionately. Pharmaceutical companies that produce vaccines, antibiotics, or other products needed for outbreak response are potential beneficiaries. Health and life insurance companies are likely to bear heavy costs, at least in the short term, as are livestock producers in the event of an outbreak linked to animals. **Vulnerable populations, particularly the poor, are likely to suffer disproportionately, as they may have less access to health care and lower savings to protect against financial catastrophe.**

**Friedman 18'**

https://www.healthaffairs.org/do/10.1377/hblog20180327.739726/full

Yet, this potential for real benefits stands alongside the potential for considerable harm—environmental harms; debt burdens; constrained civil society; and unresponsive, corrupt governments. Infrastructure development could threaten the environment, including pollution, strip-mining, and climate change. Chinese steel and cement industries, with excess capacity, will have a new lease on life, "exporting the country's carbon problem." President Xi Jinping has emphasized "clean and low-carbon development," yet the coal plants and oil pipelines that are part of Belt and Road will lead to dirty development. **China's state-run tobacco industry could market and export its lethal products along the New Silk Road. Tobacco Asia applauds Belt and Road for opening a "vast market to be tapped by China's tobacco industry, helping to solve the problem of possible surplus of tobacco production capacity."** Thus, although China has ratified the Framework Convention on Tobacco Control, it could leverage Belt and Road to export a uniquely hazardous product, against global health norms. Investment should flow more to local laborers and industries, particularly in Africa and other low- and middle-income countries. But China is using its own human resources and businesses

**BCC 15'**

https://www.bbc.com/news/world-asia-34483448

**A new study has warned that a third of all men currently under the age of 20 in China will eventually die prematurely if they do not give up smoking.** The research, published in The Lancet medical journal, says two-thirds of men in China now start to smoke before 20. **Around half of those men will die from the habit, it concludes.** The scientists conducted two nationwide studies, 15 years apart, covering hundreds of thousands of people. **In 2010, around one million people in China died from tobacco usage. But researchers say that if current trends continue, that will double to two million people - mostly men - dying every year by 2030, making it a "growing epidemic of premature death".** While more than half of Chinese men smoke, only 2.4% of Chinese women do.

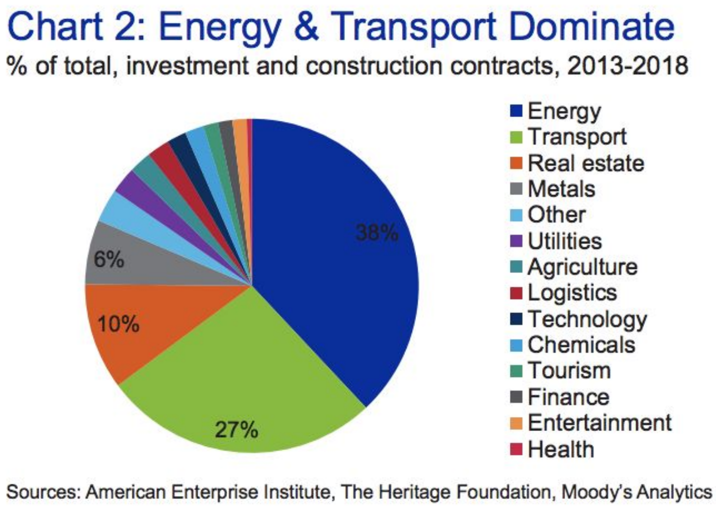
**Kova,** Political Insights, 8-2-**2018**, "One Belt, One Road, One Health," https://politicalinsights.org/2018/08/02/one-belt-one-road-one-health/

Despite the moderate progress made in preventing and controlling AIDS, HIV is not the only communicable threat to China and Chinese global health diplomacy. **Chinese efforts to rebrand the country's public and global health reputation suffered a series of hits in July 2018. After the European Medicines Agency confirmed that valsartan-containing drugs by Zhejiang Huahai Pharmaceuticals were tainted with impurity,** it triggered a series of international recalls. **An investigation into Changchun Changsheng Life Sciences Limited found evidence that the company had illegally produced rabies vaccines for human use.** Furthermore, **reports revealed that the diphtheria-tetanus-pertussis vaccine produced by Changchun Changsheng and subsidized by the government had been of substandard quality.** Beyond pharmaceutical companies' fraudulent actions, **the public sector also proved to be lacking in regulatory implementation after a UPI report revealed that Chinese disease control centers had begun using syringes filled with water instead of vaccines to meet the public vaccination needs.** With vaccine and drug products usually undergoing the toughest standards, tests and regulations, the events of the past few weeks demonstrate **China's inability to provide not only health care quality but basic do-no-harm guarantee**. **Chinese authorities' failure on public health level puts a question mark behind Xi Jinping's pledges of action in the context of BRI and poses a challenge for the WHO and the international community in finding an approach to effectively utilize all provided resources while assuring the quality of the provided aid.**

Kathleen E. **McLaughlin, 2012,** "China's Aid in Africa: Good Intentions Mix with Bad Drugs," Pulitzer Center, https://pulitzercenter.org/projects/chinas-aid-africa-good-intentions-mix-bad-drugs

**While China's** health programs, **hospitals and medical teams often do provide access to life-saving drugs, vaccines and medical care in Africa and Southeast Asia, problems in the supply chain are already affecting global health in negative ways. Fake drugs threaten** China's image in Africa and, more importantly, **the health of African people who have been making incremental gains thanks to global aid programs.** The issue has been touched on primarily in academic reports, but there has been little serious investigative reporting about how China's health aid is influencing Africa. Focussing on fake malaria pills, Kathleen McLaughlin traveled to Tanzania and Uganda, two of the countries worst-plagued by the parasite, given their borders on Great Lake Victoria – the world's second-largest lake and home to some of the world's deadliest mosquitoes. **The fake pills are, quite simply, everywhere.** Nearly everyone has a story about fake medications, mostly malaria pills. Because government hospitals are overloaded and corruption makes drugs go missing from official supplies, thousands of people turn to the local pharmacy and buy potentially life-saving drugs when they get the hallmark malarial fever. But **in many cases – up to one third of the time – those drugs are fake. The parasite lives on and, when the drugs contain half-strength of partial active ingredients, the parasite can potentially become resistant to real treatment. The scientists studying this problem do not shy away from calling it a crisis.** The question now is whether governments, NGOs and medical teams can amass the will to fight it. It will take serious collaboration and a commitment from the countries where these drugs are made. The proof is limited at this stage, but most signs point to China. While India's government has rejected the accusations that it is the source, **China has remained largely silent on whether its factories are sending fake pills to Africa. Turning the tide and changing China's image there will take more than just words.**

**Kong 2019,** Moody Analytics, https://www.moodysanalytics.com/-/media/article/2019/belt-and-road-initiative.pdf




**Ma 19'**

https://www.scmp.com/news/china/diplomacy/article/3021650/health-and-safety-chinese-medical-clinic-pakistan-belt-and

**The CPEC is a pillar of China's massive Belt and Road Initiative to build connectivity in Asia, Europe and Africa,** a collection of infrastructure projects stretching from Gwadar, Pakistan's southwestern port on the Gulf of Oman, across the length of the nation to Kashgar near Pakistan's northeastern border. While receiving staunch support from the Pakistani government, **the corridor has been overshadowed by security threats as it runs through Pakistan's restive Balochistan province, where numerous terrorist attacks – including some targeting Chinese – have occurred in recent years** On the other, **the project constantly faces terrorist threats – a regional separatist group, the Balochistan Liberation Army (BLA)**, **has vowed to drive Chinese out of the province** – and **the CRCF has accordingly adjusted its strategy.** For one thing, **it will not send Chinese medical personnel to new centres to be built along the CPEC. Instead, CRCF now only provides hardware and training to the Pakistan Red Crescent Society for future medical centres in the corridor.** So far, of the seven medical centres for the economic corridor, Gwadar's is the only one that has been built.

**Tutt of UChicago**

https://www.ncbi.nlm.nih.gov/pubmed/19484878

**The already inadequate health systems of Africa, especially sub-Saharan Africa, have been badly damaged by the migration of their health professionals. There are 57 countries with a critical shortage of healthcare workers, a deficit of 2.4 million doctors and nurses. Africa has 2.3 healthcare workers per 1000 population,** compared with the Americas, which have 24.8 healthcare workers per 1000 population. **Only 1.3% of the world's health workers care for people who experience 25% of the global disease burden.** The consequences for some countries resulting from loss of health workers are increasingly recognized and are now being widely aired in the public media. The health services of a continent already facing daunting challenges to the delivery of minimum standards of health care are now also being potentially overwhelmed by HIV/AIDS. There is a need for concerted political will and funding support that will allow them to do what is necessary. It may well be asked why special measures should be necessary to influence the migration of health professionals rather than engineers or football players or any other category. The answer must surely be that no other category of worker is so essential to the well-being of the population of every nation.

**Berg 18'**

https://www.tandfonline.com/doi/full/10.1080/20786190.2016.1223795

In the **South African healthcare system, consultations are generally conducted in patients' second or third language** found that **in a large, urban paediatric hospital in Cape Town only 6% of medical interviews with the parents of patients were conducted in their first language** (which was mostly isiXhosa). In this survey, **parents cited language and cultural barriers, rather than structural and socioeconomic barriers, as the major barriers to their effective participation in the health care rendered to their children.** In a 180-bed hospital in the Amatole district in the Eastern Cape, which services the entire population of 262 000 people, most of whom are mother-tongue (often exclusively) isiXhosa speakers, difficulties identified by healthcare providers (who were mostly English speaking and did not understand isiXhosa) included the inability to ascertain the main complaint or obtain a coherent past medical history. T**hese healthcare providers felt that the inability to understand isiXhosa had a negative impact on their ability to be empathetic, kind and approachable; to resolve psycho-social problems; and to give effective counselling and patient education. Another survey, conducted in a Western Cape district hospital, found that language barriers interfered with work efficiency and the provision of holistic treatment, negatively influenced the attitudes of patients and staff towards each other, decreased the quality of, and satisfaction with care, and led to cross-cultural misunderstandings.**

**Fernandez 07'**

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2078543/

For most of us, it is difficult to feel vulnerable even if faced with an extreme situation like this one. In the current era of global "Americanization," cell phones and BlackBerrys®, the internet, and post-9/11 security-mindedness, it is hard to even envision, much less experience, a scenario in which we have no English-language "lifeline" in the event of an emergency. **Perhaps this is why we as a profession, an industry, and a nation continue to drag our feet in addressing the problem of language barriers in health care, despite the millions of Americans (and many more outside the United States) whose care is compromised on a daily basis by the fear, uncertainty, poor quality, and potentially life-threatening medical errors caused by the inability of doctor and patient to communicate with each other.**

**4 million die every decade**

https://www.npr.org/sections/health-shots/2013/09/20/224507654/how-many-die-from-medical-mistakes-in-u-s-hospitals

In 2010, the Office of Inspector General for the Department of Health and Human Services said that bad hospital care contributed to the deaths of 180,000 patients in Medicare alone in a given year. **Now comes a study in the current issue of the Journal of Patient Safety that says the numbers may be much higher — between 210,000 and 440,000 patients each year who go to the hospital for care suffer some type of preventable harm that contributes to their death. That would make medical errors the third-leading cause of death in America,** behind heart disease, which is the first, and cancer, which is second.

**Wef 17'**

https://www.weforum.org/agenda/2017/06/why-health-clinics-may-hinder-developing-countries-efforts/

Local councils, seeking to grab the biggest possible slice of the pie, began to push forward new projects, leading to rapid and uncontrolled expansion of the health system. **Today, Sierra Leone – with a population of just seven million – has nearly 1,300 health facilities.** The Ministry of Health has been unable to equip all of these new facilities and cover staff and operational costs, as its budget has not risen to match the system's expansion. In fact, very few (if any) of the African countries that signed the 2001 Abuja Declaration to allocate 15% of their budget to health have been able to do so. Last September, Sierra Leone conducted an assessment of the distribution of public-health facilities and health workers in the country, in order to guide discussions on the Human Resources for Health Strategy 2017-2021. **The results were stark: only 47% of the country's health facilities employed more than two health workers, including unsalaried workers and volunteers. Seven percent of health facilities had no health workers assigned to them at all – an empty promise in physical form.** This situation is not unique to Sierra Leone – or to Africa. In Indonesia, the government invested oil revenue in the massive and rapid expansion of basic social services, including health care. **But today an insufficient number of doctors plagues many of these facilities, particularly in remote areas, where absenteeism also is high. There are many nurses, but most are inadequately trained. Still, they are left to run remote facilities on their own. Beyond personnel, remote health facilities in Indonesia lack adequate supporting infrastructure: clean water, sanitation, reliable electricity, and basic medicine and equipment.** Decentralized local governments, which have little authority over remote clinics, cannot supervise their activities. Small wonder that Indonesia has one of the highest rates of maternal mortality in East Asia. **An excess of poorly equipped health facilities is not only ineffective; it can actually make matters worse, owing to factors like poor sanitation and weak emergency referral systems. During the recent Ebola crisis, underequipped facilities caused even more deaths, not just among patients, but also among the health workers committed to helping them.**

**Dean 19'**

https://www.healthcareitnews.com/news/digital-health-silk-road-project

Although health is not at the core of the initiative, Ruwei Hu and his colleagues at the Sun Yat-sen University in Guangzhou and from the University of Utah in Salt Lake City, US, state that the BRI provides a common platform for regional public health emergencies through epidemic information sharing, exchange of preventive and interventional methods, and training health professionals.

**In China, there are both start-ups and big companies** (including jianke.com, a Chinese B2C internet drug company, see featured image) **looking to expand their knowledge and expertise in healthcare through internationalisation and collaboration with foreign companies, making the country a potential global innovator in healthcare, which is the theme of the latest HIMSS Insights eBook**

**Who 17'**

https://www.who.int/globalchange/climate/summary/en/index5.html

**Globally, temperature increases of 2-3ºC would increase the number of people who, in climatic terms, are at risk of malaria by around 3- 5%, i.e. several hundred million.** Further, the seasonal duration of malaria would increase in many currently endemic areas.Since climate also acts by influencing habitats, landscape-based modeling is also useful. This entails combining the climate-based models described above with the rapidly-developing use of spatial analytical methods, to study the effects of both climatic and other environmental factors (e.g. different vegetation types – often measured, in the model development stage, by ground-based or remote sensors). This type of modelling has been applied to estimate how future climate-induced changes in ground cover and surface water in Africa would affect mosquitoes and tsetse flies and, hence, malaria and African sleeping sickness.

**Burke 09'**

http://emiguel.econ.berkeley.edu/assets/miguel_research/26/_Paper__Warming_Increases_the_Risk_of_Civil_Conflict_in_Africa.pdf

Armed conflict within nations has had disastrous humanitarian consequences throughout much of the world. Here we undertake the first comprehensive **examination of the potential impact of global climate change on armed conflict in sub-Saharan Africa. We find strong historical linkages between civil war and temperature in Africa, with warmer years leading to significant increases in the likelihood of war.** When combined with climate model projections of future temperature trends, this historical response to temperature suggests a roughly 54% increase in armed conflict incidence by 2030, or an additional 393,000 battle deaths if future wars are as deadly as recent wars. Our results suggest an urgent need to reform African governments' and foreign aid donors' policies to deal with rising temperatures. Temperature variables are strongly related to conflict incidence over our historical panel, with a 1 °C increase in temperature in our preferred specification leading to a 4.5% increase in civil war in the same year and a 0.9% increase in conflict incidence in the next year (model 1 in Table 1). Relative to the 11.0% of country-years that historically experience conflict in our panel, such **a 1 °C warming represents a remarkable 49% relative increase in the incidence of civil war.** Despite the prominence of precipitation in past conflict studies, this temperature effect on conflict is robust to the inclusion of precipitation in the regression (model 2 in Table 1) and also robust to explicit controls for country-level measures of per capita income and democracy over the sample period (model 3 in Table 1)—factors highlighted by previous studies as poten- tially important in explaining conflict risk (1, 14–16). We also find the effect of temperature is robust to various alternative model specifications, including models with and without lags (Table S1); specifications using alternative transformations of climate variables, such as first differences or deviations from country trend (Table S2); the use of alternative climate data sets (Table S3); models including climate leads as well as lags (Table S4); models using conflict onset rather than incidence as the dependent variable (Table S5); and alternate specifications using the income and democracy controls (Table S6). Following the agricultural impact literature (3, 11), we also explore whether climate variables averaged over agricultural areas and during growing-season months provide a better signal, finding mixed results (Table S7). Finally, we find little evidence of nonlinear effects of climate variables on conflict incidence (Table S8).

## A2: Research Warrant

## A2: Infrastructure Warrant

# A2: General Trade through infra Good Carter (check)

You can already respond to these with infra blocks.

1. [Disad] Diversion
2.

## A2: Travel Times Decrease

1. They don't solve the root problem. **The United Nations '18** finds that delays crossing borders and cumbersome customs procedures tend to be more significant in BRI countries compared to other regions, taking up to 50 days to comply with all procedures to import goods.

## A2: Railroads

**United Nations**., 9-26-2018, Infrastructure plans in developing countries fail to link to integrated economic reforms needed for prosperity – United Nations report, No Publication, https://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=471, DOA: 07/17/2019

Improving connectivity. It currently takes about 30 days to ship goods from China to Central Europe, with most goods being transported by sea. Shipping goods by train can cut transit time in half, but costs much more. There is a tradeoff between saving time and saving money: each day's delay in getting an item from the factory gate to the consumer is estimated to reduce trade by one percent. Improving the capacity and network of railways and other transport infrastructure could lead to more cross-border trade, increased investment, and improved growth in BRI economies. Regional cooperation on infrastructure improvements is needed to solve this challenge. If successful, BRI projects stand to make trade easier in some of the world's most important economic corridors. Risks Policy barriers create thick borders. On average, **delays crossing borders, cumbersome customs procedures, and restrictions on foreign direct investment (FDI), tend to be more significant in BRI countries compared to other regions**. Doing Business indicators show that in Central Asia, for example, **it can take up to 50 days to comply with all procedures to import goods**. It takes less than 10 in G7 countries. **BRI countries have more restrictive and burdensome FDI policies than high-income OECD countries, in terms of starting a foreign business, accessing industrial land, and arbitrating commercial disputes.** This is why policy reform and cooperation must complement infrastructure projects to boost connectivity. Risks involved with major infrastructure projects. There are potential environmental, social, and corruption risks associated with any large infrastructure project. These could include, for example, biodiversity loss, environmental degradation, or elite capture. These risks may be especially significant in countries involved in the BRI, which tend to have relatively weak governance. These risks will need to be identified and safeguards put in place to minimize their potential negative effects. The WBG and other Multilateral Development Banks could play a role in supporting the implementation of high environment, social and governance standards for BRI investments.

# Europe

## A2: Prevents EU Recession Aatreya (done)

1. Even if their solvency is true it's way too late. The CP '19 finds that the EU is already seeing signs of a recession and is sliding towards one. This is crucial as the Oxford Review '16 finds that chinese road and rail projects take on average 4.3 years to build and 25% of projects have a schedule overrun.
    a. Insofar as it takes so long to build the BRI projects the benefits of higher trade and connectivity don't manifest fast enough to reverse the trend of a recession.
    b. **[Jobs]** The EU doesn't even receive the short term stimulus of more jobs to the economy. The Lowy Institute in 19' writes that 70% of project value go to Chinese State owned companies, meaning that if the recession hits the BRI won't do anything.
2. A Global recession is coming regardless of the BRI. Livemint 19' writes that the world economy could go into a recession within 9 months due to the tradewar and indicators like an inverted yield curve.
    a. Even if the BRI prevents a domestic recession a global recession will bring the EU down anyways/
3. The main way the BRI works is recipient countries take on debt to fund chinese construction. However Chinese loans are uniquely bad because of their higher interest rates and short repayment periods. This is why the independent '19 writes that new european countries would be subject to high debt levels from the BRI.

   a. This means that if they lose a recession will happen regardless, then we get offense off those pieces of defense because higher debt means it's harder to fund stimulus packages to get out of the recession.
   b. The ability to solve a recession is much more important than the ability to prevent one recession , because recessions are inevitable. Even if we solve this one , higher debt makes it much harder to be pulled out of every single recession after that its a much bigger impact.
4. **Thomas of Foreign Policy in 2019** writes that if the EU were to join BRI, it would trigger US auto tariffs on the EU. **Heeb of Market Insider in 2019** writes that these tariffs would trigger a global recession.
   a. This at worst non-uniques the argument because even if the BRI prevents this potential recession the tariffs would just put them into a recession anyways.
   b. This at best gives us offense, because the EU can always find some ways to get out of slumped growth like a productivity boom or domestic stimulus whereas affirming guarantees you have a recession because of tariffs; there is not time for you to try to fix the problem.

https://www.counterpunch.org/2019/08/05/signs-of-recession-are-hitting-europe-and-its-new-central-bank-president-may-not-be-up-for-the-challenge/

It's summertime, but the living is certainly not easy in the Eurozone. **The Mediterranean economies**—notably Greece and Italy—**have never really achieved sustainable growth over the last decade**, and to the extent that either country ran deficits, or received bailout assistance, it was largely used to pay off debts to a range of bank creditors, rather than generate higher employment. However, **the Eurozone's weakness is now rapidly spreading to the North**, **notably in Germany,** where the Ifo Institute's manufacturing business climate index is "in freefall," reports the Financial Times. The Ifo indicator—a good coincident gauge of **overall economic health in the Eurozone's main manufacturing hub—registered its worst reading in nine years, precipitously declining to minus 4.3 in July vs. a gain of plus 1.3 in June.** Furthermore, **Germany's Purchasing Managers Index (PMI) has plunged to the mid-40s** over the last few months. **Fifty is the demarcation separating expansion from contraction, suggesting an imminent recession.** On top of that, Germany's leading bank, Deutsche Bank (DB), is steadily being revealed to be the greatest repository of corporate corruption since BCCI. Whether it be money laundering for Russian oligarchs (or, allegedly, the Trump family); involvement in interest rate scams such as LIBOR manipulation; violations of U.S. economic sanctions on Iran, Syria, Libya and Sudan (among others); or the sale of toxic securities in the run-up to the 2008 financial crisis, DB has played a leading role, and is now paying the price. Berlin has repeatedly sought to find a buyer for the bank, but both Commerzbank and UniCredit have had a closer look under the hood and ran for the hills accordingly. The share price performance suggests that Deutsche Bank is an imminent candidate for a bailout, if not outright nationalization. **This comes during a historically unprecedented situation** in global bond markets, particularly **in the Eurozone where negative yields are now pervasive**—in other words, **investors are now willing to paycertain governments to safeguard their money,** whether this be Germany, Denmark, Switzerland, or the Netherlands. This is a foolhardy risk to incur, given that all Eurozone governments are currency users, not issuers (only the ECB creates euros), and therefore carry the same kind of theoretical solvency risk as, say, an American state or municipality.

https://blog.independent.org/2019/07/18/chinas-belt-and-road-initiative-boon-for-growth-or-threat-to-civil-liberties/

The EU joining would inc. debt/no reform

The Chinese lending practices stand in contrast to the United State government's Marshall Plan, which financed reconstruction in Western Europe after World War II almost exclusively through grants, rather than loans, which must be repaid with interest. (This isn't to say that the Marshall Plan was the best alternative for post-war development—that's a different issue.) **As more countries (particularly in Europe) join the BRI, it's unlikely that China's lending practices will get reformed. The BRI was born as a project with unilateral Chinese control and generally lacks transparency, so it's not a stretch to assume that new European and Asian partners will also be subject to debt traps.**

https://www.lowyinstitute.org/the-interpreter/china-s-belt-and-road-initiative-inside-looking-out

China is sparing no efforts in promoting the Belt and Road Initiative (BRI), which, as Beijing claims, aims to enhance regional connectivity between China and countries in Asia, Africa, Europe, South America and even the Pacific. Chinese state-owned enterprises (SOEs) are the main participants in this ambitious program and are playing a leading role in implementation**. As of October last year, Chinese SOEs contracted about half of BRI projects by number and more than 70% by project value. So understanding the BRI from the perspective of SEOs is useful.**

**Oxford Review '16**

https://pdfs.semanticscholar.org/c384/8c61db1e0d727a98bada8748680ef850024b.pdf

**On average road and rail projects in China took 4.3 years to build. – Roads took 3.9 years on average from start to completion. Rail projects took longer to implement with an average implementation schedule of 5.5 years. Note that these schedules did not take into account the lead times in preparing projects.** Figure 3: Density trace of costs overruns in constant RMB by project type and mean (vertical lines)— road (n = 74) and rail (n = 21) 0.0 0.5 1.0 −100% 0% 100% 200% 300% Cost overrun (%, in constant RMB) Density Trace Rail Road Source: Authors' database. 372 Atif Ansar, Bent Flyvbjerg, Alexander Budzier, and Daniel Lunn by guest on July 29, 2016 http://oxrep.oxfordjournals.org– **Breaking the schedule delay by project type revealed that rail projects suffered a 25 per cent (SD = 36.7) schedule overrun, which is statistically significantly biased above zero (non-parametric test, p = 0.0053).** Roads, however, do not incur a schedule delay on average (SD = 29.5). – Figure 4 shows the average schedule overrun (%) by project type in China. – In terms of actual construction time, Chinese projects have a shorter actual duration from the decision to build to completion than those of rich democracies. On average Chinese projects took 4.3 years (median = 4.0) and projects in rich democracies took on average 6.9 years (median = 6.0). This difference is statistically significant (non-parametric Wilcoxon test, W = 28365, p < 0.001).

Duesterberg, Thomas. "Trans-Atlantic Trade Is Headed Toward Disaster." Foreign Policy. April 2019//SK

https://foreignpolicy.com/2019/04/05/trans-atlantic-trade-is-headed-toward-disaster/

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 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 powerhouse 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**.

Heeb, Gina. “Trump's proposed car tariffs could trigger a global growth recession, BAML says.” Markets Insider. 2/21/19//SSK

While that could benefit some American automakers and reduce bilateral trade deficits, it would also risk adding thousands of dollars to the price of vehicles, and raises the threat of retaliatory duties that could worsen global trade tensions. "In a worst case scenario, **fullblown titfortat auto tariffs could trigger a global recession," analysts at Bank of America Merrill Lynch wrote in a research note out this week, adding they would expect growth in the world economy to fall nearly a percentage point to 1.2%. By increasing the price of vehicles and imported materials, they could threaten jobs, consumer spending, and investment.** The analysts estimated that they would add $2,000 to $7,000 to price tags of both imported and American-made vehicles, posing even greater risks than the global trade tensions that emerged last year.

https://www.livemint.com/news/world/global-economy-may-face-recession-in-9-months-but-not-india-morgan-stanley-1565607598801.html

**Economies globally are showing signs of acute weakness and the next stage could be a worldwide recession,** if Morgan Stanley is to be believed, **in nine months from now. Escalation in trade tension between** the two largest economies — **US and China — is the chief factor** nudging the world economy towards a recession. **Warning signals are also coming via other reliable indicators of recession: the bond yield curve. The yield curve has typically inverted before recession and it is now nearly similar to what was seen ahead of the 2008 financial crisis.** Morgan Stanley believes if the trade war further soars via US again raising tariffs on all goods imported from China to 25%, "we would see the global economy entering recession in three quarters".

# A2: China sends nuke plants everywhere

1. [Read a2 funding]
    a. Diplo writes that china has 30 nuke plants planned
2. Diplomat 18’; UK signed deals for BRI nuke plant
    a. NU, bri already in EU
    b. Other reasosn why coutnries arent’ accepting, they don’t solve
3. Diplomat 18’: china using BRI to give nuke plants to countries that are dangerous bc they haven’t signed onto the NPT treaty, BBC writes that nukes increase the chance for miscalc abt what the country is doing with their weapon,
    a. War happens biggest impact and causes nuke meltdown too
4. Diplomat 18’; nuke plant operation costs goes up over time,
    a. Host country actually loses money
5. Diplomat 18’; Nuke plants actually inc emissions bc of how resource intnesive they are, links into CC
6. [read coal disad + 80%]

    a. Make sure to read huff post that coal doesn't solve EP
    b. Read UN that they're going to green tech regardless
7. Non Unique. The Guardian in 2019 writes that Russia is exporting Nuclear plants and tech to developing nations in areas such as Asia and Africa.
8. China companies have a profit incentive to keep expanding, its non unique
9. CNBC 19' finds a couple things:
    a. SK/FR are also exporting Nuclear, won't buy CH and impact is NU
    b. US is starting to ramp up its exports, its NU

## A2: Green Tech to Europe Anuraag (done)

1. Delink/Turn: Read zhou 80% comparative
    a. Won't build GT
    b. Gonna just build coal, wrose on net
        i. o/w probability, historical
2. Turn; **Fernholz '17 of Quartz** finds that China encourages dependency with opaque contracts requiring high interest rates and quick paybacks, locking many BRI countries in cycles of debt. In Djibouti, the BRI caused their debt to rise to 88% of the GDP.
    a. This pre-req's any CC impact because if countries are mired in debt
        i. then politicians will focus on short econ growth measures to stay in power which means that things like oil production and heavy emissions are likely to increase
        ii. Less econ growth means less money for R&D on green technologies, only RoS of solving CC, a hope that R&D creates a breakthrough solution to solve for squo uniqueness
3. NU; Cleantechnica 2019; China has increased solar production 30%, Europe biggest buyer already, GTM 18' writes that Europe internally building more GT, in the middle of 5 yr high in GT adoption, expected to double output in 2021
    a. No warrant as to why BRI needed for green tech exports, China has own incentive to export regardless to expand their industry control
    b. Only risk of reversing squo trend of EU GT adoption is affirming and maybe forcing Europe off renewables
    c. Even if some marginal increase were to happen, a bad thing on net because squo of competition good → dec. costs of GT by innovation, EU GT innovation dec. w more dependence on CH, cost has t go down further for dev nations to adopt

(Tim Fernholz, 03-07-2017 "Eight countries in danger of falling into China's "debt trap"," Quartz, https://qz.com/1223768/china-debt-trap-these-eight-countries-are-in-danger-of-debt-overloads-from-chinas-belt-and-road-plans/ DOA: 07/12/2019)

**Beijing "encourages dependency using opaque contracts, predatory loan practices, and corrupt deals that mire nations in debt and undercut their sovereignty, denying them their long-term, self-sustaining growth**," said US Secretary of State Rex Tillerson on March 6. "Chinese investment does have the potential to address Africa's infrastructure gap, but its approach has led to mounting debt and few, if any, jobs in most countries," he added. **Some call this "debt-trap diplomacy": Offer the honey of cheap infrastructure loans, with the sting of default coming if smaller economies can't generate enough free cash to pay their interest down. In Sri Lanka, acrimony remains around Hambantota and projects like "the world's emptiest airport."** China has characterized its "Belt and Road" initiative as a win-win for its aspirations to become a global trade leader and developing economies' desire to fund transportation infrastructure. It has certainly filled the vacuum created by a shrinking American presence in global institutions. But as with Western internationalist projects, C**hina is also facing accusations of imperialist behavior when its debt plans go wrong. The Center for Global Development, a non-profit research organization, analyzed debt to China that will be incurred by nations participating in the current Belt and Road investment plan. Eight nations will find themselves vulnerable to above-average debt: Djibouti, Kyrgyzstan, Laos, the Maldives, Mongolia, Montenegro, Pakistan, and Tajikistan.**

### Djibouti Example: ceding container terminal to China after debt of 88% GDP

**Meyer** and Zhao 2019 (Marshall W. Meyer and Minyuan Zhao, April 30th, 2019, "China's Belt and Road Initiative: Why the Price Is Too High," Knowledge@Wharton, https://knowledge.wharton.upenn.edu/article/chinas-belt-and-road-initiative-why-the-price-is-too-high/ DOA: 07/12/2019)

**In much the same way, Djibouti in East Africa is set to lose control of a container terminal built as part of BRI projects, after it was saddled with debt equivalent to 88% of its GDP of $1.72 billion.**

# A2: General Infrastructure Good Adriana (NEEDS MORE BUT IDK WHAT THIS SHIT IS TRUE)

1. [Delink]. The infrastructure built won't actually bring economic benefits. Two warrants.
    a. China only funds strategic projects, not economic ones.
        i. Greer 18 finds that projects that *aren't* clearly connected to China's security needs struggle way more to get off the ground, which has already led to the cancellation of 270 projects, while Indian port projects are projected to have no economic success but are prioritized for their geopolitical utility.
    b. The people in charge have no incentive to generate economic returns.
        i. Greer 18 continues that BRI projects are not centrally directed and, instead, are run by lower state bodies who have no incentive to approve financially sound projects which is why he concludes that BRI projects are shaped first and foremost by political incentives.
2. [NonUnique] Infrastructure plans are great, but they already exist. For example, the European Commission reports in 2019 that "The European Fund for Strategic Investments has mobilized an additional €335 billion across the EU since 2015. The Juncker Plan has supported the creation of more than 750,000 jobs. By 2020 this figure is set to rise to 1.4 million. It has increased EU GDP by 0.6%. By 2020, that will reach 1.3%."
    a. With that in mind, there is no reason to affirm and bring the harms that come with Chinese involvement into Europe. Luckily, the infrastructure that the European Fund for Strategic Investments is creating is focused on a case by case basis, and not the Chinese "one size fits all" with coal plants galore and harmful construction.

3. please, dump some FDI responses. we love that.

**Euronews- Juncker**

The European Commission, Euronews, "The Juncker Plan mobilizes 335 billion", April 2019

The European Fund for Strategic Investments has mobilized an additional €335 billion across the EU since 2015. The Juncker Plan has supported the creation of more than 750,000 jobs. By 2020 this figure is set to rise to 1.4 million. It has increased EU GDP by 0.6%. By 2020, that will reach 1.3%.

Projects not Economically Viable Tanner Greer, Foreign Policy, "One Belt, One Road, One Big Mistake", 12/6/18, https://foreignpolicy.com/2018/12/06/bri-china-belt-road-initiative-blunder/ // AK

Investment decisions often seem to be driven by geopolitical needs instead of sound financial sense.

**Investment decisions often seem to be driven by geopolitical needs instead of sound financial sense.**

In South and Southeast Asia expensive port development is an excellent case study. A 2016 CSIS report judged that none of the **Indian Ocean port projects funded through the BRI have much hope of financial success. They were likely prioritized for their geopolitical utility. Projects less clearly connected to China's security needs have more difficulty getting off the ground:** the research firm RWR Advisory Group notes that **270 BRI infrastructure projects in the region (or 32 percent of the total value of the whole) have been put on hold** because of problems with practicality or financial viability. There is a vast gap between what the Chinese have declared they will spend and what they have actually spent.

This has not happened: one analysis of 173 BRI projects concluded that with the exception of the China-Pakistan Economic Corridor (CPEC) "there appears to be no significant relationship between corridor participation and project activity… [suggesting that] interest groups within and outside China are skewing President Xi's signature foreign policy vision." This skew is an inevitable result of China's internal political system. **BRI projects are not centrally directed. Instead, lower state bodies like provincial and regional governments have been tasked with developing their own BRI projects. The officials in charge of these projects have no incentive to approve financially sound investments:** by the time any given project materializes, they will have been transferred elsewhere. **BRI projects are shaped first and foremost by the political incentives** their planners face in China: There is no better way to signal one's loyalty to Xi than by laboring for his favored foreign-policy initiative. From this perspective, the most important criteria for a project is how easily the BRI label can be slapped on to it.

## A2: FDI Good (Europe Specific) Asher (done)

1. Mitigate, **Chen '18 of the World Bank** finds that FDI from the BRI would only increase BRI countries' GDP growth (not even GDP) by 0.09 percentage point. Don't let them read super general evidence about FDI reducing poverty because all of that evidence is probably focused on developing nations where small influxes in FDI can catalyze significant growth -- this is not true for Europe.
2. **Turn:** FDI harms domestic businesses **Backer of the Harvard Business School** explains that because FDIs are more advanced than domestic firms, for every 10% increase in foreign inflows, there is a 7% decrease in domestic competition. **Gelan of University of Wisconsin** concludes that the displacement effect is so substantial that unemployment increases and income levels drop. He furthers that this drop in domestic competition also results in creation of monopolistic markets which only furthers entrenched poverty.
3. Turn: **Zanardi of the University of Lancaster** explains that 54% of FDI exit within the first year, and the majority leave by the 5th year. Thus, foreign companies enter, erode domestic competition that is vital for long term development, hike prices and then exit the market - creating an unending cycle of poverty and underdevelopment. This leads to devastating impacts as **Muhammad Nishat of the University of Karachi** explains that every 1% increase in foreign inflows increases poverty .4%.

4. **Eramo of NYU in 2015** finds that FDI undermines democracy and democratic institutions as foreign multinational corporations work with the government to ensure that they are protected, and the citizens are not. This results in poor policy making where politicians care less and less about actually helping their constituents.

**Maggie Xiaoyang Chen, 10-11-2018**, "Foreign investment growth in the Belt and Road economies," World Bank Blogs, https://blogs.worldbank.org/trade/foreign-investment-growth-belt-and-road-economies

More FDI is linked with GDP increase. The increase in FDI resulting from reducing transportation costs can have a positive effect on GDP, trade, and employment growth, especially for lower-income countries. **The research found that the proposed BRI transportation network and the resulting increases in FDI can increase BRI countries' GDP growth by 0.09 percentage point.**

**Koen De Backer, 2017,** "Does Foreign Investment Crowd Out Domestic Entrepreneurship?" https://core.ac.uk/download/pdf/6775088.pdf

The negative effect of foreign entry is significantly larger, suggesting that **the inflow of FDI impedes the entry of domestic entrepreneurs because of stronger competition on the product market as well as skimming off the (best) workers on the labor market. The immediate effect of foreign entry is -0.214 (= -0,237*0,921), while the total response of domestic entry on foreign entry is -0.702 (= -0,237*0,921/0,305). As the coefficients can be interpreted as elasticities, an extra FDI inflow of 10% would then cause, ceteris paribus, the entry rate of domestic firms to fall with 7% in the long run.** The insignificant coefficient of FOREXIT suggests that new domestic firms do not easily replace foreign firms leaving Belgium.

**Abera Gelan, Spring 2009,** "The Monopoly Power of Multinational Enterprises in the Service Sector of a Developing Country," https://sci-hub.se/https://muse.jhu.edu/article/251967/pdf

**This paper studies the implications of FDI in the service sector of a developing host country in the presence of monopoly power of MNEs. We have shown that paltry investments by monopolies of global firms may reduce employment opportunity for a labor-surplus host country that may lower its real national income. Such detrimental outcomes are from the monopoly power of MNEs and their sole ownership and utilization of stock of knowledge-based assets in the production of service industries that are natural monopolies. The monopoly effect manifests through its distortion of the relative price which obscures the change in the wage-price ratio and hence the optimal allocation of resources between the national and the MNEs sectors.** The MNEs use their stock of knowledge-based assets to attract the local capital and labor from the labor intensive national sector to the capital-intensive foreign sector; since the use of these assets signifies an increased application of more efficient technology in the foreign sector. In tandem, **the monopoly effect of MNEs and the exclusive use of knowledge based assets in the foreign sector create a less than favorable employment environment and dubious economic conditions for the host country.**

**Maurizio Zanardi, January 2014,** "The Internationalization Process of Firms from Exports to FDI," https://www.freit.org/WorkingPapers/Papers/FirmLevelTrade/FREIT673.pdf

Figure 5 reports exit rates of Belgian new exporters. We focus on the 16,394 export entries that occurred during the 1998-2003 period, so that we can observe at least five years of exports following entry since our sample period ends in 2008. **In line with the predictions of our model and with previous studies on export dynamics, we find that new exporters are likely to drop out of foreign markets soon after entry. In almost 54% of the cases new exporters exited foreign markets after just one year of exporting, with the exit rate falling steadily in the following years (around 15.6% at t + 5).22 Figure 5 hides substantial cross-country heterogeneity in exit rates. For example, after one year the exit rate of new Belgian exporters is as high high as 75% in Malawi** but only 34% in Australia.

Muhammad Nishat (University of Karachi). Do Foreign Inflows Benefit Pakistani Poor?. Accessed 1/26/2017. Published n.d. http://pide.org.pk/psde/pdf/Day2/Muhammad%20Ali.pdf.

Pro-Public government expenditures are recognized in different categories in the literature. Verschoor (2002) identified the strongest candidates to be classified as pro-poor expenditures as the social sector expenditures (health, education and sanitation) while McGillivray (2004) included the expenditure on rural roads, micro-credit and agricultural extension and technology in the list of pro-public expenditures as they may also be beneficial to the poor. Literature gives us evidence that incidence of pro-public expenditures is progressive i.e. marginal pro- public spending is progressive. Thus, it can be said that expenditures, particularly on health and education, increases human welfare (Gomanee et al 2003). In addition to the impact on the welfare of the individuals, it is also necessary to make sure that distribution of such impacts is desirable. There is a possibility that rich quintile of the population gets the maximum out of public expenditures. Castro- Leal et al (1999) proved the same by showing that there is a least possibility that poor will benefit from education and health expenditures. In another research 1 , it is shown that there is a weak link between expenditures on health and education and poverty i.e. government social spending does not necessarily benefits the poor; hence such expenditures may not reduce poverty. On the other hand, this does not mean to reduce such expenditures as they may not benefit all the poor but the public as a whole do get the benefit (Gomanee et al 2005). More specifically, **in long-run one percent increase in foreign inflows bring about 0.6% increase in poverty while in short-run, 1% increase in foreign inflows brings about 0.4% increase in poverty**. We also found that remittances had insignificant impact on poverty reduction reason may be, as discussed by Jongwanish, (2007), the cost associated with migration due to which poor are not usually the beneficiaries if foreign remittances.

Chira Eramo (New York University). How do different types of FDI affect democracy?. Accessed 2/15/2017. Published 04/2015.

Whereas in M&A, MNCs purchase existing assets and may keep the current employees, in greenfield investments, MNCs create new jobs, communicate new technology and management skills, as well as build new facilities. With greenfield investments, there is a greater flow of communication and information between the MNC and the people of the host country. In order to be able to build new facilities, MNCs need to have beneficial regulations that will ease the process. Once MNCs invest across borders, they need to ensure their investments are profitable. **MNCs ensure their financial interests through building greater relationships with the host government. MNCs benefit from a financial market where regulations are weak and host countries provide this financial environment in order to secure FDI inflows. This leads to the weakening of democratic institutions because host countries' governments are withholding financial regulations to certain private enterprises and may minimize the transparency of these negotiations, ultimately having a negative effect on the democratic institutions within the host country.**

# A2: Eurasia Power Grid Andrew

1. **Cooperation NU: Europa '16: EU and China have already agreed to increase energy cooperation for integration of power grids.**
2. Construction NU: China already controls European power grids. **Kynge 18** of the **Financial Times** writes that China is already a big presence in European power grids, with state companies owning significant shares in Spain, Italy, Greece, Portugal, and other countries.
3. De-link, Full completion will never happen. Lathan '18 finds that China's supergrid will cost $38 trillion, and CNBC '19 finds that the ENTIRE governmental budget of China is 3.3 trillion and Siminov '18 finds that in the entire history of the BRI China has only given 102 billion for power transmission infrastructure - the grid is a pipedream.
4. De-link, Lathan '18 finds that China's supergrid will cost $38 trillion, and CNBC '19 finds that the ENTIRE governmental budget of China is 3.3 trillion and Siminov '18 finds that in the entire history of the BRI China has only given 102 billion for power transmission infrastructure - the grid is a pipedream.

MORE Responses

1. **Delink**: Funding is way too low. The EU is wildly short of Infrastructure investment, which is key for funding energy infrastructure. Erik Brattberg of the Carnegie Endowment for International Peace corroborates in 2018, "Ultimately, the proposed EU budget will need to be approved by the European Council and the European Parliament. Regardless, whatever amount the EU will ultimately allocate will fall way short of the €1.3 trillion a year it estimates is needed for infrastructure investment in Asia."
2. **Delink**: The areas of Eurasia that NEED the power grid won't get the investment. The reason why, is that most emerging markets, which are the countries that need power grids the most, don't have the high level of returns that investors look for. Wharton explains in 2019 "many of the BRI projects would not produce sufficient returns on investment, and that explains why private investors are not attracted to them."
3. **Turn**: Expanding the Eurasia Power Grid is awful for the environment, which will ultimately be devastating for the globe. Montero of Forbes writes in 2019, that despite China trying to promote clean energy through the BRI, the actual construction is quite the opposite. Indeed, "investment analysis by World Resources Institute and Boston University found that around 75% of investment in BRI countries from China's state-owned banks between 2014 and 2017 poured into fossil fuel projects." Despite backlash, China continued on this route, and financed hydropower plants across the BRI that have created potentially irreversible damage to the environment. OVERALL, however, China is ACTIVELY taking steps against green energy

conversion, as Charles of Bloomberg writes in July 2019 that "China has slashed clean energy funding by 39%, leading a global decline."

a. The reason why this evidence is so important is because it shows that China is unwilling to convert to green power grids, despite their claims. This operates as offense for us, because China expanding the grid and worsening climate change is awful. Dodwell of SCMP 19' corroborates, "[mainly due to new coal power plants in Asia], carbon dioxide emissions had jumped by 560 million tonnes, to 33 billion tonnes." This doesn't go without consequences, as Conca of Forbes writes in 2017, rising pollution is the number one killer, taking more than 9 million lives each year, with over 300,000 in China due to the fossil fuel emissions alone. Don't let China expand these consequences into Eurasia.

Priv Investors - Wharton

Wharton Business School, Wharton UPenn, "China's BRI: Price too High", April 30 2019, https://knowledge.wharton.upenn.edu/article/chinas-belt-and-road-initiative-why-the-price-is-too-high/

Chinese financial institutions lend money for BRI projects in partner countries, and the construction contracts are awarded to mostly Chinese firms, he said. "A Chinese company [thus] receives much of the proceeds of the loan, but the host country has got the debt. If the [return on investment] isn't sufficient to pay off the debt, China will repossess [the project, and it] becomes a debt-for-equity swap." "What's got to be rehabilitated here is not the concept that China is going to recreate the Silk Route, but the underlying financials." –Marshall W. Meyer **On their own, many of the BRI projects would not produce sufficient returns on investment, and that explains why private investors are not attracted to them,** said Wharton management professor Minyuan Zhao. "China is hoping that by coordinating all these projects – by connecting all the railways, connecting the waterways with the railways — every single project will generate more return in the aggregate." In that context, China's state sponsorship of BRI makes sense, she added. "With state sponsorship, you create enough externality to make every single investment, which would otherwise be un-investible, a good project." She noted that many of the projects are in some of the "most challenging geographic areas and institutional environments," and the key is to generate "enough momentum for a coordinated effort."

Brattberg - Funding from EU

Erik Brattberg, Carnegie Endowment for International Peace, "Europe's Emerging Approach to the BRI", October 2018, https://carnegieendowment.org/2018/10/19/europe-s-emerging-approach-to-china-s-belt-and-road-initiative-pub-77536

There is still some uncertainty regarding how much more funding for such connectivity projects the EU will allocate in its next multiannual budget, which will stretch from 2021 to 2027. For instance, the European Fund for Strategic Investments is seeking to invest €500 billion in projects by 2020 while the European External Action Service is expected to guarantee €60 billion toward investments in connectivity over 2021–2027 with the expectation that this will help mobilize additional funding from multilateral development banks and the private financial institutions. **Ultimately, the proposed EU budget will need to be approved by the European Council and the European Parliament. Regardless, whatever amount the EU will ultimately allocate will fall way short of the €1.3 trillion a year it estimates is needed for infrastructure investment in Asia.**

Charles - Green Energy cuts Charles, Bloomberg, "Slashed 39%", July 2019,
https://wattsupwiththat.com/2019/07/12/china-has-slashed-clean-energy-funding-by-39-leading-a-global-decline/

The findings: BloombergNEF found that global investments in solar, wind, and other clean energy sources added up to $117.6 billion during the first half of 2019, a 14% decline from the same period last year and the lowest six-month figure since 2013. China saw a 39% drop in investments, as the nation eases up on its aggressive solar subsidies to get costs under control. But spending also declined 6% in the US and 4% in Europe, part because of policies that are being phased out and weak demand for additional energy generation in mature markets. The big picture: The new report suggests last year's slowdown in renewable-energy construction has extended into 2019, taking the world in exactly the wrong direction at a critical time (see "Global renewables growth has stalled—and that's terrible news"). Every major report finds that the world needs to radically accelerate the shift to clean energy to have any hope of not blowing past dangerous warming thresholds (see "At this rate, it's going to take 400 years to transform the energy system").

Montero - 75% Coal
Diego Montero, Forbes, "Leveraging China's "Green Soft Power" For Responsible Belt and Road Initiative Investment", May 2019,
https://www.forbes.com/sites/energyinnovation/2019/05/14/leveraging-chinas-green-soft-power-for-responsible-belt-and-road-initiative-investment/#253604a63e4f
China has promoted some clean energy through the BRI. In Argentina, China Development Bank and China Export-Import Bank provided 85% of the financing for the 500 megawatt Cauchari solar power plant, the largest in Latin America. The AIIB, for its part, has participated in several clean energy projects including Egypt's 2 gigawatt Benban Solar Park, one of the world's largest projects, expected to go online in 2019. But investment analysis by World Resources Institute and Boston University found that around 75% of investment in BRI countries from China's state-owned banks between 2014 and 2017 poured into fossil fuel projects. In addition, China-financed hydropower plants in Mongolia, the Democratic Republic of the Congo, and Indonesia have been criticized for ignoring environmental impacts and creating potentially irreversible damage.

SCMP - Coal Increases
David Dodwell, SCMP, "War on climate change", April 2019,
https://www.scmp.com/comment/insight-opinion/article/3004806/war-climate-change-doomed-if-china-turns-back-towards-coal
Coal accounted for a third of the increase in emissions last year. The IEA estimated that carbon dioxide emissions had jumped by 560 million tonnes, to 33 billion tonnes, mainly due to new coal power plants in Asia. Despite massive efforts by China to curb the commissioning of new coal-fired power plants since 2005, someone has quietly turned the spigot back on.

Conca - Chinese pollution

James Conca, Forbes, "Pollution kills more people", Nov 2017, https://www.forbes.com/sites/jamesconca/2017/11/07/pollution-kills-more-people-than-anything-else/#52d2c2f01a35

According to the study, 9 million people every year, one in every six premature deaths, are caused by diseases from toxic exposures in the environment. That's 20 times more than all wars. Dr. Philip Landrigan, Dean of Global Health at the Icahn School of Medicine at Mount Sinai and the lead author of the report, noted, 'There's been a lot of study of pollution, but it's never received the resources or level of attention as, say, AIDS or climate change'. China knows this better than any other country. Over 300,000 people die each year from toxic emissions coming out of coal-fired power plants alone. And silica manufacturing and waste from computer chip and solar array manufacturing is a growing health problem.

**GAME OVER for any power grid argument - China and EU are already cooperating**

"EU-China agree to boost energy cooperation." Europa. 2016//SK

https://ec.europa.eu/energy/en/news/eu-china-agree-boost-energy-cooperation

**The EU and China have agreed to strengthen their energy cooperation up to 2020**. In the margins of the G20 energy ministerial meeting in Beijing, the European Commissioner for Climate Action and Energy Miguel Arias Cañete, and Nur Bekri, Director of the Chinese National Energy Administration agreed on a EU-China Energy Roadmap, where both parties committed to tackle common energy and climate challenges including security of energy supply, energy infrastructure and market transparency. The roadmap constitutes a keystone in the overall strategic partnership between the EU and China as both transition to a low-carbon economy. **The agreement lays the foundations for sharing best practices with regards to energy regulation, demand and supply analysis, energy crisis, and nuclear safety, as well as grid design and the integration of renewable energy into the electricity grid**. Moreover, the roadmap looks to foster trade and investment in renewables with the knock-on effects of boosting competition and lowering costs. It also aims to work together on promoting combined heat and power systems, expand the bio-gas sector and promote smart grids. Energy efficiency is also key in this agreement, as the EU and China are committed to work on boosting energy efficient appliances and developing energy standards in consumer goods, and increasing business cooperation on eco-design methods. **Finally, the two parties will also work to improve trade and investment conditions in the sector. The EU looks to support China's increased involvement in international energy institutions, and boost joint research and development technologies**.

Latham &, 9-14-2018, "China's Global Supergrid to Enable Free Flow of Electricity Internationally," Environment, Land & Resources, https://www.globalelr.com/2018/09/chinas-global-supergrid-to-enable-free-flow-of-electricity-internationally/

The GEI is proposed to take the form of a backbone grid, first throughout Asia and then expanding globally. **The first phase would consist of six ultra-high voltage grids that span the Asian continent, which GEI estimates will require a US$38 trillion investment.**[1]

Simonov, xx-xx-xxxx, "ANALYSIS: Belt, Road, and Grid? China's Risky Global Power Play," News Lens International Edition, https://international.thenewslens.com/article/100575

**Chinese companies have announced investments of US$102 billion in building or acquiring power transmission infrastructure across 83 projects in Latin America, Africa, Europe and beyond over the past five years.**

James Kynge, 6-6-2018, "China eyes role as world's power supplier", Financial Times, https://www.ft.com/content/bdc31f94-68aa-11e8-b6eb-4acfcfb08c11 // RM

**China is already a big presence in** southern **European power grids**. State Grid became the biggest shareholder in REN, the Portuguese national grid company, in 2012. Another Chinese state-owned enterprise, China Three Gorges, is seeking to increase its 23 per cent stake in EDP, Portugal's biggest company whose assets include the Alqueva dam (above), to give it control over a further 220,000km of transmission lines in the country plus grid assets in Spain and Brazil. **Chinese state companies also own significant grid assets in Italy and Greece, bringing the goal of a southern European grid controlled by China closer.**

# China

## A2: BRI brings Peace (Kevin, done)

### A2: China stops Terrorism

1. **[Turn]** They actually cause terrorism. **Dubow of the Diplomat** explains that Chinese companies actually fuels terrorism because it excerbates the fear that "deeply-rooted fear that an influx of Chinese workers might affect demographics."
2. **[Turn]** If the BRI creates transportation infrastructure, it actually means that terrorists can more cheaply import more guns from other regions in the world, allowing them to survive longer.
   a. In fact, **Newmeyer 11'** quantifies that a single standard deviation increase in arms exports increases terrorism by 109%.
3. **[Turn]** China giving military aid to countries to create stability actually fosters more terrorism. Indeed, **Bapat of UNC** explains that nations receiving military aid are encouraged to prop up terrorist groups in order to keep aid flowing. Ultimately, he finds that providing military aid to a nation actually lengthens terrorist group survival within that nation by 67%.
4. **[Disad]** Joining the BRI would sabotage terrorism efforts globally. **Satario 19'** explains that the US will cut off key intelligence from the EU if they decide to take on Chinese technology. This would prevent EU-US cooperation on terrorism efforts as **Archkick of European Affair** contexutalizes that information sharing is key to the US and EU cooperating on fighting terrorism globally.
   a. The reason you prefer the EU-US terrorism efforts over China's efforts is twofold.
      i. **Scope.** EU-US work to stop terrorism across the globe, China at best only helps the BRI countries.
      ii. **Experience.** The EU and US have much more experience on dealing with terrorism than China does.
5. **[Disad]** When farmers can no longer lives off their land due to climate change, they turn to Terrorism and crime to put food on the table.

**Dubow of the Diplomat**
https://thediplomat.com/2019/03/examining-crime-and-terrorism-along-chinas-belt-and-road/
In my view, the emergence of a BRI-driven private security industry is not necessarily harmful. After all, in exigent circumstances when certain governments are unwilling or unable to furnish basic protections, it makes sense for private forces to fill the void. However, if this nascent industry remains unregulated (and thereby becomes ever more rogue), then trust between China and its BRI partners will inevitably be eroded. Gafarov, an Uzbek national, argues that the deployment of PMCs to protect BRI interests in Central Asia is unnecessary. **This is because, in his estimation, the security challenges facing the BRI are not a side effect of inadequate safety**

**provisions. Rather, he says, tensions between host-country communities and Chinese enterprises are to blame — citing locals' "deeply-rooted fear that an influx of Chinese workers might affect demographics." This dilemma is not new, nor is it unique to the Central Asian context.**

**Newmeyer 11'**

http://eprints.lse.ac.uk/30794/1/__Libfile_repository_Content_Neumayer,%20E_Foreign%20terror%20on%20Americans_Foreign%20terror%20on%20Americans%20(LSE%20RO).pdf

All three show a significant and positive relation to the number of American terror victims, as per our theory. The three variables also exert a substantively important influence on the dependent variable. **A one standard deviation increase in** the measure of military aid, **arms exports** and military personnel **raises** the expected count of anti-American **terrorism by** 135, **109** and 24**%, respectively.**

**Bapat of UNC**

https://www.cfr.org/blog/why-cutting-foreign-aid-benefits-terrorists

**Aid is clearly not a cure-all for terrorism**, and Trump is correct to question its effectiveness. There are many examples of ineffective foreign aid projects; U.S. aid to Pakistan in the early twenty-first century is one such example. Much of the funds intended for counterterror operations and training in Pakistan in the mid 2000's were instead diverted by the military for private gain or for alternative purposes. **Moreover, studies have found that, in certain regimes, foreign aid can actually increase terrorist activity, as governments that benefit from counterterrorism assistance have an incentive to maintain a perpetual threat of terrorism to ensure funds continue to flow.**

**Bapat of UNC**

http://sci-hub.tw/https://doi.org/10.1177%2F0022343310394472

If we use the instrumental variable model to compare the mean duration until a group collapses, we see that when the instrument is equal to .39, signifying no military aid, the predicted duration until a group collapses is 4.69 years. **However, when the instrument is increased to its mean of .61, indicating that the USA is providing military assistance, the predicted duration increases to 7.82 years, which is a 67% increase.** We therefore see that consistent with Hypothesis 1, **US military aid seems to prolong the existence of terrorists, which can be explained by the lucrative nature of having an active terrorist campaign in the post 9/11 era**

**Satario 19'**

https://www.nytimes.com/2019/05/24/business/huawei-us-china-europe-.html

For months, Washington has been warning allies of security risks associated with Huawei, but several countries balked at its assessment. **The Trump administration has threatened America's intelligence-sharing relationship with Germany, Britain and other allies as Huawei sought to build their fifth-generation, or 5G, networks.** The networks promise not only faster cellular service but also better wireless connections for "internet of things" devices like autonomous cars, security cameras and industrial equipment.

**Archkick 19'**

https://fas.org/sgp/crs/row/RS22030.pdf

The September 11, 2001, terrorist attacks on the United States and the subsequent revelation of Al Qaeda cells in Europe gave new momentum to European Union (EU) initiatives to combat terrorism and improve police, judicial, and intelligence cooperation among its member states. Other deadly incidents in Europe, such as the Madrid and London bombings in 2004 and 2005 respectively, injected further urgency into strengthening EU counterterrorism capabilities and reducing barriers among national law enforcement authorities so that information could be meaningfully shared and suspects apprehended expeditiously. Among other steps, the EU has established a common definition of terrorism and a common list of terrorist groups, an EU arrest warrant, enhanced tools to stem terrorist financing, and new measures to strengthen external EU border controls and improve transport security. Over the years, the EU has also encouraged member states to devote resources to countering radicalization and terrorist recruitment, issues that have been receiving renewed attention in light of growing European concerns about the possible threats posed by European fighters returning from the conflicts in Syria and Iraq. **Promoting law enforcement and intelligence cooperation with the United States has been another top EU priority since 2001. Washington has largely welcomed enhanced counterterrorism cooperation with the EU, which has led to a new dynamic in U.S.-EU relations by fostering dialogue on law enforcement and homeland security issues previously reserved for bilateral discussions.** Contacts between U.S. and EU officials on police, judicial, and border control policy matters have increased substantially and a number of **new U.S.-EU agreements have also been reached; these include information-sharing arrangements between the United States and EU police and judicial bodies, t**wo U.S.-EU treaties on extradition and mutual legal assistance, and accords on container security and airline passenger data. In addition, **the United States and the EU have been working together to curb terrorist financing and to strengthen transport security.**

## A2: China mediates conflict

1. **[Disad]** Also has an incentive to keep them authoritarian/to convert them to authoritarian. ___ explains that Authoritarian governments go to war more often.
    a. Power is centralized
    b. People have no say; People fight the wars, governments watch.
2. **[Terminal Defense/Turn]** China doesn't address the root of the problem. They simply want to claim 'success' while mediation while evading full responsibility if it fails. This is why **Zheng 19'** explains that in all 12 conflicts China trying to mediate, they have failed.
    a. If anything, this functions as a turn because it makes the international community complacent and precludes other 3rd party actors like the UN, who are actually focused on long term sustainable projects from mediating the conflict. **Gurses of The University of North Texas** quantifies that UN mediation reduces conflict duration by 76% while Superpower mediation increases conflict by 386%.
3. **[Turn]** Knowing that China has economic interest in them causes them to act more aggressively.
4. **[Non-unique]** **South China Morning Post** explains that China would likely mediate these conflicts irrespective of the BRI for 2 reasons.
    a. It wants to project itself as a good global actor.
    b. They want geopolitical influence in these countries.
5. **Weighing**
    a. **[Link-in]** Debt traps = social spending cuts = social unrest
    b. **[Link-in]** CC = Food insecurity = Civil War/ resource wars

**Zheng 19'**
https://www.scmp.com/news/china/diplomacy-defence/article/2161019/belt-and-road-initiative-drives-chinas-growing
The authors noted **China's reliance on top-level diplomatic tools, while neglecting the full range of stakeholders in a conflict. "This approach has the benefit of providing Beijing with media attention**

**and direct access to local governments, but … Beijing has failed to produce a long-term sustainable peace process in any of the conflicts it is involved in."** Beijing's mediation efforts have also been driven by its belt and road programme, with an expanded focus in regions that are strategically important to the initiative, such as South Asia, the Middle East, and East Africa. Since last year, China has been newly involved in the Qatar crisis, with Beijing urging talks between the oil-rich country and the Saudi Arabia-led bloc of four Arab nations. Other high-profile conflicts where China has taken part in mediation efforts include the civil war in Syria, the Israel-Palestine conflict, and the Bangladesh-Myanmar clash over the ethnic cleansing of the Rohingya minority."**Getting involved in multinational initiatives, even in a passive manner, lets Beijing take credit for any potential successes of these processes, while evading full responsibility if efforts are unsuccessful,"**

**Gurses of University of North Texas**

https://www.researchgate.net/profile/Mehmet_Gurses/publication/236034292_Mediating_Civil_War_Settlements_and_the_Duration_of_Peace/links/0912f513f6f83ea01a000000/Mediating-Civil-War-Settlements-and-the-Duration-of-Peace.pdf

In line with this, **superpower mediation is found to reduce the duration of peace (superpower involvement as a mediator increases the odds of peace failure by 244% and 386%** in the Cox and Weibull models, respectively). **Superpowers, with their greater political, military and economic resources, but also their own interests, might drive the fighting parties into concluding a relatively superficial peace agreement that only holds in the short run but doesn't address core issues of the conflict.** An alternative explanation would be that antagonists sometimes do have 'devious objectives' (Richmond 1998) and use mediation to gain time or international recognition. **The mere presence of mediators, on the other hand, is significantly related to a longer peace,** if only according to the Weibull model and only at the 10% level (p<.056). Nevertheless, its effect on the peace duration is substantially important (**decreases the odds of war resumption by more than 70%**). Our final mediation variable, the total number of mediation attempts, seems to have no discernible effect on the peace duration. 27 T**he presence of UN peacekeeping forces reduces the likelihood of war resumption,** but not at a statistically significant level. Finally, the variable that controls for the number of civil wars a country experienced (war count) yields no significant results. **The results suggest that the presence of third party mediators seems to entail a longer peace, but that mediated agreements as such seem to make things worth. Mediated agreements, especially those that do not address core issues, create a situation of what Tilly (1978) calls 'dual sovereignty.' This concept depicts the structural conditions that facilitate the onset or resumption of a civil conflict.**

**South China Morning Post**

https://www.scmp.com/news/china/diplomacy-defence/article/2161019/belt-and-road-initiative-drives-chinas-growing

Legarda and Hoffmann said. **The duo said Beijing's increased mediation efforts stemmed from a desire to promote an image of being a responsible global power, along with the opportunity to influence governments in key countries such as Myanmar and Syria.** This is especially significant at a time when US President Donald Trump has adopted more inward-looking "America first" policies. It also comes from a need for the stability of the countries along Chinese President Xi Jinping's much touted belt and road route, to ensure the success of the Chinese development projects there.

# A2: Overcapacity

## KEVIN VERSION (done)

### General

1. **[Disad]** Yuan Heg = Recession
2. **[Disad]** Reviving SOE = Recession
3. **[Disad]** Trump EU Trade war = Recession
4. **[Brightline]** They need to meet their own brightline. **Cheng 15'** explains that threshold at which overcapacity becomes a real threat to the economy is when overcapacity rate is over 30%. My opponents need to prove that overcapacity is anywhere near this % to have probability on their impact.
    a. Even more so, **Lu of the Peterson Institute 17'** explains that all reports on chinese overcapacity don't take into account that roughly 20% of steel production is stored as "spare-capacity." Thus, any % they give you, subtract it by 20%. That's China's actual overcapacity rate.
5. **[Terminal Defense]** Overproduction has been a problem for decades. However, it never leads to a recession is because China is self-aware. For example, in 2015 when overcapacity was at extreme levels, China pushed out reform. **Fuller 19'** confirms that China's reforms since 2016 have cut steel production by over 300 million tons. This trend will continue into the foreseeable future as **Xinhua 2019** writes that China will continue to cut excess capacity in steel to "ensure market stability."
6. **[Terminal Defense]** They don't actually solve the root problem. **Alum 18'** explains that overcapacity is caused China's overuse of subsidies that creates artificial demand. **Chen 19'** confirms that the overproduction is a structural problem that the BRI will not solve. Specifically, even if China has access to new markets, according to economics, steel production will simply increase to meet demand. Thus, the net overcapacity rate will still stay the same.
    a. This explains why China has spent close to a trillion dollars on building infrastructure in BRI countries but the overcapacity problem still exists.
7. **[Terminal Defense]** The BRI is not enough. **Barron 17'** writes that the completion of the entire of the BRI, which is comprised of trillion of $ in projects, would only create 150 million tonnes for steel. This is not nearly enough as **He 17'** explains that estimate in China put overproduction at 250 million tons **EVERY SINGLE YEAR**. So, even if magically the entire BRI was immediately built the moment you affirm, it still wouldn't even put a dent on the problem.
8. **[Terminal Defense]** Platt 18' explains that the EU has its own steel overcapacity problem. This means that they will always prioritize solving their own overcapacity problem. Specific implications on the 2 warrants.
    a. EU would take on Chinese loans on the premise that EU companies would provide the steel
    b. EU would want infrastructure in developing nations to use EU steel

9. **[Time-Frame Weighing]** Overproduction will not be a big problem in the medium run. **Hernandez 19'** explains that after decades of a manufacturing based economy, China is transitioning towards a service-based economy that isn't reliant on the production and exporting of things like steel. In fact, **The Economist** quantifies that service-based growth accounts for over 50% of China's GDP.
10. **[Turn]** China's overproduction is actually good for economic growth. Specifically, because China has an overcapacity of steel, it exports millions of tons of cheap steel to many countries. Even though it may, to a degree, crowding out domestic steel industries, **Sullivan 18'** explains that drives down steel prices significantly. This ensures that every single industry that is utilizes steel is better off.
    a. In fact, **Baughman 18'** quantifies that when Trump put 25% tariffs on Chinese steel imports, for every job he saved in the steel industry, 18 jobs were lost in other industries, proving that low steel prices have an on-net huge positive effect on growth.
11. **[Concede Link]** This also concedes China will get rid of its overcapacity of coal.

**Cheng 15'**

https://www.scmp.com/comment/insight-opinion/article/1862024/overcapacity-time-bomb-chinas-economy

**One major reason is industrial overcapacity.** Overcapacity is not new in China, but in sectors such as iron and steel, glass, cement, aluminium, solar panel, and power generation equipment, **the overcapacity rate has recently surpassed 30 per cent, the threshold at which overproduction may trigger loan defaults by companies that have borrowed and then watched their profits fall.** Production has run rampant because of vicious competition between local governments. In order to achieve high GDP growth, local governments attract new manufacturing facilities by offering all kinds of financial subsidies such as tax holidays and rent-free use of government land. Further, local governments help firms to get cheap loans from state-owned banks. **These favours unnaturally decrease production costs. Industrial overcapacity has become a time bomb that threatens the Chinese economy because it has led companies to take on debt to repay loans.** The combination of economic slowdown, excess production in manufacturing and rising debts at the macroeconomic level may cause **a massive wave of firm closures and bad loans. If this bomb detonates, the repercussions could be extraordinary.** Because China does not have the mature social safety net of a country like Japan, and also lacks the political stability of the United States, it could face not only an economic blow-up but also serious social and political upheaval.

**Lu of Peterson Institute 17'**

https://www.piie.com/blogs/china-economic-watch/chinas-excess-capacity-steel-fresh-look

**ESTIMATING EXCESS CAPACITY: A NEW METHODOLOGY.The widely cited figure for China's steel overcapacity, 325 million to 350 million tons, is calculated by taking the difference between crude steel production, as reported by the World Steel Association, and capacity figures**, as estimated by the Organization for Economic Cooperation and Development (OECD) and other sources. **Based on this conventional definition, excess capacity in the Chinese steel industry amounted to 328.1 million tons by the end of 2015.**1 **But this simple methodology overstates the actual size of excess capacity. Why? Seasonal factors as well as the periodic need to close down operations to refurbish steel plants and add new facilities make it necessary for the industry to maintain some reasonable amount of "spare capacity."** Therefore, it is not realistic for the steel industry to run at full capacity.2 **In other words, not all of the 328.1 million tons of the previously calculated excess capacity is really "excess." Part of it is "spare**

**capacity" deliberately maintained by the industry for times of extra need.** Part of China's excess steel capacity is "spare capacity" deliberately maintained by the industry for times of extra need.Tweet This Excerpt Suppose that **under normal economic conditions a capacity utilization rate of 80 percent is reasonable.3 Hence, at the 2015 production level of 798.8 million tons, spare capacity of 199.7 million tons would be within the reasonable range**.4 **Using this calculation, at the end of 2015, actual excess capacity in the Chinese steel industry was 128.4 million tons, much smaller than the number frequently reported and widely debated**.5 Policies should aim to cut a net of this amount of crude steel capacity, around 130 million tons, instead of the roughly 350 million tons frequently cited.

**Fuller 19'**

https://agmetalminer.com/2019/03/20/looking-ahead-part-1-a-surprising-outlook-for-steel-prices-in-2020/

**Meanwhile, in recent years, the Chinese government policy for the steel industry focused on capacity reduction and shutting down outdated plants. These closures resulted in an estimated reduction of 300 million metric tons of China's steelmaking capacity. In addition to these outdated blast furnace steelmaking facilities closing during the past few years, others still in operation face ongoing production restrictions during pollution alert periods.** While some outdated capacity closed, other facilities with the latest technology brought new capacity onstream. This "upgrade strategy," if we could call it that, could have profound ramifications. Others have noted that China may become even more of a competitor as that industry expands into higher-tech areas — the domain of the U.S., Japan and Europe — such as in harder alloys like those used by aerospace and defense, as pointed out by MetalMiner's Stuart Burns in 2017.

**Xinhua 19'**

http://www.xinhuanet.com/english/2019-05/10/c_138046557.htm

BEIJING, May 9 (Xinhua) -- **Chinese authorities said Thursday the country will press ahead with the efforts to cut excess capacity in key areas, including coal and steel sectors, this year. In 2019, the government will focus on structural capacity cuts and promote the systematic improvement of production capacity,** according to a circular jointly released by the National Development and Reform Commission and other departments. Since 2016, China has cut crude steel capacity by more than 150 million tonnes and cut outdated coal capacity by 810 million tonnes. The country should consolidate the outcomes of cutting overcapacity and step up inspection to avoid the resurgence of eliminated capacity, it said. Efforts should be intensified to optimize the structure of the steel industry and raise the quality of coal supply, the circular said. **The country will strictly control new capacity and coordinate capacity-cut targets for 2019 to ensure market stability, it added.**

**Alum 18'**

https://www.aluminum.org/getting-trade-right

Over the past decade, Chinese aluminum production has grown at an alarming rate. In 2000, China produced about 11 percent of the world's primary aluminum – today, it produces more than half. For many years, China absorbed nearly all of this metal domestically but as the economy softened and demand declined, producers did not respond to market signals. **Artificial incentives, subsidies and central planning by the Chinese government have driven much of this activity. And this behavior led to China building production facilities even when doing so made little economic or environmental sense.**

**Chen 19'**

https://repository.ntu.edu.sg/handle/10356/78227?show=full

Since the reform and opening up, the Chinese economy has undergone a period of golden development, and various industries have grown rapidly. However, since the beginning of the 21st century, the Chinese economy has also begun to experience the problems that many fast-growing economies will encounter, that is, overcapacity. For China, the cause of overcapacity is not only the rapid increase in production capacity and the relatively low domestic demand but also its special economic and political grounds. Overheated investment from domestic and foreign investors, as well as blind industrial expansions, have together caused overcapacity, while local governments have adopted a tolerant or even incentive attitude towards it to maintain short-term sustained economic growth and keep up the employment. Therefore, the problem of overcapacity went worse. However, after Xi Jinping proposed the Belt and Road Initiative in 2013, this problem seems to have a solution. China began to transfer excess domestic production capacity to countries along the Belt and Road and negotiated with partner countries to carry out capacity cooperation. From a numerical point of view, the effect of this measure is indeed very significant, and it has been proved that the Belt and Road Initiative is admittedly an effective way to alleviate the problem of excess capacity in China. However, **China's capacity problem is, after all, a structural difficulty of the domestic economy. If China's economic policy does not truly change, the problem of overcapacity will remain obstinate. Therefore, whether the Belt and Road Initiative can fundamentally solve the problem of overcapacity is still an unknown.**

**Barron 17'**

https://www.barrons.com/articles/bhp-says-steel-demand-to-surge-under-chinas-belt-and-road-1506496044

**BHP Billiton (BHP.AU) says that China's Belt and Road initiative could result in up to 150 million tonnes of additional steel demand, which will drive demand for raw materials.** The Belt and Road (BRI) project is President Xi Jinping's adaptation of the historical Silk Road connecting China with 68 countries covering Eurasia, parts of Africa and Oceania. In a report released on Monday, the world's biggest miner identified 400 core infrastructure projects spanning power, railways and pipelines costing an estimated USD1.3 trillion

**He 17** Tianjie He [Economist at Oxford Economic], 2017, "Navigating the New Silk Road Expert Perspectives on China's Belt and Road Initiative," Asia Pacific Risk Center, http://www.mmc.com/content/dam/oliver-wyman/v2/publications/2017/aug/Navigating_The_New_Silk_Road.pdf //DF

For China's domestic economy, some policymakers see OBOR as a way to find new sources of demand abroad, especially for Chinese construction firms and industries with excess capacity. While Chinese construction firms will benefit significantly from OBOR, we do not expect a major impact on the excess capacity in China's heavy industry. Based on the scale of OBOR investment, **the annual demand for heavy industry products in OBOR projects will simply not be large enough compared to the scale of overcapacity in China's heavy industries.** In our rough estimation, total annual OBOR spending of $140 billion per year would generate around 22 million tons of annual steel demand at current prices. That compares to **estimates of excess capacity in China's steel industry ranging from 250 million to 450 million tons per year. Moreover, it is expensive to transport heavy industry products over long distances; sourcing closer to the project will often be more economically efficient**, especially for cement. Finally, political considerations make it unviable for OBOR projects to rely too much on imports and services from China. Recipient countries, especially those with relatively strong governance and sizable local domestic industries, such as India and Indonesia, are very unlikely to be willing to see Chinese companies doing all the work and/ or accept large amounts of Chinese debt. While this may be different in countries with weaker governance that are more accommodative, such as Pakistan or Cambodia, that is a double-edged sword since the financial risk of projects will be higher.

**Platt 18'**

https://blogs.platts.com/2018/08/08/eu-steel-sector-overcapacity/

**European steel's current major M&A activity** — driven by market recovery since mid-2017 — aims to achieve synergies and boost cost-effectiveness in a global steel sector still plagued by as much as 657 million mt of overcapacity, according to Organization for Economic Cooperation and Development estimates. ArcelorMittal (AM), the world's biggest steelmaker, is to acquire Italy's biggest, Ilva, while the knot has been tied between Thyssenkrupp Steel Europe and Tata Steel Europe in a union still to receive the European Commission's final blessing. **But while both deals are expected to proceed, they won't solve Europe's steel overcapacity problem: analysts maintain actual capacity closures are still far off due to restrictions by local authorities and trade unions.** Big is not always beautiful, and especially not where the EC is concerned: the M&A merry-go-round of shifting assets will continue in a move to preserve jobs and improve loss-making installations. Social concerns play a pivotal role in the EC's holistic industrial restructuring scheme. The TK-Tata merger may require tinplate assets to be sold. AM's merger with Ilva will also require divestments: German steelmaker Salzgitter mid-July submitted an offer to buy production lines at AM mills in Dudelange, Luxembourg and Liege, Belgium. **Analysts estimate the EU steel industry's overcapacity in 2016 was more than 5 million mt/year,** around 3% of regional domestic steel consumption of 157 million mt at the time: a small amount compared to the global figure and which followed major capacity cuts in the EU from 2014-2016, when 13.5 million mt was permanently taken out of production, according to OECD data.

**Hernandez 19'**

https://www.nytimes.com/2016/02/23/world/asia/china-economy-overcapacity.html

Chinese officials have in turn criticized the protests in Europe, saying that overcapacity is a global problem and that the Chinese government is working to restructure the steel industry. **Chinese officials have pledged to cut production in several industries plagued by overcapacity. As China's economy slows after more than two decades of breakneck growth, government leaders are facing increasing pressure to find ways to expand the service sector, increase consumer spending and shift resources away from traditional industries.**

**The Economist**

https://www.economist.com/finance-and-economics/2018/04/17/after-a-good-run-of-growth-chinas-economy-braces-for-bumps

A second factor is that **China's economy is maturing**. Growth is bound to slow as China gets richer, but structural changes are also making growth more stable. Thanks in part to a falling working-age population, which peaked in 2011, incomes are growing faster than the overall economy. This, in turn, is rebalancing the economy. **Excessive reliance on investment is giving way to consumption. And heavy industry is yielding to services, which now account for more than half of GDP, up from a third two decades ago.**

**Sullivan 18'**

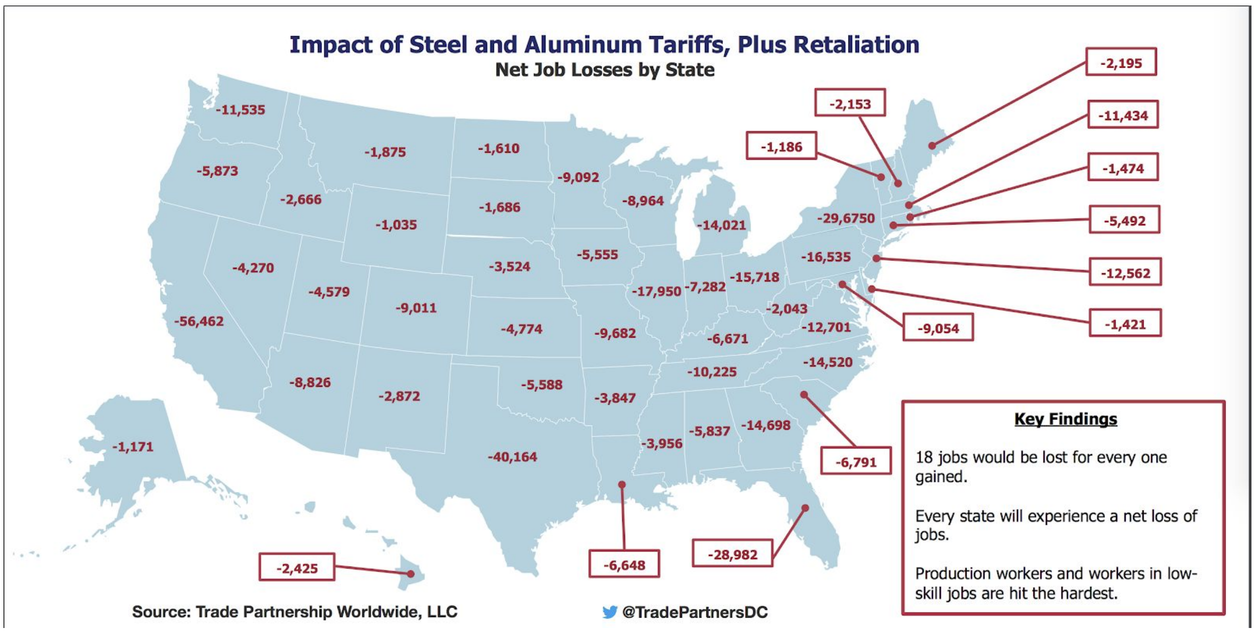
https://ww2.frost.com/frost-perspectives/challenges-and-opportunities-steel-industry/

One of the serious problems faced by the steel industry has to do with its size. Towards the end of 2014, the supply-demand balance was tipped by an oversupply of steel by China. On one hand, due to over production, the export market of China grew substantially and resulted in it dumping its excess inventory in all other countries. On the other hand, some major producers (such as those in Europe and the United States) halted their manufacturing operations internally to compensate for these cheaper imports from China because they eliminated their operational costs. **One of the consequences of Chinese oversupply was the collapse of steel prices.** This led to steel industry job losses for several thousands of employees of Luxembourg's ArcelorMittal, South Korea's Posco, and US Steel, just to name a few. It is still unclear how the industry is going to recover from these losses. Another consequence of this excess production is the depletion of the high-quality raw materials needed to produce steel. Using low-quality raw materials in their stead could have detrimental effects by causing environmental pollution.

**Baughman 18'**

https://tradepartnership.com/wp-content/uploads/2018/03/232RetaliationPolicyBrief.pdf?fbclid=IwAR33drf-0J6TpWG40T8Alw7JtPnyLfEswvg5digUQWJdkhjxuuhPlJmt9ZY

**We focused on the impacts of imposing the tariffs and retaliation on the U.S. workforce.** For the analysis conducted here, we treat wages as "sticky," meaning changes in demand for labor (positive or negative) are first reflected in changes in employment rather than changes in wages. This is appropriate for an examination of the immediate impacts of the tariffs on workers. **We also examined the employment impacts on workers in different occupation/skill categories in the United States, and across the states. It is important to emphasize that our employment impact estimates are net. They take into account potential increases as well as decreases in employment as demand increases in some cases for U.S. products, and declines in others. These changes arise not only from the direct impacts of the re-imposition of tariffs, but also the indirect impacts of changes in supply and demand for goods and services generally across the economy.** For example, you will see that some sectors that you might not think would benefit from steel tariffs – textiles, for example – show employment increases. This is because declines in production in other sectors releases labor and capital that can now be used more productively in other sectors, like textiles. So output and related employment rises there. We applied a 25 percent tariff to U.S. imports of the steel products detailed in the Commerce Department's steel national security report, **Key Findings 18 jobs would be lost for every one gained. Every state will experience a net loss of jobs.** Production workers and workers in lowskill jobs are hit the hardest.




## EU market is key to reducing steel

1. **[Delink]** **Ruddick 16'** explains that the EU literally has 73% tariffs on Chinese steel. **Casarini 15'** explains why, writing that the EU wouldn't let China export steel into EU markets or infrastructure bc it would undeniably undercut domestic industries that the EU is trying to protect.
2. **[Delink]** EU has very strict regulations. In fact, **Buresh 18'** explains that usual practices that occur in other BRI countries such as the employment of Chinese manufacturing companies would be prohibited in the EU.
3. **[Delink]** EU has way too much steel right now. **Reuters 19'** explains that after the US put 25% tariffs on steel imports, the EU has seen a huge spike in steel exports being diverted into the EU. As a result, the EU has tightened its regulation on more steel entering EU markets. 2 implications
    a. EU doesn't want any additional steel

b. EU wouldn't relax those regulations just bc they join the BRI.

**Ruddick 16'**

https://www.theguardian.com/business/2016/oct/07/european-union-import-duties-chinese-steel-port-talbot-tata

**The European Union has slapped tariffs of up to 73.7% on Chinese steel after manufacturers were forced to cut jobs due falling prices and demand for the material amid an influx of cheap imports from Asia.** Thousand of job have already been lost in the steel industry in Britain in the last year with thousands more at risk as the sector remains under pressure. Industry leaders have partly blamed the squeeze on the sector on China's dumping of cheap steel in Europe as it struggles to find buyers for its products domestically. The EU has agreed to impose import duties of between 13.2% and 22.6% on Chinese hot-rolled steel, which is used in pipelines and gas containers, and 65.1% and 73.7% on heavy plates, which are used in civil engineering projects.

**Casarini 15'**

https://www.iai.it/sites/default/files/iaiwp1540.pdf

There are growing concerns in Europe that **through the Belt and Road initiative, *China seeks 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 as a "market economy," it would then be impossible for Brussels to strike back against unfair export practices with countervailing tariffs. There is growing resistance in Europe from manufacturing industries that see themselves

**Buresh 18'**

https://project2049.net/2018/12/05/the-final-link-the-future-of-the-belt-and-road-initiative-in-europe/

**The BRI's effect depends entirely on how it's conducted. Within the EU, there are robust standards in place, meaning any practices that don't adhere to single market rules,** on public procurement for instance, are prohibited. **This means that the sort of behavior we've seen elsewhere along the BRI, where financing is tied to contracts for Chinese companies, cannot take place**. Among different EU member states, there are significantly varied attitudes to the kinds of investments that are being sought from China and very different levels of openness to FDI more broadly. But explicitly BRI-linked investments in Europe have been relatively modest in scale. The period that saw the biggest Chinese infrastructure investments in Europe was tied to the eurozone sovereign debt crisis from 2010 to 2012, rather than the BRI, and the bulk of Chinese investments in recent years have been acquisitions in the major western European economies. Most of the cases of economic coercion or Chinese political influence have been unrelated to the BRI too. There simply isn't much of a track record of Chinese infrastructure investments in Central and Eastern European (CEE) member states, for instance—somewhat to their frustration. This may start to change. Ever since the BRI was announced in 2013, the European side has been pushing the Chinese to integrate the initiative with existing European schemes and financing mechanisms. These efforts have been slow going, though there was some progress at the last EU-China summit. The tone in Europe hasn't shifted—I would characterize it as "open in principle, skeptical in practice"—but Beijing has shown greater willingness to move on European asks in recent months. **The Europeans' goal, though, is a version of the BRI that works on European terms, not investments that would undermine the financial situation of member states or compromise their political choices. If they can't achieve that, the scale of BRI investments in the EU will remain limited.**

**Reuters 19'**

https://www.reuters.com/article/us-steel-europe/eu-needs-to-act-on-steel-imports-in-wake-of-u-s-tariffs-industry-idUSKCN1T519B

**Steel is being diverted to Europe as a result of U.S. 25% tariffs** and the European Union needs to act, European steel industry chiefs say a letter sent to EU leaders and EU institutions. **"Global overcapacity in steel and the use of the EU market as a dumping ground for the world's excess capacity are at the root of the problem,**" they said in the letter sent on Monday and seen by Reuters. **Steel imports into the EU have more than doubled since 2013 while demand had increased only marginally and is seen falling in 2019, they said. The European Commission is currently reviewing its "safeguard" measures designed to limit incoming steel and prevent a surge of imports as a result of Washington's 25% import tariffs, which have effectively closed the U.S. market. These safeguard measures should be tightened, the steel chiefs said.** Currently quotas are set at the average level of imports in 2015-2017 plus 5%, with further 5% hikes envisaged on July 1 and a year later. Beyond these quotas, 25% tariffs apply. The steel bosses urged EU countries, the European Parliament and the European Commission to convene an emergency meeting with the industry to discuss solutions.

## EU funding key to BRI which will reduce Overcapacity:

1. **[Terminal Defense] Wuttke 17** explains the BRI wouldn't even be able to solve. The size of the majority of markets are too small to have a significant impact on China's overcapacity problem. He furthers that for countries that have bigger markets, they have strong levels of governance and thus are unlikely to take large amounts of China's steel.
2. **[Terminal Defense]** If the EU is doing the funding, they have leverage over the conditionalities of the loans; they will demand that developing nations hire EU companies, not Chinese infrastructure companies.

**Wuttke, 17,** https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.12439, DOA-7-15-2019 (MO)

This sentiment was echoed again in July 2015, when Huang Libin, an official from the Ministry of Industry and Information Technology, stated, 'For us there is overcapacity, but for the countries along the [BRI] route, or for other BRIC nations, they don't have enough and if we shift it out, it will be a win-win situation'(Stanway, 2015).**Ultimately, the political vision of'Going Global' cannot solve overcapacity problems;** it instead requires far-reaching reform efforts. Apart from the geopolitical challenges involved in attempting to undertake an initiative as sweeping as BRI in a region that poses a wide range of risks, there are several key reasons why optimism in this approach may be misplaced:•**products like cement and plate glass cannot be exported economically in large volumes**;•the scale of funding to be made available by the AII Band **the size of the majority of the markets along OBOR are too small to have a significant impact on China's macroeconomic situation;** and• **many countries will not be willing to accept large amounts of Chinese debt and labour,** and those that maybe willing pose high risks for loan defaults.

## Recession Impact

1. **Smith from last month** explains that a Chinese recession is already going to occur because of things like the trade war, **real-estate and technology bubble popping,** state-owned enterprises which are extremely inefficient, and shrinking labor size. **Whitehouse from last week** ultimately quantifies that these structural limits will cause the Chinese economy to plunge into a recession by 2023.

    a. If a Chinese recession occurs, their impact is non-unique. This is because a chinese recession would inevitably tank domestic demand for steel, triggering the harms of overcapacity.
2. [Weighing] 4 reasons CC outweighs.
    a. *Timeframe.* They may delay 1 recession by a couple months, but **Clark 13'** quantifies that Arctic Drilling will erode 60 trillion dollars of economic growth by causing natural disasters and destroying crops, which will make recessions much more frequent and severe. We link into their impact tenfold.
    b. *Severity.* Recession inherently hurt countries that are already connected to global markets; and already have decent living standards and safety nets. On the contrary, climate change directly impacts to the subsistence farmers who are most disenfranchised and vulnerable by destroying their crops.
    c. *Scope.* Climate change impacts every single person on the entire planet. They only impact to countries that are connected to global markets. Do the math; its a very easy negative ballot.
    d. *Clarity.* SO MANY QUESTIONS!!! How many lives are saved by delaying a recession a few months? How do we weigh that? Prefer more clear-cut impacts from the neg.

**Smith 19'**

https://outline.com/jMHEHe

If a recession happens, therefore, it probably will be the result of some shock. But what could that be? **Paul Krugman has suggested the cause might be a smorgasbord of small factors -- the trade war, weakness in the housing market, the end of the demand boost from the tax cuts and so on**. That's certainly possible. But many of those factors are specific to the U.S. **The bigger concern is that the global economy is looking even weaker than the U.S. China and Germany, two export powerhouses and major U.S. trade partners, are both slowing a lot:** This suggests that a U.S. recession, if it comes, will be part of a world slowdown. Americans tend to think of their own markets and their own consumption as the driver of both booms and busts. That may not be true this time around. **Instead, any recession may be made in China.** In recent years, China has contributed more to global growth than any other country, and it was projected to do the same in the years to come: Thus when China sneezes, to modify an old saying, the world may now catch a cold. From 2010 to 2017, China contributed 31% of global consumption growth, and some companies have staked their futures on the promise of a billion Chinese consumers buying their products. A drop in Chinese purchases won't just reduce sales for businesses in the U.S. and other rich countries -- it will cause multinationals to cut their investment plans. **There are several things threatening China's growth. The most obvious is the trade war. The one-two punch of U.S. tariffs and restrictions on exports to Chinese technology companies appears to have made Chinese manufacturers more cautious about investing for the future: But there are longer-term factors as well. In order to weather the Great Recession, China shifted its focus from export-oriented manufacturing to domestic real estate and infrastructure, and from private companies to state-owned enterprises. That probably caused productivity growth to slow. Meanwhile, China's working-age population is now shrinking and its supply of surplus rural labor has dried up. Retooling its economy to produce less pollution and cut greenhouse emissions will slow growth as well, even if the long-term environmental effect is worth it.** But it's not just a Chinese recession that threatens the world economy. **The trade war, along with looming geopolitical tensions between the great powers, are threatening to open a rift between China and the rest of the world economy. Tariffs have global manufacturers**

**scrambling to move production from China to countries such as Vietnam and Bangladesh.** Companies, both Chinese and otherwise, are being forced to decide whether to consolidate their supply chains inside China or go elsewhere. This decoupling will probably be protracted, and costly. The past 30 years have seen the construction of a global trading system centered around a China-U.S. axis, and now that structure is breaking down. **In addition to the cost of reorganizing supply chains and the economic inefficiency introduced by the separation, companies are facing deep uncertainty about where they will be able to source their inputs and sell their products.** So the inverting U.S. yield curve may be signaling the start of a recession that was long in the making, as the global expansion driven by the integration of a fast-growing China into the global economy comes to an end. This will combine with the direct impact of tariffs to inflict pain on the U.S. economy. But the fallout in the rest of the world, and especially in China, may be even more severe. Out of all the possible reason for why a downturn is on the way, this is the most concerning and the most plausible.

**Real estate and Tech Bubble popping**

https://www.investopedia.com/articles/investing/071515/6-factors-point-global-recession-2016.asp

**The Chinese Bubble Has Begun to Pop** The Chinese economy has grown by an extraordinary amount over the past few decades. Chinese GDP is second in the world only to the United States, and many economists believe that it is only a matter of time before China will overtake the United States. China's government, however, imposes capital controls in order to keep its money within its borders. Therefore, as the Chinese middle class has grown, they have few options when it comes to investing their new wealth. As a result, Chinese stocks and real estate, two of the places where Chinese people can invest, became increasingly expensive, with the hallmarks of a bubble forming. **At one point last year, the Chinese stock market had an average P/E ratio higher than the rest of the world's, with the Chinese technology sector showing bubble-like valuations of more than 220 times earnings on average. To put that in perspective, the tech-heavy NASDAQ market had an average P/E of 150 times before the dot-com bubble burst.** The Chinese stock markets have been experiencing a correction, with the government taking such cautionary measures as curbing short selling. Most recently, in an attempt to curb volatility, China implemented circuit breakers that would halt all trading on the country's stock exchanges if losses fell to 7%. **Meanwhile, the real estate boom has led to overproduction of building resulting in so-called ghost cities, entire urban landscapes where nobody lives. When the market sees that the oversupply cannot meet demand, prices may collapse in the Chinese housing market.** If the Chinese economy slips into recession, it is likely to drag down the rest of the world as well.

**Whitehouse 19'**

https://www.petroleum-economist.com/articles/midstream-downstream/refining-marketing/2019/chinese-refiners-to-flood-the-market

**And Bain is negative on the long-term outlook for overall Chinese growth, arguing that the economy is undergoing a "structural slowdown" and the country has reached the "limits of its economic development model.**" In the 2019 edition of the BP Energy Outlook, the largest revisions for projected energy consumption in 2040 were in China, with the forecast now 7pc lower than that made in 2018. By the mid 2020s, BP says, India will surpass China as the world's largest growth market, accounting for over a quarter of growth in global energy demand. 4.32mn bl/d — planned new refining capacity Stimulus measures by the authorities will do no more than stabilise the economy, rather than reignite it as in previous cycles, Bain says. Chinese growth in the 2020s will average about 3pc pa, falling to 1.5pc pa in the 2030s, Capital Economics predicts. **Bain sees no signs of a return to previously high GDP growth rates and sees growth at 2pc pa in ten years' time. In the medium term, Charles Robertson, chief economist at investment firm Renaissance Capital predicts a 2pc decline in Chinese GDP in 2023, which he says will trigger a global recession.**

**Clark 13'**

https://www.cnbc.com/id/100912062

**The rapidly melting Arctic is an "economic time bomb" likely to cost the world at least $60 trillion,** say researchers who have started to calculate the financial consequences of one of the world's fastest changing climates. A record decline in **Arctic sea ice** has been widely seen as economically beneficial until now, as it opens up more shipping and **drilling in a region thought to contain 30 percent of the world's undiscovered gas and 13 percent of its undiscovered oil. This is likely to end up creating costs that will outstrip any benefits by three or more orders of magnitude, said Chris Hope of Cambridge's Judge Business School. "People are calculating possible economic benefits in the billions of dollars and we're talking about possible costs and damage and extra impacts in the order of tens of trillions of dollars**," he said.

# Carter VERSION

## [Link Level]

1. DL: The BRI hasn't solved. The International Trade Administration reports that since 2015, despite the BRI growing, chinese steel exports have still cut in half
2. DL: DL: China is in 16 Free Trade Agreements. Insofar as overcapacity is still a problem, external factors such as low demand for Chinese steel are why Chinese exports will remain perpetually low.
3. N/U: **Spiegel Online '19** finds that at the Silk Road summit this year, Beijing agreed to decrease excess capacity in the steel industry. Indeed, Li '19 reports that China has incentivized mergers and created debt restructuring plans, which have reduced the steel industry's capacity by 150 million tonnes.
4. Chinese companies use overproduction as a business strategy to gain market control. Chen '19 confirms that Chinese overcapacity is a structural difficulty of the Chinese economy, meaning:
    a. De-link the argument because even if the crisis is solved, companies will do the same thing again
    b. Turn, solving the crisis only incentivizes more overproduction in the future because it was an effective business strategy, which is why Levitsky '14 explains that solving Chinese overcapacity via the BRI encourages overproduction style business practices, thus perpetuating greater overcapacity in the future.
5. Turn: Casarini 15 writes China wants to solve overcapacity by dumping goods like steel at below market costs, which undercuts local European manufacturing, hurting domestic firms. Dettmer '19 finds that the Italian accession to the BRI will trigger a significant wave of Chinese imports, depressing wages, which will raise unemployment rates for a full decade after China's trade shock begins.

## [Impact: Recessions]

1. DL: Hedrick-Wong 18 writes debt induced recession is literally fake. All of the debt is state owned. Last time there was a problem china just straight up got rid of all the debt so the firms didn't close

2. Non-unique: The National Interest this week finds that Chinese companies are already defaulting on their debt, with a higher amount of defaults than 2018 creating a new record. The implication is that the wave of loan defaults that trigger a chinese recession are already happening in the status quo, it is too late for the BRI projects to reverse the trend.

Yuwa **Hedrick-Wong**, 18, (), "The Myths About China's Economic Slowdown", Forbes, 7-23-2018, https://www.forbes.com/sites/yuwahedrickwong/2018/08/15/the-myths-about-chinas-economic-slowdown/#221f92dd5d55, DOA-7-19-2019 (MO)

***What is overlooked is the fact that virtually all China's debt is domestic, and most of it is owed by state-owned enterprises to state-owned banks.*** In other words, most debts are owed by one part of the government to another. Coupled with China's massive foreign reserves, this makes a debt crisis like that of Greece impossible. ***China dealt with a worse debt situation in the 1990s by removing the banks' non-performing loans and recapitalizing the banks.*** In the worst case scenario, the government could do so again; and today its fiscal power is stronger than in the 1990s. More importantly, the emphasis on deleveraging fails to understand a fundamental function of debt in an economy. One person's debt is another person's investment***. A high level of debt by itself is not a problem if it is productively invested.*** The best solution to China's debt overhang is therefore to gradually increase productively invested debt and at the same time writing off steadily the unproductive debt. While the overall debt level may not have changed (hence no appearance of deleveraging), but as long as the composition of debt is shifting from the unproductive to the productive, the debt problem is resolved while economic growth remains intact. ***This appears to be the course that the Chinese government is taking; curbing lending to state-owned enterprises, especially those in heavy industry suffering from over capacity,*** while maintaining supply of credit to more productive borrowers, especially private businesses in the service sector which now accounts for over half of the GDP. Hard data are difficult to come by; but the IMF's estimates of China's "incremental capital output ratio" (ICOR, the lower the value, the more productive the capital invested) show a decline from 7.07 in 2016 to 5.43 in 2017. This could just be a blip in the data, or the beginning of a trend, we just don't know. Only time will tell. ***For now, a debt-induced financial crisis in China is sheer fantasy.***

Jamie **Dettmer**, 3-22-**2019**, "China's New Silk Road May Hurt Italian Workers, Analysts Say", **VOA News,** https://www.voanews.com/europe/chinas-new-silk-road-may-hurt-italian-workers-analysts-say

But some Italian officials worry that view might be short-sighted. They say while the BRI may offer Italy new funding sources — the country is still lagging well behind the foreign investment levels it enjoyed before the 2008 global financial crash — **it could trigger a significant wave of Chinese imports, which would have long-term detrimental consequences for Italian industry, employment and politics.** The officials in the country's finance ministry, who declined to be identified for this article, have been scrutinizing recent academic studies on the impact of Chinese imports on local labor markets. A series of studies, including those by economists David Autor, David Dorn and Gordon Hanson, suggests that **Western countries and regions exposed to rising Chinese import competition see a major jump in unemployment, lower labor force participation and lower wages. Unskilled and manual workers are especially adversely affected.** The impacts "are most visible in the local labor markets in which the industries exposed to foreign competition are concentrated. Adjustment in local labor markets is remarkably slow, with **wages and labor force participation rates remaining depressed and unemployment rates remaining elevated for at least a full decade after the China trade shock commence**s. Exposed workers experience greater job churning and reduced lifetime income," noted Autor, Dorn and Hanson in a paper for the National Bureau of Economic Research, an influential U.S.-based nonprofit.

**Chen**, 6-13-**2019**, "China's overcapacity delimma and how BRI can be an expedient resolution", https://repository.ntu.edu.sg/handle/10356/78227?show=full

Since the reform and opening up, the Chinese economy has undergone a period of golden development, and various industries have grown rapidly. However, since the beginning of the 21st century, the Chinese economy has also begun to experience the problems that many fast-growing economies will encounter, that is, overcapacity. For China, the cause of overcapacity is not only the rapid increase in production capacity and the relatively low domestic demand but also its special economic and political grounds. Overheated investment from domestic and foreign investors, as well as blind industrial expansions, have together caused overcapacity, while local governments have adopted a tolerant or even incentive attitude towards it to maintain short-term sustained economic growth and keep up the employment. Therefore, the problem of overcapacity went worse. However, after Xi Jinping proposed the Belt and Road Initiative in 2013, this problem seems to have a solution. China began to transfer excess domestic production capacity to countries along the Belt and Road and negotiated with partner countries to carry out capacity cooperation. From a numerical point of view, the effect of this measure is indeed very significant, and it has been proved that the Belt and Road Initiative is admittedly an effective way to alleviate the problem of excess capacity in China. However, **China's capacity problem is, after all, a structural difficulty of the domestic economy. If China's economic policy does not truly change, the problem of overcapacity will remain obstinate. Therefore, whether the Belt and Road Initiative can fundamentally solve the problem of overcapacity is still an unknown.**

**Levitski**, August 30, 2018, "Greening the BRI: China facing new challenges", LAI, http://www.lai.lv/viedokli/greening-the-bri-china-facing-new-challenges-731

As these constructions will consume huge quantities of concrete, sand, metal and other raw materials, the BRI project is about to become a major source of greenhouse gases. As a matter of fact, the limestone present in concrete has to be baked at high temperatures, which is very energy consuming and making concrete one of the most energy and carbon-expensive products.[16]Thus, producing a ton of cement requires about 4.7 million BTU of energy, generating nearly a ton of CO2.[17] As a 2014 article has already suggested, Chinese raw materials overproduction can conduct it to engage in constructions overseas.[18]Along these lines, **considering that one of the aims of the BRI is to deal with this overcapacity, this solution encourages overproduction**, instead of finding active solutions to solve it, or using this asset to promote renewable energy, especially when wind and solar energy are falling in price.[19]

**Li**, 4-23-**2019**, "China to release guidelines on steel industry consolidation", **Xinhua**, http://www.xinhuanet.com/english/2019-04/23/c_138001574.htm

BEIJING, April 23 (Xinhua) -- **China will soon release guidelines to push mergers and restructuring plans for the steel industry to facilitate the creation of larger and stronger groups** that can compete in the global market, according to a report by the Economic Information Daily. The guidelines, aiming to clear obstacles in steel consolidation, will encourage cross-region and cross-ownership mergers and restructurings by qualified enterprises, the paper cited unnamed authorities. Market funds will also be welcome to take part in the effort to offer more financial support for the move, the paper said. Compared with world-leading steel groups, there is still a wide gap in competitive power for Chinese companies, and industry consolidation should be an important solution, the paper cited Li Xinchuang, deputy head of the China Iron and Steel Association. In 2016, China set a target that 60 percent to 70 percent of steel should be produced by the top 10 steel groups by 2025. Following decades of reckless investment-driven expansion, China's steel mills have been running at overcapacity in recent years, prompting the government to take measures to cut outdated capacities. **The country fulfilled its goal of reducing the steel**

**industry's capacity by 100 million-150 million tonnes from 2016 to 2020 ahead of schedule.**

Thanks to the capacity-cut drive, the steel market has gradually recovered and rendered high profits for producers. China's steel industry reported profits of 470.4 billion yuan (around 70 billion U.S. dollars) in 2018, surging 39.3 percent year on year, while crude steel output grew 6.6 percent to 928.26 million tonnes, a record high, official data showed. Apart from capital support, the guidelines will also stipulate production limits in regions including Beijing, Tianjin and Hebei for environmental concerns, according to the paper.

**Spiegel Online**, Hamburg, Germany, 6-25-**2019**, "The U.S. vs. China: In A Newly Bipolar World, Europe is Caught in the Middle," SPIEGEL ONLINE, https://www.spiegel.de/international/world/europe-caught-in-tensions-between-china-and-u-s-a-1273640.html

**At the Silk Road summit earlier this year, which several European leaders traveled to Beijing to attend, Xi Jinping admitted that some criticism of China was completely understandable.** He announced changes and the first are already being felt. For example, BMW is being allowed to take a majority stake in its Chinese joint venture, and German chemicals giant BASF has been given the go-ahead to build a factory without a local partner. **Beijing has** also **agreed to decrease excess capacity in the steel industry** and to withdraw a complaint with the World Trade Organization against anti-dumping tariffs levied by the EU.

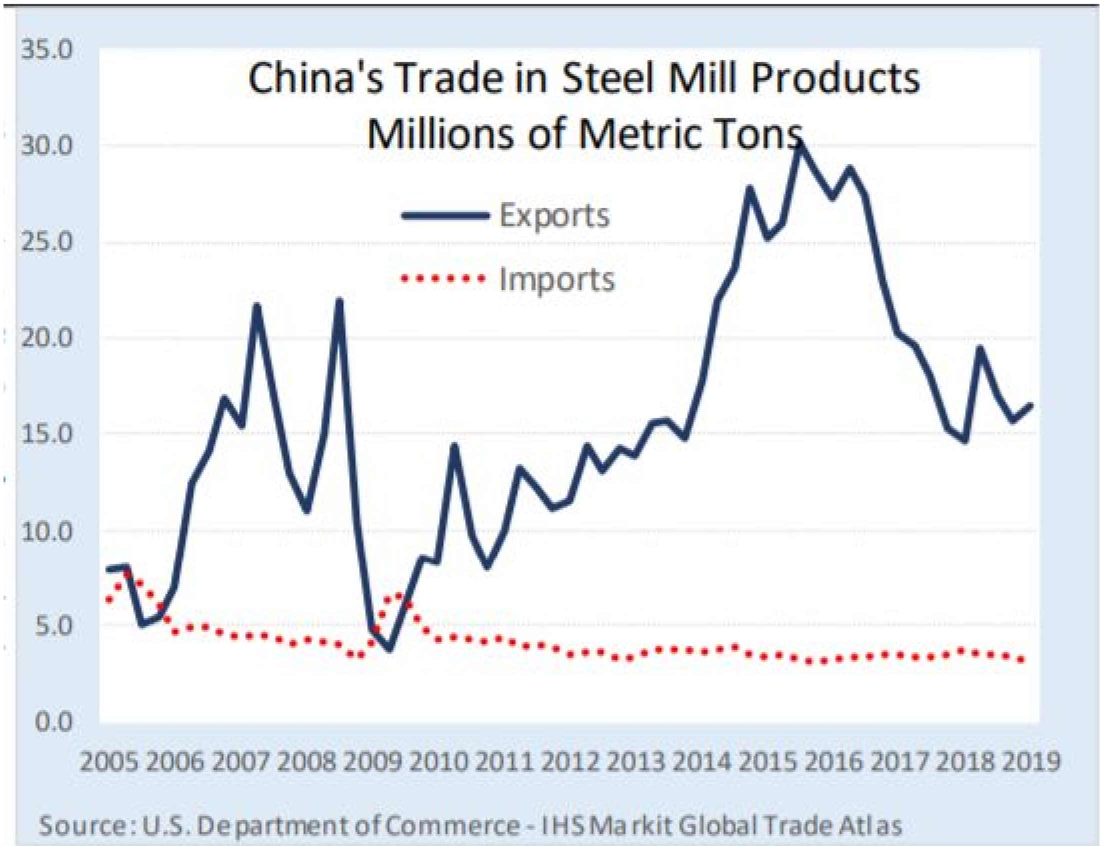
JöRg **Wuttke**, **17**, (), "The Dark Side of China's Economic Rise", No Publication, 6-29-2017, https://onlinelibrary.wiley.com/doi/full/10.1111/1758-5899.12439, DOA-7-15-2019 (MO)

This sentiment was echoed again in July 2015, when Huang Libin, an official from the Ministry of Industry and Information Technology, stated, 'For us there is overcapacity, but for the countries along the [BRI] route, or for other BRIC nations, they don't have enough and if we shift it out, it will be a win-win situation'(Stanway, 2015).***Ultimately, the political vision of'Going Global' cannot solve overcapacity problems;*** it instead requires far-reaching reform efforts. Apart from the geopolitical challenges involved in attempting to undertake an initiative as sweeping as BRI in a region that poses a wide range of risks, there are several key reasons why optimism in this approach may be misplaced:•**products like cement and plate glass cannot be exported economically in large volumes**;•the scale of funding to be made available by the AII Band **the size of the majority of the markets along OBOR are too small to have a significant impact on China's macroeconomic situation;** and• **many countries will not be willing to accept large amounts of Chinese debt and labour,** and those that maybe willing pose high risks for loan defaults.

Nicola **Casarini**, xx, (), "", No Publication, OCTOBER 2015, https://www.iai.it/sites/default/files/iaiwp1540.pdf, DOA-7-18-2019 (MO)

There are growing concerns in Europe that **through the Belt and Road initiative, *China seeks 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 as a "market economy," it would then be impossible for Brussels to strike back against unfair export practices with countervailing tariffs. There is growing resistance in Europe from manufacturing industries that see themselves

**International Trade Administration,** 8-xx-**2019**, "Steel Exports Report: China", https://www.trade.gov/steel/countries/pdfs/exports-china.pdf




# A2: Middle Income Trap Andrew

1. NU: Matthew of Yale in 2019 writes that because of an increase in Chinese innovation there's little likelihood that China will be thwarted by the Middle Income Trap
   2. **Turn**: If the middle income trap is inability to access jobs and a stagnant economy, then the BRI is the solution for many of these markets. Liu of Europe Now '18 writes, BRI can enhance connectivity and boost trade and infrastructure construction in Eurasia. He quantifies, that European countries' trade would increase by 8 percent, with landlocked countries benefiting most. This is vital, as an increase in flowing exports and imports stimulates economies. In addition to benefits for those in poverty, infrastructure makes middle-income jobs more efficient and productive, which is why the World Bank quantifies in 2019, global incomes would increase by 0.7 percent, almost half a trillion dollars at the market rate.

a. Even if global incomes rising 0.7% isn't enough, the middle class now has access to new job markets. For example, China bringing in Steel exports to the EU would make more engineering jobs. There are many ways the BRI can help the middle class.

3. **Impact Turn**: In the long term, foreign direct investment that comes from BRI infrastructure creates more high paying jobs, helping the middle class out of the trap. Upon joining the BRI, foreign direct investment, or FDI, will increase in the EU. Zhang of the China Economic Review writes that Chinese companies have high confidence in the success of the BRI initiative because it signals enhanced government policy coordination and political cooperation between the two countries. As a result, they like to invest in and acquire companies in BRI countries.
    a. The impact of foreign direct investment flowing into these nations helps get rid of the middle income trap. Tin of the IES finds in a meta-analysis of developed countries that just a 1 percent increase in FDI raises economic growth by .5%. This is because King of International Policy confirms that for every million dollars in Foreign Direct Investment, 30,000 high paying jobs are created.

*Cut King and 30,000

CES - Boost trade etc

Liu, Council for European Studies, "BRI in Europe: Reaching Beyond Asia", 2017, https://www.europenowjournal.org/2018/06/04/belt-and-road-initiative-in-europe/

In 2017, China-EU trade increased by 15.5 percent compared with the previous year. China-Europe freight trains ran 1,000 times, with a sharp increase by 158 percent.**The trains have dual directions, transporting small commodities, textile, and electronic products from China to Europe, and carrying cars, milk, and red wines from Europe to China. The running of freight trains is a vivid microcosm of China's Belt and Road Initiative (BRI) in Europe. BRI is conducted to enhance connectivity and boost trade and infrastructure construction in Eurasia. It is economic, rather than political or military.** Instead of building a revisionist alliance, BRI seeks to create a flexible economic network with shared opportunity. The Lyon-Wuhan freight train carries French wines and car parts to China. Such freight trains are increasing in both quantity and volume, although there are still some technical problems to be solved. The Chongqing-Duisburg route requires China to negotiate with relevant countries on customs, and the transportation cost problem still needs to be reduced.[9] The influx of 300 tons of Chinese products into the European market is sharply contrasted by European export of a small quantity of high value-added industrial products. This contributes to the inadequate return cargo from Europe. This problem has been noticed and is being resolved.[10] China-Europe rail freight is becoming attractive, and has some advantage in speed and cost, and will have great potential, **given the fact that China is Europe's fastest growing export market.[11] A study by Kevin Smith (2017) demonstrates that the BRI, based on the reduction of transportation costs, would probably increase European countries' trade by 8 percent, with landlocked countries benefiting most. It is also very conducive to Eastern European trade.[12]**

**Maliszweska - WBG 34 Million etc**

Maryla Maliszweska, World Bank Group, "The BRI, Economic Poverty and Environmental", April 2019, https://openknowledge.worldbank.org/bitstream/handle/10986/31543/WPS8814.pdf?sequence=4&isAllowed=y

China's Belt and Road Initiative aims to improve connectivity between China and more than 70 countries through infrastructure investment and regional cooperation. The initiative has the potential to accelerate significantly the rate of economic integration and development in the region, as trade costs decline. The goals of this paper are to (i) study the impacts of infrastructure improvements on Belt and Road Initiative and non–Belt and Road Initiative countries' trade flows, growth, and poverty; and (ii) suggest policies that would help maximize gains from the Belt and Road Initiative–induced trade cost declines. The analysis captures the trade costs reductions as a result of infrastructure improvements. The findings indicate that the Belt and Road Initiative would be largely beneficial. First, global income increases by 0.7 percent (in 2030 relative to the baseline). This translates into almost half a trillion dollars in 2014 prices and market exchange rates. The Belt and Road Initiative area captures 82 percent of the gain, with the largest percent gains in East Asia. Second, globally, the Belt and Road Initiative could contribute to lifting 8.7 million people from extreme poverty and 34 million from moderate poverty. Third, the initiative would lead to a modest increase in global carbon dioxide emissions, with a complex set of positive and negative outcomes at the national level for other types of emissions.

**Zhang - FDI**

Yifei Zhang, China Economic Review, "One BRI promote ODI?", May 2017, https://kundoc.com/pdf-does-one-belt-one-road-initiative-promote-chinese-overseas-direct-investment-.html

It is then a natural question to ask whether the OBOR initiative has promoted the overseas investment of Chinese companies, particularlyin the belt-road countries. This question could be of interest to not only policymakers and industry experts but also academics because it may help us understand the impacts of an infrastructure-led economic integration plan on foreign direct investment (FDI). **Firstly, as will be argued in detail in Section 2.3., the OBOR strategy's massive investment in infrastructure would improve the quality and availability of logistics facilities in the belt-road countries, which can boost FDI inflow from China.** Furthermore, the high-level international political cooperation, policy coordination and government support embedded in the **OBOR initiative can considerably reduce host country policy uncertainty and political risks for Chinese firms investing in the belt-road countries, which further encourages China's ODI in the belt-road countries.**

**Tin**

Cem Tintin, Institute for European Studies, "FDI", https://www.etsg.org/ETSG2012/Programme/Papers/73.pdf

Zhang - FDI Yifei Zhang, China Economic Review, "One BRI promote ODI?", May 2017,

Bengoa and Sanchez-Robles (2003) investigate the interplay between economic freedoms, FDI and economic growth. They use 18 Latin American countries for the period 1970-1999. Their panel data estimations with the panel OLS method (fixed and random effects) show that FDI and economic freedoms are the growth-enhancing factors in these countries. They find that a 1 percent increase in FDI (as a percentage of GDP) may increase economic growth up to 0.5 percentage point. Therefore, policies to widen economic freedoms and to enhance FDI inflows can lead to an increase in economic growth.

Not all studies, as presented above, are in favor of FDI in the literature of FDI-led economic growth and development. For example, Herzer et al. (2008) examine the FDI-led growth hypothesis for 28 developing countries for the 1970-2003 period. According to their empirical investigation, only in 4 out of 28 developing countries FDI contributes to the long-run growth. Another similar study is conducted by Blomstrom et al. (1994) by using the data of 78 developing countries. They put forward that only in the high-income developing countries FDI triggers growth whereas the low-income countries cannot enjoy the growth effect of FDI.

Thirdly, China has not been content to pursue simply the goal of “catch-up” as was practised initially by the earlier East Asian developmental states, but it has explicitly stated its goal of leapfrogging to the technological lead, particularly in areas judged to be strategic industries of the future such as robotics, artificial intelligence and pharmaceuticals (known as Industry 4.0 after the nomenclature favoured by the World Economic Forum) and green industries such as renewable energy, batteries and electric vehicles.

Recent analysis of China’s evolution from “imitation” to “innovation” by China specialists indicates that China is moving towards higher productivity and higher levels of innovation – as measured for example by patent filings.39 **There seems little likelihood that China will find itself thwarted by the so-called “Middle-Income Trap” where a rising country finds itself unable to break into higher levels of productivity and innovation.** But the aspect of development that does not appear to be given sufficient emphasis in these analyses is the question of debt.

# A2: China Exports More Green Tech Aatreya (done)

1. On uniqueness, we have to analyze what energy investment is looking like through the BRI. Even if China exports huge amounts of green technology throughout the globe, they view the BRI as a vehicle for them to dump off their excess coal plants through infrastructure contracts. That's why Hilton of Yale in 2019 finds that 80% of energy investment through the BRI has been in dirty fossil fuels.
    a. Even if they eventually get rid of their excess capacity and do move towards green technology the short term investment in fossil fuels prevents them from making a major shift to renewables. This is because Inskeep of NPR '19 finds that things like coal take 40-50 years to make profits which is why the Coal Centre concludes that chinese coal investment locks in fossil fuel dependency.
        i. By the time China pushes green technology countries that gained access to industrial energy would have little political or economic incentive to make a full shift of their energy sectors to a completely new source.
        ii. The access to green tech would happen too late to reverse many of the harms of climate change in the first place.
2. Cloete of EC in 2018 finds that mass scale deployment of green tech in the developing world, is extremely harmful as the huge expenses cause a diversion of money away from economic development. In fact, they empirically find that you lose $750 for every ton of carbon dioxide removed from the atmosphere
    a. Cloete does the weighing for you when he finds that the development tradeoff with green tech actually reduces the ability to create adaptability to climate change through things like better housing, sanitation, medical care, and general productivity. Thus he concludes that even if the C02 is released from more development of the economy it actually reduces climate impacts because it increases adaptability
3. The EU wouldn't be able to make the reforms to get China to switch to green technology either
    a. Because Bankwatch finds that the EU has been continuously externally financing fossil fuel infrastructure, if the profit exists they will take the bite.
    b. The Independent '19 writes that China has unilateral control over the BRI and is adamant to continue its practices. That's why they find that even if more EU countries join the BRI China will do little to reform.

https://e360.yale.edu/features/how-chinas-big-overseas-initiative-threatens-climate-progress

So far, the majority of BRI projects are energy-related: Since 2000, Chinese-led policy banks have invested $160 billion in overseas energy projects, almost as much as the World Bank and regional development banks. B**<u>ut unlike the World Bank, 80 percent of China's overseas energy investments went to fossil fuels — $54.6 billion to oil, $43.5 billion to coal, and $18.8 billion to natural gas — compared with only 3 percent to solar and wind and 17 percent to often-controversial hydro projects.</u>**

https://www.npr.org/2019/04/29/716347646/why-is-china-placing-a-global-bet-on-coalhttps://www.npr.org/2019/04/29/716347646/why-is-china-placing-a-global-bet-on-coal

Days before the forum with its "clean and green" theme, the latest Chinese-built coal plant opened in Pakistan. The plants are significant investments at a time when most nations of the world, including China, have committed to fighting climate change. "**When you put money down and put steel into the ground for a coal-fired power plant," says Cunningham, "it's a 40- or 50-year commitment." In one sense, China's push for coal is not surprising: China knows how to build coal plants.** It is the world's largest coal consumer, drawing more than 70 percent of its electricity from coal, according to the U.S. Energy Information Administration. But facing overwhelming pollution levels, China has restrained the growth of its coal industry — at home.

https://bankwatch.org/blog/when-the-eu-s-bank-can-t-kick-the-fossil-fuels-habit -March 27 2019

**The numbers speak for themselves – EUR 13.5 billion spent on various fossil fuels projects since the latest revision of this policy in 2013 is an alarming sign even if renewables have been granted much more. This is the equivalent of EUR 6.2 million in EU public money – every day – over these six years going for the top culprit behind the climate crisis.Every additional cent spent on another fossil fuel project, particularly in the relatively rich EU, makes it more difficult to realize the Paris Agreement and achieve the global Sustainable Development Goals which are intended to "leave no one behind," irrespective of where people live or their material status.** Fossil fuels investments threaten people's health and well-being, and undermine the fight against poverty, access to clean water as well as peace and justice – these are just a few among the 17 global goals. The EIB's staff and leaders are certainly aware of the detrimental impacts of the bank's continued fossil fuel financing. During the public consultation meeting in Brussels last month, Andrew McDowell, the bank's Vice President responsible for energy projects, admitted the EIB has financed several uneconomic and heavily subsidized gas projects and regretted that projects defined by the European Commission as Projects of Common Interest (PCI) are not subject to a climate impact assessment

https://blog.independent.org/2019/07/18/chinas-belt-and-road-initiative-boon-for-growth-or-threat-to-civil-liberties/

The EU joining would inc. debt/no reform

The Chinese lending practices stand in contrast to the United State government's Marshall Plan, which financed reconstruction in Western Europe after World War II almost exclusively through grants, rather than loans, which must be repaid with interest. (This isn't to say that the Marshall Plan was the best alternative for post-war development—that's a different issue.) **As more countries (particularly in Europe) join the BRI, it's unlikely that China's lending practices will get reformed. The BRI was born as a project with unilateral Chinese control and generally lacks transparency, so it's not a stretch to assume that new European and Asian partners will also be subject to debt traps.**

https://www.energycentral.com/c/ec/dangers-green-technology-forcing

**Thirdly, forced deployment of these capital-heavy technologies at a scale that will actually make a difference will divert unacceptable amounts of capital away from other infrastructure investments capable of stimulating compounding economic development in the developing world**. Such **development is critical to increase life expectancy and quality of life,** and impeding this development can have massive humanitarian costs (below). As a quantitative illustration, I previously e**stimated the net cost of this effect at $750/ton of CO2 avoided.** An **important omission from the enormous cost mentioned above is that rapid economic development directly shields people against the effects of climate change. Improved housing, sanitation, utilities, medical care, international trade connections and general productivity will all greatly reduce the impacts of a more hostile climate on the lives of developing world citizens. Ironically therefore, CO2 released to maximize the speed of this massive infrastructure buildout will actually lower the climate impacts experienced by the majority of global citizens.**

## A2: Reduces China's Debt Pranav (done)

1. Turn: This argument is literally dumb. The purpose of the BRI is to take economic hits in the short-term on the risk that there might be a bolstered consumer market in the future. Increased government spending will only increase Chinese debt in the short-term not decrease it.
2. Debt doesn't matter. The method in which companies pay back debt is through interest payments. As long as a country makes these payments on time, a rising debt won't hurt the economy. That's why, for example, the US is considered such a safe investment even though the country is in 21 trillion dollars of debt. China is pretty good about making interest payments on time there's no reason that an increase in the ratio will change that.
3. Rapidly expanding debt won't risk a bubble and a recession. Their argument is based off of the behavior of bubbles in Free-Market economies. China is different because the majority of Chinese industries are state owned. This means that they literally just owe debt to their own state governments, and they can manipulate the size of bubbles by passing policy that doesn't always have a profit incentive. For example, China has had a housing bubble for a long time now and they've just prevented it from popping by rent controlling all housing in the country.

## A2: China Heg Good Andrew (need implications)

### A2: Trade / Econ

1. **Delink: China's economy is slowing down in the status quo.** Balding 19 states, China experienced its slowest economic growth in nearly three decades. A rapidly aging population, a falling birth rate, a tightening Federal Reserve, and a slowing global economy have combined to put the brakes on China's economy.

2. **Turn: The EU joining the BRI tips the economic scale towards China and hurts their domestic industry.**
    a. Dana Heide of Handel writes in July of 2019, that 27 of 28 EU ambassadors confirmed in a report recently that the BRI "pushes the balance of power in favor of subsidized Chinese companies." Meaning, if you affirm and the EU joins the BRI, their domestic industries will be harmed, with prices falling and profits dropping.

## A2: Peace / Influence

1. **Turn: China is the opposite of a peaceful actor, and worsens world order.**
    a. Kagan of Brookings states in 2017 that China poses the greatest challenge to the relatively peaceful and prosperous international order created and sustained by the US. If China was to accomplish their aims of establishing hegemony, the world would return to the condition it was in at the end of the 19th century, with competing powers clashing which turned into 2 destructive world wars.

## A2: EU-China Relations

1. **Delink: EU Does not want to be partners with China.** First off, their link doesn't make sense, because the EU has no reason to suddenly want to be partners with China when you affirm. The EU has already shown how it is not interested in cooperating with China, for example, Macaes 19 finds that just a few months ago, the EU even shoved through a new, tougher screening mechanism to make it harder for Chinese investment to flow in. This shows that the EU wants nothing to do with China, being a part of the BRI doesn't change that.

2. **Turn: Bad because that emboldens China.** Rosenfeld 19 states, Italy's move to endorse the initiative lends legitimacy to China's predatory approach to investment. If one country moving to the BRI gives legitimacy to the investment than all of the countries together creates a stronger surge of legitimacy -- dangerously emboldening China. That's problematic because the National Endowment for Democracy finds in 2019 that China [has] deepened [its] authoritarianism. And in an era of hyperglobalization, they are turning it outward. Further being emboldened by the EU only makes this worse. This is problematic, because Kasparov 17 explains that authoritarian governments bear an enormous social cost. [They] have higher rates of mental illness, lower levels of health and life expectancy, and, higher susceptibility to famine. The suppression of free expression and creativity has harmful effects on innovation and economic growth.

**<u>Kagan</u> of Brookings** states that China poses the greatest challenge to the relatively peaceful and prosperous international order created and sustained by the US. If China was to accomplish their aims of establishing hegemony, the world would return to the condition it was in at the end of the 19th century, with competing powers clashing which turned into 2 destructive world wars.

Robert Kagan, Brookings Institute, "The twilight of the liberal world order", January 24, 2017, https://www.brookings.edu/research/the-twilight-of-the-liberal-world-order/

However, it is the two great powers, China and Russia, that pose the greatest challenge to the relatively peaceful and prosperous international order created and sustained by the United States. If they were to accomplish their aims of establishing hegemony in their desired spheres of influence, the world would return to the condition it was in at the end of the 19th century, with competing great powers clashing over inevitably intersecting and overlapping spheres of interest. These were the unsettled, disordered conditions that produced the fertile ground for the two destructive world wars of the first half of the 20th century. The collapse of the British-dominated world order on the oceans, the disruption of the uneasy balance of power on the European continent due to the rise of a powerful unified Germany, combined with the rise of Japanese power in East Asia all contributed to a highly competitive international environment in which dissatisfied great powers took the opportunity to pursue their ambitions in the absence of any power or group of powers to unite in checking them. The result was an unprecedented global calamity. It has been the great accomplishment of the U.S.-led world order in the 70 years since the end of the Second World War that this kind of competition has been held in check and great power conflicts have been avoided.

**Heide** states that 27/28 EU ambassadors came up with a report that said that the BRI "pushes the balance of power in favor of subsidized Chinese companies."

Dana Heide, Today, "China First: EU ambassadors band together against Silk Road", Sat Jul 06 2019, https://www.handelsblatt.com/today/politics/china-first-eu-ambassadors-band-together-against-silk-road/23581860.html?ticket=ST-4810109-2Flt3G4r9Fw7UnESzere-ap1

Twenty-seven of the 28 national EU ambassadors to Beijing have compiled a report that sharply criticizes China's "Silk Road" project, denouncing it as designed to hamper free trade and put Chinese companies at an advantage. The report, seen by Handelsblatt, said the plan, unveiled in 2013, "runs counter to the EU agenda for liberalizing trade and pushes the balance of power in favor of subsidized Chinese companies." The unusually biting contents, which only Hungary's ambassador refused to sign, are part of the EU's preparations for an EU-China summit in July. The EU Commission is working on a strategy paper to forge a common EU stance on China's prestige project to build roads, ports and gas pipelines to connect China by land and sea to Southeast Asia, Pakistan and Central Asia, and beyond to the Middle East, Europe and Africa. The new Silk Road will run through some 65 countries in six economic corridors.

Christopher **Balding,** 3-11-20**19**, "What's Causing China's Economic Slowdown," Foreign Affairs, https://www.foreignaffairs.com/articles/china/2019-03-11/whats-causing-chinas-economic-slowdown

[Top] **Last year, China experienced its slowest economic growth in nearly three decades.** The trouble seemed to start in the fall. Wage growth has cooled. Surveys show that companies in the manufacturing sector have begun shedding jobs. And imports are down, hurting other major exporting economies. There's more than one reason for the slowdown. **A rapidly aging population, a falling birth rate, a tightening Federal Reserve, and a slowing global economy have combined to put the brakes on China's economy.** Yet Beijing cannot risk a recession. The Chinese government will not allow growth to slow significantly, even if that means storing up problems for the future. China's problems stem primarily from decisions made years—in some case, decades—ago. In the past, China benefitted from a growing workforce, which boosted GDP both by adding workers and because younger workers tend to be more productive than older ones. But around 2012, the working-age population began to shrink, the inevitable result of the one child policy, which was enacted in 1979. The decline in growth rates owes in part to this demographic winnowing.

## [Macaes 19] EU doesn't want relations

Bruno MaçãEs, 7-9-2018, "Europe Gets Its Competition With China All Wrong," Foreign Policy, https://foreignpolicy.com/2019/04/03/europe-gets-its-competition-with-china-all-wrong/

If they do, it will mark a real change in the nature of Europe's relationship with China. Back in 2014, the year after Belt and Road was launched, the EU inaugurated its own infrastructure stimulus plan and was courting Beijing to join the project. Today, the notion that Brussels would welcome Chinese investment seems laughable. In fact, it is doing nearly everything it can to keep the money out;

**just a few months ago, the EU even shoved through a new, tougher screening mechanism to make it harder for Chinese investment to flow in.** What happened? For the most part, the change came from Germany. As late as 2016, German officials were still sticking to the standard talking point: Globalization works, and Germany is particularly good at it. Starting around 2004, economic links between Germany and China had helped propel the German economy through one of its best periods in living memory, building a more stable international order in the process. A year later, the mood had already changed. Politicians and officials were starting to hear alarm bells coming from German industry. Those actually dealing with Chinese companies could see the writing on the wall: China had used trade and economic links with Western partners to upgrade its own manufacturing processes. German companies were starting to feel the heat as their technological edge evaporated and they lost contracts to major Chinese competitors. The China shock was real.

## [Rosenfeld 19] lends legitimacy to the EU

Everett Rosenfeld, 04-25-19, "EU official: China needs to be more transparent about the Belt and Road to get more buy-in," CNBC, https://www.cnbc.com/2019/04/25/eu-official-china-needs-to-reform-belt-and-road-for-many-to-sign-up.html MB

While the EU pursues that angle, Washington is taking a decidedly different approach: It didn't send a delegation to this week's Beijing forum because it has regularly expressed concerns about Xi's signature initiative. In one instance, the White House National Security Council said in a March Twitter post that **Italy's move to endorse the initiative "lends legitimacy to China's predatory approach to investment** and will bring no benefits to the Italian people." Still, Sefcovic said he sees promise in China's commitments to reform, particularly in the joint statement released from the EU-China summit earlier in April.

## [NED 19] China spreading Authoritarianism

National Endowment for Democracy, 5-16-2019, "China's Foreign Influence and Sharp Power Strategy to Shape and Influence Democratic Institutions – NATIONAL ENDOWMENT FOR DEMOCRACY," No Publication, https://www.ned.org/chinas-foreign-influence-and-sharp-power-strategyto-shape-and-influence-democratic-institutions/ AS

Since the end of the Cold War, the democratic West has placed special emphasis on the idea of integrating nondemocratic regimes into the rules-based international order. For political leaders and analysts in the United States and Europe, integration has been a dominant foreign-policy organizing concept. The democracies' central assumption has been that patient engagement with states would yield clear mutual benefits. By embracing China and other such regimes and encouraging their integration into the global economic system and key political institutions, Western powers hoped to encourage autocracies toward meaningful political reform. But this approach has not turned out as we anticipated. Rather than reforming, **China** and any number of other leading repressive regimes have **[has] deepened [its]** their **authoritarianism. And in an era of hyperglobalization, they are turning it outward.** Although the autocratic states are today integrated in many ways into the global system, they have tended not to become more transparent and accountable; rather, they have developed policies and practices aimed at undermining democracy's advance. Exploiting globalization and the opportunities presented by integration with open societies, these states are working to reshape the very institutions and arenas that welcomed them. Over the past decade in particular, the pendulum of global politics has swung in the direction of authoritarian regimes, which are shaping the political environment in a manner that would have been unimaginable even a few years ago. Even more striking is the resilience that the most influential authoritarian states are displaying, despite the evident weaknesses and flaws of their systems, and the systematic abuses that are found within them. Led by China, these nondemocratic regimes are showing themselves to be entrenched at home, even as they project influence beyond their borders in ways that corrode and undermine democracy and its institutions. The authorities in Beijing have refined and scaled up their instruments of influence and, with them, the ability to manipulate the political landscape of countries beyond their borders. As the leadership in Beijing has become more repressive domestically, China has grown emboldened and more ambitious internationally, with worrisome implications for democratic institutions around the world.

## [Kasparov 17] Authoritarianism bad effects

Garry Kasparov, 2-13-2017, "Opinion," Washington Post, https://www.washingtonpost.com/news/democracy-post/wp/2017/02/13/why-the-rise-of-authoritarianism-is-a-global-catastrophe/

And there are so many lesser-known dictators in countries such as Bahrain, Kazakhstan and Equatorial Guinea, where tyrants pilfer their countries' natural resources and pocket the profits in private off-shore accounts. To cover their atrocities, they hire lobbyists, public relations firms and even policy groups in the free world to whitewash their actions. If injustice and oppression aren't bad enough, **authoritarian governments bear an enormous social cost.** Dictator-led countries **[they] have higher rates of mental illness, lower levels of health and life expectancy, and,** as Amartya Sen famously argued, **higher susceptibility to famine.** Their citizens are less educated and file fewer patents. In 2016, more patents were filed in France than in the entire Arab world — not because Arabs are less entrepreneurial than the French, but because nearly all of them live under stifling authoritarianism. Clearly, **the suppression of free expression and creativity has harmful effects on innovation and economic growth**. Citizens of free and open societies such as Germany, South Korea and Chile witness advances in business, science and technology that Belarusans, Burmese and Cubans can only dream of.

# Developing World

## A2: Dev. World gets Green Tech Pranav (done)

1. Montero of Forbes quantifies in 2019 that 75% investment in BRI countries from China's state-owned banks is poured into fossil fuel projects. There are two implications:
    a. It mitigates their impact because there is only a very minimal amount of green tech going to developing countries since China prioritizes domestic green initiatives over foreign exports.
    b. It's a **turn** because if the majority of investment is going into fossil fuels, the emissions will offset any risk of progress made by green tech initiatives.
2. Turn: Inskeep of NPR finds in 2019 that as a way to establish a greener environment domestically China is exporting fossil fuels abroad. Most importantly, Inskeep furthers that these investments are at least 40-50 year commitments, meaning that these countries are locked in for the long term, eliminating any possibility of a shift to green technology in the future.
3. Chatsko of Motley Fool writes in 2018 that China has historically been one of the "least-efficient renewable energy generators in the world," spending a lot more resources than necessary to create small amounts of energy. The implication here is that
    a. Insofar as the lock-in effect materializes immediately, an inefficient supply of green tech from China wouldn't be able to effectively combat rising emissions; they have a low probability of accessing a significant portion of their impact.

Montero,05-14-19, "Leveraging China's "Green Soft Power" For Responsible Belt and Road Initiative Investment," Forbes, https://www.forbes.com/sites/energyinnovation/2019/05/14/leveraging-chinas-green-soft-power-for-responsible-belt-and-road-initiative-investment/#2c7f27943e4f, 7-3-2019

China's Belt and Road initiative (BRI) presents a challenge to global efforts to tackle climate change and move toward a carbon neutral pathway. With $900 billion in potential foreign infrastructure spending under the BRI framework indicated by President Xi, China's BRI could help – or hurt – clean energy development in emerging economics. China has trumpeted its commitment to build a green

BRI, most recently at the BRI Summit in Beijing, and as far back as 2015 when the central government stated "efforts should be made to promote green and low-carbon infrastructure construction and operation management, taking into full account the impact of climate change." Since then, China has issued related policies including the "Guiding Opinions on Promoting a Green BRI." China has promoted some clean energy through the BRI. In Argentina, China Development Bank and China Export-Import Bank provided 85% of the financing for the 500 megawatt Cauchari solar power plant, the largest in Latin America. The AIIB, for its part, has participated in several clean energy projects including Egypt's 2 gigawatt Benban Solar Park, one of the world's largest projects, expected to go online in 2019.But investment analysis by World Resources Institute and *Boston University found that around 75% of investment in BRI countries from China's state-owned banks between 2014 and 2017 poured into fossil fuel projects.* In addition, China-financed hydropower plants in Mongolia, the Democratic Republic of the Congo, and Indonesia have been criticized for ignoring environmental impacts and creating potentially irreversible damage The challenge for many countries receiving BRI financing is familiar – how can policymakers balance economic development and environmental protection? Much like in China 20 years ago, improving access to electricity – a critical precondition for employment, poverty alleviation, and public health – is the top policy priority. These development needs can overwhelm efforts to mitigate environmental and climate change risks. *Local policies can make Belt and Road investments more sustainable* The set of policies needed to regulate the environmental impact of China's overseas development finance is large, complex, and less binding than domestic policies within China, as documented by Tufts University professor Kelly Sims Gallagher. As a recent World Bank report stated, "China has a growing collection of guidelines [for BRI investment] but they still lack essential details concerning implementation, monitoring, and enforcement."

Steve Inskeep, 4-29-2019, "Why Is China Placing A Global Bet On Coal?," NPR.org, https://www.npr.org/2019/04/29/716347646/why-is-china-placing-a-global-bet-on-coal

China, known as the world's biggest polluter, has been taking dramatic steps to clean up and fight climate change. So why is it also building hundreds of coal-fired power plants in other countries? President Xi Jinping hosted the Belt and Road Forum in Beijing over the weekend, promoting his signature foreign policy of building massive infrastructure and trade links across several continents. The forum, attended by leaders and delegates of nearly 40 countries, came amid growing criticism of China's projects, including their effect on the environment. Xi took the highly unusual step, for him, of meeting with international journalists, during which he repeated the slogan that he is committed to "open, clean and green development." Yet China's overseas ventures include hundreds of electric power plants that burn coal, which is a significant emitter of the carbon scientifically linked to climate change. Edward Cunningham, a specialist on China and its energy markets at Harvard University, tells NPR that China is building or planning more than 300 coal plants in places as widely spread as Turkey, Vietnam, Indonesia, Bangladesh, Egypt and the Philippines. Days before the forum with its "clean and green" theme, the latest Chinese-built coal plant opened in Pakistan. The plants are significant investments at a time when most nations of the world, including China, have committed to fighting climate change. "When you put money down and put steel into the ground for a coal-fired power plant," says Cunningham, "it's a 40- or 50-year commitment." In one sense, China's push for coal is not surprising: China knows how to build coal plants. It is the world's largest coal consumer, drawing more than 70 percent of its electricity from coal, according to the U.S. Energy Information Administration.

Maxx Chatsko, Contributor at Motley Fool. 6-04-18, Motley Fool, https://www.fool.com/investing/2018/06/04/chinas-renewable-energy-growth-isnt-as-good-as-it.aspx//ZA

In fact, China is one of the *least*-efficient renewable energy generators in the world. That might often get overlooked, but that detail matters greatly for climate goals and to energy investors interested in both renewable energy and the country's energy future. It's true that in 2017, China boasted 164 GW of installed wind power. But those assets generated just 305,700 gigawatt-hours (GWh) of electricity. By comparison, last year the United States had just 88 GW of wind capacity -- just over half China's number -- but those turbines spun their way to generating 254,254 GWh of electricity, [but generated] or more than 80% of what China produced. The production efficiency numbers are even worse for solar.

## A2: Power Grids Warrant

1. Simonov of China Dialogue contextualizes in 2018 that a sustainable power grid in China would cost 38 trillion US dollars, while every kilometer of construction for the "backbone" of the supergrid costs 4 million dollars.

a. The implication here is that solar grids are massive undertakings that are super expensive, so they won't be built in the developing world. Instead, China would build them in a much more developed economy like Brazil where they can still reap a profit but not have to risk a default on their loan.

2. Simonov continues that **high voltage grids are designed simply to carry energy**, regardless of whether or not its clean. That's why he concludes that **these grids are dominated by coal power** instead, meaning that the grids don't provide a unique benefit. This means that if we win that a lock-in effect materializes, there's absolutely no unique benefit from grids; adaptation can't happen.

3. Not only that, the European Union's External Action Department reports in late 2018 that the EU is already extending their extensive electricity grid capabilities to the developing world. Specifically, they report that Monrovia, Liberia and the EU have entered a contract to design and build power infrastructure to bring connectivity to hundreds of thousands of people. This means that the EU clearly has an incentive to invest in the developing world in the status quo, their argument is terminally non-unique.
    a. The warrant comes from DW in May of 2019, who reports that in order to curb illegal immigration from Northern Africa and bolster European solar industries, European countries are heavily investing in the Elmed interconnector, a massive electric connectivity project that would solve back for a large chunk of energy shortages in the region and bolster local economies.

4. [Delink] Only 2% of public investment goes to power grids. This is because most african countries have monopolized and state owned power, preventing investment from the outside. https://www.dw.com/en/can-africa-develop-on-green-power/a-45648419?fbclid=IwAR3isnq9mfeyH28m9WtDhYefK8Gt8n3eS8KW4lwi4KBpEM23FZaWEuY09-k

Eugene Simonov, xx-xx-xxxx, "The risks of a global supergrid," No Publication, https://www.chinadialogue.net/article/show/single/en/10722-The-risks-of-a-global-supergrid

The idea of a transnational grid has been around for a while. As Walt Patterson wrote for *chinadialogue* in 2016, similar proposals date back at least to the 1970s when an initiative known as the Global Energy Network Institute pushed for an electricity grid spanning the entire planet. A less ambitious proposal was announced in 2003 by Desertec. It envisaged huge investment in North African solar generation connected by subsea cables across the Mediterranean and into the European grid. But those early dreams never made it off the drawing board because of multiple political, cultural and economic obstacles. China's own technocratic vision for a global supergrid envisages high-voltage interconnection crossing continents and the ocean. ***By 2050 it promises 720 gigawatts of transboundary power flow, at an estimated cost of US$38 trillion, including US$11 trillion in power grid investment.*** The planned Evenkiyskaya dam in Siberia's Yenissey River Basin; the Grand Inga dam in Congo; and the Belo-Monte dam in Brazil (which included a high-voltage 4,500 kilometre transmission line built by State Grid) are just three examples of how supergrids can enable environmentally and socially damaging "clean energy" projects, which block major rivers essential to indigenous peoples' livelihoods. Giant transmission lines also have major impacts. They fragment pristine ecosystems and displace local communities. GEI envisions the construction and maintenance of 175,000 kilometres of "backbone" supergrids by 2050, at a cost of US$4 million per kilometre. This could prove to be a disastrous waste of money. ***High-voltage grids designed to carry clean energy are often dominated by coal power instead. State Grid is also planning to link to large coal-thermal energy bases abroad such as the 4-gigawatt Erkovetskaya plant in Russia and 8-gigawatt Shivee-Ovoo in Mongolia.***

# A2: General Infrastructure Good Pranav [NEEDS MUCH MORE]

1. [Delink] Chinese companies hire domestically. Because the goal of the BRI is ultimate to promote growth within China, **Sheperd 19'** explains that chinese companies empirically hire chinese workers. This makes sense; overcoming the language and cultural barrier as well as reteaching important skills is extremely inefficient.
    a. Even worse, not only do these projects not generate economic growth, **Landsberg 18'** explains that BRI projects displaces millions of people in the process.
2. [Delink/Turn] Goes into Rich areas that already have decent infra and will generate decent returns on investment
    a. Income inequality
    b. CC outweighs on severity
3. Debt Trapped fucking HOE GET HOED
4. FDI disads

# A2: Landlocked Developing Countries Asher (done)

1. **Impact Turn: China Daily** in 2018 finds that China has already signed 75 economic and trade agreements in order to push the BRI, leading to widespread liberalization. This is crucial as rapid liberalization to the global market is extremely bad. **Fletcher of the Huffington Post** finds that free trade tends to mean that the industrial sectors of developing nations often get killed off entirely by imports. For example, Senegal, after prematurely liberalizing their manufacturing industry to international competition, lost nearly one-third of their manufacturing jobs because the domestic industry simply couldn't keep up with foreign imports. We are a prerequisite to realizing the benefits of trade, because you have to negate and let these countries gradually develop their industries and governmental policy before they open themselves up to the world. Otherwise, they will be mauled and on net be worse off economically in the long run.

2. **DL: <u>Greer of Foreign Policy</u>** reports in December of 2018 that China's investment decisions are driven primarily by geopolitical needs instead of sound financial sense. That's why they find that 270 BRI Infrastructure projects have effectively failed in the status quo because they don't have a clear connection to China's direct security concerns. This means that the impact to the majority of LLDCs as a result of the BRI is minimal at best.
3. [World Bank indict -- no way they don't read this eve]: Their own **<u>World Bank evidence</u>** literally concedes that the only way that trade, foreign investment, and quality of life for developing nations improves as a result of the BRI is if "China and corridor economies adopt deeper policy reforms that increase transparency, improve debt sustainability, and mitigate environmental, social, and corruption risks." Make them prove the probability of this happening, otherwise the BRI is going to at best do nothing and at worst crush domestic industries due to rapid liberalization and increase debt traps.
4. **Turn: <u>Crabtree of the Financial Times</u>** reports in 2019 that China "traps" its BRI partners financially through the use of predatory loan practices, often times leading to a monopolization of that country's trading infrastructure. (means that they can't even gain full benefits of the trade to begin with) In fact, **<u>Taj in 2019</u>** confirms that because they were trapped in debt, Sri Lanka was forced to sign a 99 year lease with China allowing them to operate its strategic Hambantota port. China will continue to use these predatory lending practices with other landlocked developing countries.

**China Daily, 05-31-2018,** "China signs more trade deals with belt and road countries," http://www.chinadaily.com.cn/a/201805/31/WS5b0fe8ffa31001b82571d7df.html

Economic integration of China and the Belt and Road countries gained steam. The Free Trade Agreement (FTA) reached between China and Georgia has become effective. China held the first round of FTA negotiations with Mauritius and the second round of FTA talks with Pakistan. It also signed an economic and trade cooperation pact with the Eurasian Economic Union. "Construction of major projects have progressed well with a range of railways and infrastructures going smoothly," Gao said. **<u>By the end of April, China had built 75 economic and trade cooperation zones along the Belt and Road countries with accumulated investment of $25.5 billion.</u>**

Ian **Fletcher, 03-11-2018,** "Free Trade Isn't Helping World Poverty," Huffington Post, https://www.huffpost.com/entry/free-trade-isnt-helping-w_b_837893

Contrary to impressions in the media, economic success is actually becoming more concentrated in the Western world, not less. According to one summary of the data by Syed Murshed of Erasmus University in Holland: This is no accident. **<u>Free trade tends to mean that the industrial sectors of developing nations either "make it to the big time" and become globally competitive, or else they get killed off entirely by imports, leaving nothing but agriculture and raw materials extraction, dead-end sectors which tend not to grow very fast.</u>** Free trade eliminates the protected middle ground for economies, like Mongolia or Peru, which don't have globally competitive industrial sectors but were still better off having such sectors, albeit inefficient ones, than not having them at all. The productivity of modern industry is so much higher than peasant agriculture that it raises average income even if it is not globally competitive. Nations which open up their economies to (somewhat) free trade relatively late in their development, and continue to support domestic firms with industrial policy, are far more likely to retain medium and high technology industry, the key to their futures, than nations which embrace full-blown free trade and a laissez faire absence of industrial policy too early in their development. There are numerous documented cases in which trade liberalization simply killed off indigenous industries without supplying anything to replace them. To take some typical examples given by the International Forum on Globalization: **Senegal experienced large job losses following liberalization in the late 1980s; by the early 1990s, employment cuts had eliminated one-third of all manufacturing jobs. The chemical, textile, shoe, and automobile assembly industries virtually collapsed in the Ivory Coast after tariffs were abruptly lowered by 40 percent in 1986.** Similar problems have plagued liberalization attempts in Nigeria. In Sierra Leone, Zambia, Zaire, Uganda, Tanzania, and the Sudan, liberalization in the 1980s brought a tremendous surge in consumer imports and sharp cutbacks in foreign exchange available for purchases of intermediate inputs and capital goods, with devastating effects on industrial output and employment. In Ghana, liberalization caused industrial sector employment to plunge from 78,700 in 1987 to 28,000 in 1993.

**World Bank, 2019,** "Belt and Road Economics," https://openknowledge.worldbank.org/bitstream/handle/10986/31878/9781464813924.pdf

The goal of this study is to gather data that enables policymakers in more than 70 countries along these corridors to make evidence-based assessments of how to maximize the benefits and manage the risks of participating in BRI. 1 In the communique of the 2nd Belt and Road Forum in April 2019, the Bangladesh-China-India-Myanmar Economic Corridor is referred to as the China-Myanmar Economic Corridor. BELT AND ROAD ECONOMICS 13 • It provides evidence on how Belt and Road corridor economies could benefit from greater transport connectivity. • It assesses the priorities and sequencing for policy reforms that could maximize the benefits of infrastructure investments • It identifies the main risks and ways to manage them. **The analysis shows that Belt and Road transport corridors could substantially improve trade, foreign investment, and living conditions for citizens in participating countries—but only if China and corridor economies adopt deeper policy reforms that increase transparency, expand trade, improve debt sustainability, and mitigate environmental, social, and corruption risks.**

Tanner Greer, 12-6-2018, "One Belt, One Road, One Big Mistake," Foreign Policy, https://foreignpolicy.com/2018/12/06/bri-china-belt-road-initiative-blunder/

Investment decisions often seem to be driven by geopolitical needs instead of sound financial sense. In South and Southeast Asia expensive port development is an excellent case study. A 2016 CSIS report judged that none of the Indian Ocean port projects funded through the BRI have much hope of financial success. They were likely prioritized for their geopolitical utility. Projects less clearly connected to China's security needs have more difficulty getting off the ground: the research firm RWR Advisory Group notes that 270 BRI infrastructure projects in the region (or 32 percent of the total value of the whole) have been put on hold because of problems with practicality or financial viability. There is a vast gap between what the Chinese have declared they will spend and what they have actually spent. There is also a gap between how BRI projects are supposed to be chosen and how they actually have been selected. Xi and other party leaders have characterized BRI investment in Eurasia as following along defined "economic corridors" that would directly connect China to markets and peoples in other parts of the continent. By these means the party hopes to channel capital into areas where it will have the largest long-term benefit and will make cumulative infrastructure improvements possible.

James Crabtree, 4-25-2019, "China needs to make BRI more transparent and predictable," Financial Times, https://www.ft.com/content/3c5d6d14-66ac-11e9-b809-6f0d2f5705f6

Even so, three interlinked problems remain at the heart of Mr Xi's pet project, all of which must be addressed if BRI is to move beyond the pitfalls that have damaged its reputation. The first and most obvious is debt. Critics allege that China "traps" its BRI partners financially, often pointing to a debt-for-equity deal that handed China control of a port in Sri Lanka. These claims are exaggerated — few other projects have ended up this way. Yet poorer nations from Laos to Tajikistan are still signing up to vastly expensive Chinese schemes that offer poor value for money while straining their public finances. The second problem is transparency. Despite its grand scale there is still no reliable list of BRI projects, no disclosure of the lending standards China follows, nor even the amount China has invested. Beijing claims more than $1tn; independent estimates suggest perhaps a few hundred billion. Either way, it will be hard for China to convince doubters on debts until it is open about the criteria it uses in deciding who to lend to and why.

Hadeeka Taj, 5-5-2019, "China's new Silk Road or debt-trap diplomacy?," Global Risk Insights, https://globalriskinsights.com/2019/05/china-debt-diplomacy/

Skeptics have also raised concerns that China is consolidating geopolitical power through predatory practices. Throughout exploitation of its debts, China has convinced the Sri Lankan government to agree to a 99 year lease to operate its strategic Hambantota port. In Greece, Chinese firms bought 51% of the port authority in Piraeus port near Athens in 2016, following the economic crisis. The likelihood of a Chinese monopoly on untapped resources is a concern. Countries like Azerbaijan are known for their oil and natural gas reserves. China's singular presence would be problematic for both foreign investors and global powers alike. Meanwhile, for local economies, foreign

# A2: IOT Carter

1. [**Non-Unique]** Other nations are already signing deals. Liu 2017 of China Daily writes that France and Switzerland have launched IoT ventures regardless of joining the BRI.
2. **[Delink**] IoT is expensive. Qi of Harvard Economics Review explains that sustenance farmers are unable to afford IoT. This is because they live off of what they produce instead of selling it for money.
   a. **[IMPACT TURN]** At that point turn it, as Qi furthers that IoT would give huge advantages to corporate farms to pushing out small farm neighbors. Indeed, Vidal 2014 explains that the largest factor in decreasing small farms is the expansion of industrial farms. This has 2 impacts

i. Farmer poverty. Sustenance farmers depend on their land for livelihood. Losing their land means they can no longer create food to live off on. This is also terminal defense because it short circuits any impact on increased crop yields.
ii. Destroying world food supplies. The UN (Vidal) finds that 70% of food is grown by small farmers.

3. IoT is literally any technology from smart salt shakers to printers. Make them read evidence saying specifically China would give farming IoT to these developing nations.
4. The developing world can't use technology if they don't have power. Make them read a link into energy to access their impacts
5. **[Link Turn]** Diversion
6. **[Link Turn]** Sanctions
   a. Critically, Vaish 19' explains that the spread of 5G is slowed by U.S. sanctions
7. **[Impact Turn]** The spread of IoT results in more Authoritarianism. Conrad of Independent Institute 2019 writes that as part of developing digital infrastructure, China gives semi-authoritarian countries access to internet surveillance allowing them to censor political dissidents. These now authoritarian countries now can control markets and prevent any social mobility by funneling wealth to the top.
   **a. [Timeframe]** The ability to oppress freedom of speech prevents any long-term change, locking citizens into a permanent cycle of oppression.
8. **[Impact Turn]** IoT also results in more Artificial Intelligence. Girard of the Diplomat 2018 explains that Jinping aims to push out AI projects. Problematically, because sustenance farmers have little skill, BBC 2019 writes that AI will displace millions of jobs specifically in regions like Africa.
9. **[Impact Turn]** Qi of Harvard business review explains that because IoT projects focus on the rich, IoT projects can create Smart Cities that result in gentrification, entrenching concentrated poverty.

Delinks to find

- China expanding digital 5g infra through BRI
  - Do developing nations allow these projects
  - Can developing nations afford to pay for internet
  - Can farmers buy IOT technology?

Cecily **Liu**, 1-8-**2017**, "European IoT technology set to boost Silk Road connectivity", **China Daily,** **http://www.chinadaily.com.cn/world/2017-08/01/content_30320948.htm**

Projects that are part of the Belt and Road Initiative should soon be more efficient, thanks to a new internet of things (also known as **IoT) program launched by France's Actility and Switzerland's Ginko Ventures.** The program began on Monday with the launch of a test network spanning 23 kilometers in the Beilin district of Xi'an city, the point in China where the ancient Silk Road trade route began. During its trial period, the program will use IoT technology to improve city planning and environmental monitoring. The test network will collect environmental sector data, such as the amount of medical waste produced by hospitals, which will allow the Beilin District Environmental Protection Bureau to make more targeted policies. After the trial period ends, **the technology will be taken to other economies in the region covered by the Belt and Road Initiative.** One example of its application is the use of smart sensors to track the location and condition of exports as they travel through the region covered by the Belt and Road Initiative, improving the efficiency of logistics. Mike Mulica, the CEO of Actility, said: "This network in Xi'an is the first step toward a global-scale cargo tracking and monitoring solution and all powered by the internet of things." Actility and Ginko Ventures are deploying the technology through their joint venture ThingPark China, a wholly foreign-owned company based in Beijing that was established in March. ThingPark China CEO, Bing Liu said: "IoT connectivity will play an integral role in building the Silk Road into a modern-day transport corridor, as digital transformation is a vital part of modern infrastructure projects, and the benefits of the network will soon be felt on both a regional and a global scale." The tremendous potential of IoT technology for projects in the Belt and Road area has attracted the interest of many international technology companies that are keen to collaborate. Among them, Inmarsat, a UK satellite company that signed an agreement in 2015 during President Xi Jinping's visit to the UK. The deal with the China Transport Telecommunication and Information Center means the company will deliver its satellite broadband communications connectivity throughout China and countries within the Belt and Road area. Paul Gudonis, president of Inmarsat Enterprise, said he will travel to Beijing late this month to meet with representatives from ThingPark China, to discuss potential collaboration. Examples of ways Inmarsat's technology could be used include for satellite monitoring to identify safe and secure mining extraction methods and locations, identifying logistics optimization, and picking ideal locations for sustainable food plantations. The internet of things is the concept that advocates the connection of physical objects via the internet and was first suggested in the 1980s. Accenture estimates that the industrial IoT sector could add$14.2 trillion to the world economy by 2030.

Andrew **Small**, 4-24-**2019**, "A Slimmer Belt and Road Is Even Scarier", **Bloomberg,** https://www.bloomberg.com/opinion/articles/2019-04-24/a-slimmed-down-belt-and-road-will-increase-china-s-influence

**China's globe-spanning infrastructure initiative is shrinking**. The rhetoric at the second Belt and Road Forum, being held in Beijing this week, has been less triumphalist — and **new plans for roads, pipelines, bridges and rail lines more modest — than at the first:** On Friday, Chinese President Xi Jinping pledged high standards and "zero tolerance" for corruption in the program. Unfortunately for the U.S. and its allies, though, a **downsized program could pose more, not less of a competitive threat to the West**. Until now, most worries about the Belt and Road have focused on its size and those weak standards. The sheer volume of the supposedly multi-trillion-dollar initiative looked impossible to match. Meanwhile, a corrosive combination of debt, corruption and privileged access for Chinese companies threatened to lure or coerce countries away from the U.S. orbit and into China's. In many ways, though, this model always contained the seeds of its own failure. The **emphasis on speed and scale came at the expense of sustainability, both economically and politically.** In most countries, China failed to build a broader consensus for its investments beyond whatever government happened to be in office. In a series of elections from Malaysia to the Maldives, opposition parties have sailed into power by railing against Chinese megaprojects that looked to be lining the pockets of politicians more than boosting the economy. **Investments in countries such as Pakistan had already been pared back as rising debt levels limited their ability to take on new projects.** By spurring fears in the U.S., Japan, India and Europe, the Belt and Road also provoked competition. With the exception of Japan, whose overseas investments have by some measures exceeded China's in recent years, this hasn't cost much money. India has provided financing to help shore up the new Maldivian government and the U.S. has extended legal and political help to governments negotiating major contracts, such as Myanmar. But it has so far proved relatively easy for China's competitors to rely on the Belt and Road catalyzing its own political pushback. There are limits to Beijing's ability to fix this. Some of the Belt and Road's flaws are endemic to the way the Chinese economic and political system works: Beijing's deep sensitivity to political embarrassment around the scheme, for instance, is only increasing its lack of transparency. Nor is China willing to make the initiative genuinely multilateral, which would slow it down and erode any bilateral leverage Beijing hopes to gain over individual countries. But leaders in Beijing can and will adjust. They've already shown striking willingness to renegotiate contracts, with Malaysia's $16 billion East Coast Rail Link — now around 30 percent cheaper — being only the largest example. Newly elected governments have found Chinese counterparts relatively flexible on rescheduling loans, revisiting project costs or shifting the focus of the two sides' economic cooperation. **Even the flagship China-Pakistan Economic Corridor is set to level out at around a third of the scale that was once touted. This leaner version of the Belt and Road will potentially be far more potent.** China will still be able to deploy its many advantages in the new scheme: its capable infrastructure firms, large-scale subsidies for its major companies, speedy decision-making, increasingly cutting-edge technology, and willingness to finance non-bankable projects that fit broader strategic goals. **At the same time, a more measured approach, better attuned to political and economic risk and more responsive to local demands, will give China greater scope to entrench its presence in the economic sectors that matter. Most important of these will be digital infrastructure projects, where China's advances — from fiber-optic cables to telecoms networks** — will likely do more to affect U.S. security and commercial interests than any number of roads, railways or dams. China's 5G capabilities are proving attractive even to key U.S. allies, posing risks for U.S. intelligence-sharing and military mobilization. Chinese surveillance technologies are being rolled out across the developing world, promising to spread China's authoritarian capabilities. From data access to standard setting, the so-called Digital Silk Road will also augment China's edge in the industries of the future — and will receive a warm welcome from countries looking to benefit from Beijing's subsidized prices and fast rollouts, even if they'd chafe against Chinese port or airport acquisitions. A rebalancing away from the most toxic aspects of the Belt and Road would certainly limit China's ability to ensnare smaller countries in debt and gain access to such strategic assets. But, it will also force the U.S. to compete against China's underlying strengths and most compelling appeals rather than on the Belt and Road's most obvious — and fixable — flaws.

Esha **Vaish**, 7-1-**2019**, “Europe’s 5G delayed by trade war and security reviews, says Tele2 CEO”, **Reuters**, https://www.reuters.com/article/us-tele2-huawei-tech/europes-5g-delayed-by-trade-war-and-security-reviews-says-tele2-ceo-idUSKCN1TW2WC

The r**ollout of 5G services across Europe has being slowed by U.S. sanctions against Huawei** and as European governments review the impact of using Chinese equipment, the head of Swedish telecoms group Tele2 said. U.S. President **Donald Trump’s administration had targeted Huawei on security grounds but a partial lifting of restrictions** was a key element of a weekend agreement to reopen stalled trade negotiations with China. Tele2 CEO Anders Nilsson said the biggest impact of the restrictions and security concerns was being felt through a delay in 5G investment across Europe. Tele2, Sweden’s second largest telecoms company which also operates in the Baltic countries, has been holding off on striking deals with equipment suppliers. “We have a global supply chain, so whoever you buy equipment from you will find components from China. Even if we buy equipment from Ericsson, which is our neighbor here, you will find Chinese hardware and parts in that equipment,” he told Reuters at Tele2’s Stockholm headquarters. “We’re right now talking to all the vendors, but decisions are postponed. This is not only Huawei, this is all vendors.” He a

Justin **Qi**, 8-30-**2018**, “Okay Google… How will the internet of things affect the developing world?”, **Harvard College Economics Review**, https://harvardecon.org/?p=3782

For instance, India’s proposal for “smart cities” automating utilities and infrastructure will likely bring deregulation and gentrification entrenching concentrated poverty and creating what critics call, a “social apartheid.” The program plans to spend 70 percent of its budget on land occupied by just 4 percent of the population, already displacing thousands of people into slums that serve as breeding nests for intergenerational poverty. Meanwhile, s**ubsistence farmers, who comprise the majority of the world’s poor, are unable to afford and unlikely to gain from IoT** agriculture sensors designed for larger farms. The **IoT’s efficiency gains could give foreign-owned corporate farms an insurmountable advantage pushing out their local neighbors,** leaving locals jobless and underfed by cash crops that supplant staple foods.

**Largest factor in pushing out small farmers is industrial farms**

John **Vidal**, 5-28-**2014**, “Corporate stranglehold of farmland a risk to world food security, study says”**, The Guardian**, https://www.theguardian.com/environment/2014/may/28/farmland-food-security-small-farmers

The **world's food supplies** are at risk because **farmland is becoming rapidly concentrated in the hands of wealthy elites and corporation**s, a study has found. Small farmers, the UN says, grow 70% of the world's food but a new analysis of government data suggests the land which they control is shrinking every year as **mega-farms and plantations squeeze them onto less than 25% of the world's available farmland,** says international land-use group Grain. These mega-farms are less productive in terms of amount of food they produce per area of land, the report argues. "Small farms have less than a quarter of the world's agricultural land – or less than 20% excluding China and India. Such farms are getting smaller all the time, and if this trend persists they might not be able to continue to feed the world," says the report which draws on government statistics and calls for a stop on land grabbing by corporations. The report suggests that the single most i**mportant factor in the drive to push small farmers onto ever smaller parcels of land is the worldwide expansion of industrial commodity crop farms**. "The powerful demands of food and energy industries are shifting farmland and water away from direct local food production to the production of commodities for industrial processing," it says. The land area occupied by just four crops – soybean, oil palm, rapeseed and sugar cane – has quadrupled over the past 50 years. Over 140 million hectares of fields and forests have been taken over by these plantations since the 1960s – roughly the same area as all the farmland in the EU.

…

**"In all of these processes, control over land is being usurped from small producers and their families, with elites and corporate powers pushing people onto smaller and smaller land holdings, or off the land entirely into camps or cities," he said.**

**70% of food grown on small farms -- UN**

John **Vidal**, 5-28-**2014**, "Corporate stranglehold of farmland a risk to world food security, study says"**, The Guardian**, https://www.theguardian.com/environment/2014/may/28/farmland-food-security-small-farmers

ions, a study has found. **Small farmers, the UN says, grow 70% of the world's food** but a new analysis of government data suggests the land which they control is shrinking every year as mega-farms and plantations squeeze them onto less than 25% of the world's available farmland, says international land-use group Grain. These mega-farms are less productive in terms of amount of food they produce per area of land, the report argues. "Small farms hav

Chris **Conrad**, 7-18-**2019**, "China's Belt and Road Initiative: Boon for Growth or Threat to Civil Liberties?", **Independent Institute**, https://blog.independent.org/2019/07/18/chinas-belt-and-road-initiative-boon-for-growth-or-threat-to-civil-liberties/

As part of the BRI, **China is helping countries develop their internet infrastructure.** Problematically, though, as part of the partnership, some suggest **China may give semi-authoritarian countries access to its toolbox of internet surveillance technologies, allowing BRI partner countries to target and censor political dissidents in much the same way as the Chinese government.** So, governments that already want to suppress political dissent may gain the ability to fulfill their dreams by joining the BRI. In addition, as China gains more influence over new partner countries (particularly in Western Europe), it may gain the ability to leverage newly formed economic ties to push countries towards China's authoritarian political system.

Bonnie **Girard**, 7-18-**2018**, "China's BRI bet in the middle east", **The Diplomat**, https://thediplomat.com/2018/07/chinas-bri-bet-in-the-middle-east/

During the China-Arab States Cooperation Forum (CASCF) held on July 10 in Beijing, China announced that it would loan several Arab countries in the Middle East $20 billion, adding aid packages worth over $100 million to the Palestinians, Yemen, Lebanon, Jordan, and Syria. The announcement, which came from P**resident Xi Jinping in his opening remarks to the Forum**, offered few details, but was heralded as financing for "economic reconstruction" in transportation infrastructure, oil and gas, finance, high-tech fields, th**e digital economy, and artificial intelligence (AI) projects**, according to Chinese news sources. The loans and aid are a **further plank in China's Belt and Road Initiative (BRI**) to link more than 60 countries in Asia, the Middle East, Africa, and Europe into a tightly-woven network of trade, transport, and multifaceted partnerships toward a goal of increased economic and social development for all. Reactions to the announcement, and to China's BRI in the Middle East as a whole, come from various quarters around the world, and are worth reviewing. BRI is coming under a great deal of scrutiny not just from Western countries, but from countries that are within the BRI framework, or which are targeted by China to be so. Immediate concerns and questions revolve around at least three key areas: debt sustainability among poor countries; a lack of transparency into BRI projects, both from China and its debtor nations; and the viability of the BRI's success in the Middle East as China attempts to maintain equilibrium within the hostile Saudi Arabia-Iran relationship.

Justin **Qi**, 8-30-**2018**, "Okay Google… How will the internet of things affect the developing world?", **Harvard College Economics Review**, https://harvardecon.org/?p=3782

Even worse, should early IoT initiatives be riddled with security holes, perceived economic and political costs may prevent emerging economies from pursuing future projects. Whereas some developed countries already suffer from this "chilling effect," on a small scale, poorer ones could see significant drops in ICT investment, derailing development and decreasing foreign investment. Even with better safeguards, **some ambitious IoT projects may still prove harmful to the global poor**. As Newcastle University professor Robert Hollands writes, **since they are sponsored primarily by the richest segments of society, large-scale IoT initiatives**

**often fail to consider "serious ... problems like poverty, inequality and discrimination."** **For instance, India's proposal for "smart cities" automating utilities and infrastructure will likely bring deregulation and gentrification entrenching concentrated poverty and creating what critics call, a "social apartheid.**" The program plans to spend 70 percent of its budget on land occupied by just 4 percent of the population, already displacing thousands of people into slums that serve as breeding nests for intergenerational poverty.

---, 4-18-**2019**, "Will AI kill developing world growth?", **BBC,** **https://www.bbc.com/news/business-47852589**

**Artificial intelligence (AI) could displace millions of jobs in the future, damaging growth in developing regions such as Africa, says Ian Goldin, professor of globalisation** and development at Oxford University. I have spent my career in international development, and in recent years have established a research group at Oxford University looking at the impact of disruptive technologies on developing economies. Perhaps the most important question we have looked at is whether AI will pose a threat - or provide new opportunities - for developing regions such as Africa. Optimists say that such places could use rapidly advancing AI systems to boost productivity and leapfrog ahead. But I am becoming increasingly concerned that AI will, in fact, block the traditional growth path by replacing low-wage jobs with robots. As Kai-Fu Lee, a Beijing-based venture capitalist who invests in artificial intelligence, tells us, AI is potentially the most revolutionary technology to emerge this century. It is also, along with the associated technologies of machine learning and robotics, advancing at breakneck speed. **Already AI has the capacity to replace many work tasks that are rules-based and repetitive, and which do not require great dexterity or empathy**. In developed economies, for instance, robots have replaced well over half of the jobs in the car and related industries in recent decades. Automated systems are already getting higher customer satisfaction ratings than people in call centres, threatening a key source of jobs in many countries. Similarly, AI enabled systems are leading to significant job losses in back-office administrative functions in banking, health, insurance and accounting. These are roles that had in recent years been outsourced to developing countries such as India, Vietnam, South Africa and Morocco. Jobs at risk? According to our research at Oxford, about **40% of jobs in Europe are vulnerable to AI over the coming decades, almost half of jobs in the USA, and an even greater share in developing countries.** Some argue that AI will create as many new jobs as those lost to robots, and that we shouldn't worry too much. **But I believe that those new jobs will be concentrated in certain parts of the developed world, and that the developing world will miss out.**

### A2: FDI Good (Dev. World Specific) Aatreya

# United States

## A2: BUILD Act Kevin (done)

Good Responses

1. [Disad] If the EU joins the BRI, it would be seen as them abandoning the US. This would trigger extreme backlash. Indeed, ____ explains that the EU joining the BRI would be enough to cause Trump to put tariffs on the EU. ___ furthers that this snowball into a trade war which would send the EU barrelling into a recession. This outweighs their case in 2 ways.
    a. Scope.

    b. Prereq
2. [Terminal Defense] If EU joins, the US will compete with China in the EU; not africa.
3. [Turn] OPIC gives funding for dirty fossil fuels. **Chen 19'** explains that OPIC has helped fund multiple dirty fossil fuel projects in the Middle East and African, contributing to a 14% increase in emission within those countries. This outweighs their argument in 3 ways.
    a. Insert CC Weighing
4. [Terminal Defense/Turn] **Young 15'** explains that because OPIC is politically driven, so it goes to rich areas and only benefits those who are politically connected in developing nations, harming the poor and widening the income gap.
5. [Turn] OPIC funds corruption. **Young 15'** explains that in corrupt countries, the high political risk discourages investment. As a result, corrupt governments are forced to reform in order to attract foreign investment. However, he explains that because OPIC helps subsidize risk in corrupt countries, it encourages private investment in countries that are extremely corrupt, eliminating the incentive for actual economic reform. This outweighs their case on
    a. **Timeframe.** Even if in the short term, quality of life increases, since corrupt governments are strengthened and have no incentive to reform, institutional development such as industrialization become infeasible.
6. [Terminal defense] Foreign aid trades off w/ actual funding. For example, in India ...
7. [Delink] Another Build Act would never pass. 4 reasons.
    a. First, **Goke 18'** explains that Trump literally tried to kill the Build Act in 2017. **Zombrum 18'** writes that the Build Act only passed because it was attached as a rider to a MUST pass bill. Specifically, it was latched onto legislation that would reauthorize the FAA; if the FAA was not reauthorized, all airports would stop running. Of course the bill was passed.
        i. However, the original sponsor of the bill, who forced it on as a rider to the bill is **not even a senator anymore**.
    b. Second, when it the build act was passed, it was in a republican supermajority. Now, however, there is split control. Problematically, **Perticone 19'** explains that gridlock in congress is reaching unprecedented levels, with both parties killing legislation the other side proposes and unwilling to cooperate.
    c. Third, **Hay 18'** explains that because democrats believe they can use Trump to rile up their base and get them to turn out in 2020, Democrats will avoid working with Trump and the Republicans on any issue of importance such as combatting China, sacrificing the short term for long term gain.
    d. Fourth, with the election coming up, Trump must focus on domestic issues. ___ explains…
8. [Turn] The Build Act isn't doing its job. Due to a lack of oversight and regulation, **Cosby of Daily Signal** explains the Build Act is not actually countering chinese influence. It is just a program that gives loans to country based on profit incentives. In fact, out of the 60 billion dollar budget, only 240 million went to infrastructure development, and most loans go to high-middle income countries that the BRI doesn't even loan to. This has 2 implications

    a. It erodes political capital. Specifically, since the act is failing miserably at countering Chinese influence, it will discourage any future bills that would actually be effective from passing.
    b. It means any funding is inherently short term. Once politicians realize that the Build Act it isn't doing its job, they will cut funding.
9. [Delink] Historically untrue. When important allies joined the AIIB, when 16+1 was formed, and more recently, when Italy signed the BRI, the US did not increase funding for the Build Act.
10. [Clarity] You don't know if EU joining is enough to trigger their link; you don't know how much aid would even increase; you don't know if the next president will have the same approach; you don't know if congress will agree on how to fund the bill; there are simply so many questions on this argument that aren't answer that should make you never ever want to vote on it.

Decent Responses

1. [Mitigation] **<u>Cavanna 19'</u>** explains that any increase in funding for BUILD would be blunted significantly due to our enormous fiscal deficits, which constrain our ability to fund new programs.
2. [Timeframe] ___ explains it took over 8 years for the Build Act to finally get passed. Trying to get enough political capital to get another build act passed will take many years as well.
3. [Turn] Foreign aid fuels dependency. 2 reasons
    a. **First, <u>Layton 05'</u>** explains that governments that receive the aid money have little incentive to actually help the poor because if the welfare of the poor does not improve, the aid money will keep coming. This results in cyclical corruption and poverty.
    b. **Second, <u>The AAO</u>** explains that when governments receive aid, they lose their incentive to promote industrialization and mobilize tax revenue, leaving millions in poverty.
        i. The first is increasing poverty: Indeed, <u>Druoin 17'</u> substantiates for every 1% increase in foreign aid, poverty levels increase by .6%.
        ii. The second is sacrificing the long term: Moss 06' finds that aid-enabled revenue undermines incentives to conduct institutional development that is key to long term economic growth.
4. [Turn] Foreign aid fuels terrorism. 3 warrants
    a. Income inequality
    b. Create incentive to prop up terrorist regimes
    c. Terrorists steal aid

Bad Responses

1. [Delink] This is simply political posturing. Trump can't ignore the BRI because then he will look weak, but he also doesn't want to invest in developing nations. This is why the BRI is a trillion dollar initiative but the Build Act is only 60 billion dollars and 5 years late. [Add implication;]
2. [Turn] US directly competes and fights with Chinese loans. This makes sense; sense under developed countries have limited borrowing capacity, they are often forced to pick between getting a US loan or a Chinese loan. For example, **<u>Khanna 19'</u>** explains that in Papua New Guinea, the government picked a US loan over the Chinese loan. 2 implications
    a. It means net funding won't go up.

b. Any problems such as things like debt trapping are still prevalent.

**West and Chen 19** Dan West and Han Chen, 6-4-2019, "How to Clean Up U.S. International Development Finance," National Resources Defense Council, https://www.nrdc.org/experts/dan-west/how-clean-us-international-development-finance //DF

OPIC's strong environmental and social standards are the result of multiple congressional and executive actions over the past several decades. Since its formation in 1971, OPIC's mission has been to help American businesses invest in emerging markets. In 1985, Congress began requiring OPIC to consider the environmental impacts of its projects. In 2007, because of a 2002 lawsuit filed by several US cities and environmental groups, the Bush administration committed OPIC to track and reduce its emissions. This emissions cap was enhanced and enshrined in the Consolidated Appropriations Act of 2010. In it, OPIC committed to: establishing a transparent methodology for greenhouse gas (GHG) accounting, reducing the direct emissions associated with OPIC-supported projects in the active portfolio by 30 percent over a ten-year period from the 2008 baseline and by 50 percent over a fifteen-year period from the 2008 baseline, shifting emphasis to renewable and energy-efficient projects, and establishing an annual emissions cap for all new GHG emissions in OPIC supported projects. The emissions cap decreased carbon emissions in OPIC's portfolio by 85 percent (from 50 million tons of CO2-equivalent (CO2e) in 2007 to 8 million tons in 2015). Between 2008 and 2014, the only fossil fuel powered plants OPIC financed were a 100 MW mixed fuel plant in Togo and a 250 MW oil plant in Jordan. Since 2010, OPIC has subsequently updated and strengthened its environmental and social policy statement, most recently in 2017. Unfortunately, in a step backward, the Consolidated Appropriations Act of 2014 allowed OPIC to finance more fossil fuel projects with language eliminating restrictions on "dirty" investments in low-income countries. As a result, **despite having strengthened its environmental and social policies, OPIC financed four Middle Eastern and African oil and gas projects in 2017 with $810 million in loans and insurance.** These projects represent over 2.3 million tons of CO2e per year in emissions. **Relative to their countries' current emissions levels, these fossil fuel projects represent up to 14 percent increases in annual emissions of CO2e in those countries, taking them further off track from being able to meet the goals of the Paris Agreement.** And, just weeks after the BUILD Act passed last October, OPIC officials met with leaders from Kosovo to discuss a coal-fired power plant there, even though the World Bank pulled its support for the project based on analysis which showed that renewable power would be cheaper for Kosovo. It is vital to ensure that the new USDFC adheres to the environmental and social policy standards developed by OPIC over decades. These are policies that should be strengthened, not cast aside in favor of promoting uneconomic fossil fuel projects abroad that are disastrous for our climate.

**Young 15'**
https://cei.org/content/case-against-overseas-private-investment-corporation

The Overseas Private Investment Corporation (OPIC) is a U.S. federal government agency with three key policy objectives: Stimulate economic development in developing countries; Make foreign policy gestures on behalf of the U.S. government; and Help U.S. businesses operating in other countries, particularly in the renewable energy sector. OPIC pursues its mission by offering a variety of financial products including loan guarantees, direct loans, and political risk insurance. It also supports various investment funds. The agency's charter requires occasional reauthorization by Congress, without which it would be forced to close. The current version of its charter expires on September 30, 2015. Congress should allow OPIC's charter to expire. **OPIC is institutionally ill-suited to its mission and harms poor people around the world. Its investments in developing countries are well-intentioned, but intentions are not results. That is because OPIC's investment decisions are heavily politicized, which means that many OPIC-financed projects, rather than helping the least well-off, end up enriching the politically connected.**

**Young '15** Ryan Young, 09-24-2015, "The Case Against Overseas Private Investment Corporation"

**One of OPIC's financial products is political risk insurance.** Its policies are an Econ 101 textbook case of moral hazard. In some countries, political risk involves threats of terrorism or war. But in many of the countries where OPIC does business, political risk means corrupt or predatory governments prone to nationalizing private assets. **By offering political risk insurance, OPIC enables this bad government behavior. Predatory behavior and political instability create obvious disincentives to invest in such countries, but subsidized political risk insurance greatly reduces those beneficial disincentives. As a result, predatory or unstable governments continue to receive foreign investment, while their people remain poor.** Meanwhile, American taxpayers bear the risk, to the tune of up to $250 million per project.18 In addition to being suspect from an economic development and human rights perspective, OPIC's expropriation insurance is problematic as a foreign policy tool. Many predatory governments are not exactly allies of the U.S. government, so OPIC's expropriation 4 insurance may actually incentivize them to nationalize OPIC-financed projects. In effect, the U.S. government is paying its enemies to thumb their nose at it. **A more effective way to increase foreign investment in developing countries is for their governments to enact sound economic policies and respect property rights**. How to encourage them to do so is well beyond this paper's scope. **But OPIC's attempt to treat a symptom may actually make the root disease even worse, by reducing incentives for reform.**

**Goke 18'**

https://qz.com/africa/1423506/china-africa-debt-us-will-invest-60-billion-overseas-to-beat-chin-at-development/

OPIC is dead. Long live OPIC. In the last few years of US president Obama's administration, there were increasingly loud calls for the government to get rid of the Overseas Private Investment Corporation (OPIC), the development agency which encourages investment by US companies in Africa. **The problem, as the critics saw it, was the four-decades old agency had become "institutionally ill-suited to its mission and harms poor people around the world," said a 2015 paper from CEI, a libertarian Washington DC think tank, which also claimed OPIC projects end up "enriching the politically connected."** With **US president Trump's "America first" mantra it was completely unsurprising when the administration's first budget in 2017 proposed essentially killing off OPIC.** But at the same time, development analysts and DC lobbyists have been pushing the US Congress to reform and improve the country's approach to development finance. In an unexpected turn of events, the reformists won. On Oct. 5, president Trump signed into law the Better Utilization of Investments Leading to Development (BUILD) Act, which does do away with OPIC, but by doubling its budget to $60 billion and giving it a new name, the US International Development Finance Corporation (IDFC).

**Zombrum 18'**

https://yoho.house.gov/media-center/in-the-news/house-sets-vote-on-plan-to-double-funding-for-global-infrastructure

**The U.S. House of Representatives is set to vote this week on a must-pass piece of legislation that includes a provision that would dramatically bolster American funding of global infrastructure and development projects. Legislators have included the "Build Act,"** seen by its supporters as a major step to counter China's growing influence in global development, **in legislation that would reauthorize the Federal Aviation Administration. The legislation is seen as something that must be passed by the end of the month, because it is essential for the operation of the air-travel system and lawmakers are reluctant to pass another short-term extension.** The Build Act would significantly boost the U.S. role in international development by combining several little known government agencies into a new body with authority to extend $60 billion in development financing—more than doubling the cap of the current agency that performs that function. A House GOP aide said the FAA bill would likely come up for a vote on Wednesday. On Monday, Senate Majority Leader Mitch McConnell (R., Ky.) said that the Senate would vote soon on the FAA bill, a step that essentially guarantees the infrastructure-spending measure will become law. The Build Act legislation has been supported by the White House, which is seeking to counter China's ambitions to become the leader of global development finance.

**Bob Corker sponser of the Build Act**

https://www.congress.gov/bill/115th-congress/senate-bill/2463/cosponsors

**Cosponsors: S.2463 — 115th Congress (2017-2018)All Information (Except Text)**

**Sponsor: Sen. Corker, Bob [R-TN] | Cosponsor statistics: 17 current - includes 7 original**

**Bob Corker retires in 2019**

https://www.politico.com/story/2018/02/27/corker-tennessee-senate-retirement-midterms-423573

**en. Bob Corker (R-Tenn.) will not run for reelection after reconsidering his decision last fall to retire, his chief of staff said Tuesday.** After listening to some Tennessee Republicans and GOP senators who were privately urging him to run, the two-term senator and Foreign Relations Committee chairman decided that this will be his last year as a senator, said Todd Womack, Corker's chief of staff. The move ends a period of intense speculation in Tennessee and Washington about Corker's future and avoids what could have been an ugly primary between Corker and Republican Rep. Marsha Blackburn. "He's always believed and served as though he were only going to be in the Senate for two terms," Womack said in an interview. "And he was willing to listen to folks, but he really believes the decision he made in September was the right one and is going to be leaving the Senate at the end of the year."

**Perticone 19'**

https://www.businessinsider.com/washington-gridlock-trump-congress-democrats-2019-5

**Washington is no stranger to gridlock, but mounting investigations into President Trump, paired with a House and Senate at odds are taking it to a whole new level. Trump rejected working on infrastructure with Democrats this week over frustrations with various probes into his administration. As the Democratic controlled House of Representatives and President Donald Trump continue their back and forth, with the White House stonewalling subpoenas and various committees ramping up investigations, Washington is poised to reach a new level of gridlock for the foreseeable future.**House Gridlock in Washington is nothing new, but it was on full display this week when House and Senate Democratic leaders trekked to the White House for a discussion on infrastructure legislation only to be berated by Trump, who has several demands before he'll allow for any movement. Senate Minority Leader Chuck Schumer described the meeting as a set-up. He said Trump rattled off excuses about why infrastructure cannot be accomplished. "He is looking for every excuse, whether it was let's do trade first, or whether it was he's not going to pay for any funding, or whether, today, that there are investigations going on," Schumer said. "Hello, there were investigations going on three weeks ago when we met, and he still met with us." **Trump has accomplished a handful of campaign promises, like tax cuts and the confirmation of two Supreme Court justices, and the building of at least some wall along the United States-Mexico border. But all of those have been accomplished without the need for cooperation from Democrats. The Tax Cuts and Jobs Act made its way to Trump's desk through reconciliation when both chambers of Congress were under Republican control, the judicial confirmations are done solely in the Senate, and building the wall is being accomplished through executive power.** Another big agenda item for **Trump has been getting his USMCA trade deal through Congress,** but Republicans and **Democrats alike are in no rush to consider it, with some even thinking it could be dead on arrival.** As a result, Trump is left with few options, exercising his executive powers as much as he can, ensuring the Senate continues to confirm federal judgeships, and staving off mounting investigations from the House. **The Republican Senate and Democratic House are not inclined to work**

**together Bipartisan work can be done in a divided Congress, but it is rare. The current Democratic House and Republican-led Senate are on opposite ends of the ideological spectrum, while House Republicans are in full-defense mode on behalf of Trump.** For instance, a disaster relief package collapsed on Friday after it overwhelmingly passed the Senate with bipartisan support. The $19.1 billion package fell apart when freshman Republican Rep. Chip Roy of Texas objected to a unanimous consent request. Congress is out of session until June, prolonging the chances of the disaster relief making it to the White House for Trump's signature. **For other legislation, Senate Majority Leader Mitch McConnell has proudly turned his chamber into a "graveyard" for legislation from Democrats**, opting instead to just continue confirming judges at a breakneck pace. **If a Democrat beats Trump in 2020, they might still have to face the toughest obstacle in politics — Mitch McConnell** Meanwhile, more and more Democrats are coming out in favor of impeaching Trump by the day. But Pelosi is still resisting attempts to actually pursue impeachment at all costs, maintaining it would be too divisive and politically dangerous even as momentum grows inside the House Democratic Caucus. "I do think impeachment is a very divisive place to go in our country," Pelosi told reporters in a Thursday press conference, noting that there is still a possibility it could become a reality. "But we're not at that place." Whether she can hold off the Democrats growing angry with Trump's stonewalling of investigations from turning into a mutiny is unclear. But there is still a long way to go until Election Day 2020.

**Hays 18'**

https://www.vice.com/en_us/article/59vaxa/lower-your-already-low-expectations-for-congress-in-2019

But those bills would likely be fairly narrow, and thus less high-profile and sexy, limiting their popular impact. And even passing such relatively constrained legislation will be difficult. The Democratic caucus in the House leans further left than ever before, while many moderate Republicans were defeated in the midterms. That's going to make compromise tricky, both between Democratic factions in the House and between the House and the Senate. Baker points out that bipartisan legislation also depends in part on Trump's ability to reach out to both McConnell and Pelosi, triangulating on issues and bridging divides. The president's recent meeting with Pelosi and Senate Minority Leader Chuck Schumer on a basic government funding package, an acrimonious fiasco, does not bode well for Trump's ability to play that role. **And on top of all that, Democrats may not want to give Trump any noteworthy policy wins in the lead up to the 2020 elections. "The Democrats in Congress know that they can use the president to rile up their base and turn them out in 2020,"** explained Cannon. **"Then Democrats can control maybe both chambers of Congress and the presidency, or at least the House and the presidency." That creates an incentive for Democrats to avoid working with Trump and the Republicans on any issue of importance, sacrificing some of their goals for compromise legislation in the short term.** Instead, Democrats could focus on passing legislation in the House that has no chance of becoming law but will test, as Congressional decision making expert Sean Theriault explained, "what has broad support and what doesn't" among moderate and progressive Democrats. This would tee the party up well for the 2020 elections, and potential single-party rule come 2021. As Cannon points out, this could also have the added bonus of forcing Republicans to block bills that may have widespread popular support, driving wedges between them and constituent

**Cosby of Daily News**

https://www.dailysignal.com/2019/05/22/will-the-build-act-improve-lending-in-poor-countries-and-counter-china-the-jurys-still-out/

During debate over the BUILD Act (Better Utilization of Investments Leading to Development Act)—a bill that would rename and double the size of the Overseas Private Investment Corp.—proponents asserted that it was needed to counter China's aggressive "One Belt, One Road" debt-trap diplomacy initiative that finances infrastructure projects in developing countries. **The question is, will BUILD, passed by Congress last year, counter China? Judging by the Overseas Private Investment Corp.'s recent lending decisions, so far, the answer to that question appears to be "no."** Why? **First, because the majority of the Overseas Private Investment Corp.'s loan portfolio, as of the end of 2018, is still in upper-middle and high-income countries (excluding**

**regional loans). Meanwhile, almost all of the countries that are identified in a March 2018 study by the Center for Global Development as most heavily indebted to China's One Belt, One Road program are low- and lower-middle-income countries** (according to the World Bank's 2019 rankings). Second, although the Overseas Private Investment Corp. did reduce its lending to high-income countries in calendar year 2018**, it continued lending to its traditionally favored sectors (especially financial services and renewable energy)—sectors that are not targeted by Chinese lending.** In fact, **the infrastructure-sector loans favored by China were clearly a lower priority in 2018 for the Overseas Private Investment Corp.** During the debate about **the BUILD Act** in 2018, a Heritage Foundation analysis reported that, **while it would rebrand and double the size of the Overseas Private Investment Corp.** through the creation of the new U.S. International Development Finance Corp., **the BUILD Act would not make sufficiently substantive changes in the Overseas Private Investment Corp.'s focus or operations. Nor would it specifically require that the new Development Finance Corp. counter influence from China's One Belt, One Road initiative.** Likewise, the BUILD Act failed to address concerns about misguided Overseas Private Investment Corp. activities in preceding decades; namely, **that it focused insufficiently on low-income and lower-middle-income countries that truly lacked access to private capital and that the Overseas Private Investment Corp. did not encourage policy reforms that would reduce the demand for its development financing and insurance subsidized by U.S. taxpayers.**

**Cavanna 19'**

https://tnsr.org/2019/07/unlocking-the-gates-of-eurasia-chinas-belt-and-road-initiative-and-its-implications-for-u-s-grand-strategy/

**However, these counter-initiatives may face a number of obstacles**: First, most of them are still in their infancy and are progressing more slowly than Belt and Road. **Second, for all the criticism of China's practices, the West's political and economic interferences and austerity standards have also generated their fair share of controversy among developing countries in the past.** Third, while Western countries' foreign direct investment, which originates mostly from private actors, is much higher in the aggregate, China can more easily use its foreign direct investment for strategic purposes thanks to a much tighter, if imperfect, control over national actors. Fourth, **these countries may have difficulty coordinating their counter-initiatives** because of differing standards, priorities, and underlying strategic objectives. Fifth, domestic economic hardships could stand in the way. While China's share in East Asia's GDP rose from 8 percent to 51 percent between 1990 and 2014, Japan's plunged from 72 percent to 22 percent. Meanwhile, India struggles with poverty, socio-ethnic and religious strife, and security threats.80 Interestingly, the Asia-Africa Growth Corridor proposed by Tokyo and New Delhi remains "abstract … and both governments may be de-emphasizing the idea."81 As for European economies, they are declining and Brussels' Eurasia connectivity plan only offers "an increased fire-power of up to €60 billion" spread out between 2021 and 2027.82 **Finally, America's response is blunted by deep fiscal deficits, a liberal outlook that rejects state interventionism, and the participation of powerful U.S. multinationals in Belt and Road.83**

Parag **Khanna**, 4-30-**2019,** "Washington Is Dismissing China's Belt and Road. That's a Huge Strategic Mistake.," POLITICO Magazine, https://www.politico.com/magazine/story/2019/04/30/washington-is-dismissing-chinas-belt-and-road-thats-a-huge-strategic-mistake-226759

Importantly, influencing BRI from within does not preclude the U.S. from continuing to compete from outside as well. **Last year in Papua New Guinea, for instance, the U.S., Australia, Japan and New Zealand teamed up to win**

**a $1.7 billion contract to build the country's electricity grid over Chinese competitors—even though Papua New Guinea had just joined the BRI.** Such a mature coalition can help structure bankable projects in basket case economies that heretofore only China has paid attention to, and is evidence of just how important the role of Western know-how is in promoting good governance in nations such as Laos, Tajikistan or Djibouti whose debts to China have mounted since joining BRI but who have little ability to stand up to China.

However, these counter-initiatives may face a number of obstacles: First, most of them are still in their infancy and are progressing more slowly than Belt and Road. **Second, for all the criticism of China's practices, the West's political and economic interferences and austerity standards have also generated their fair share of controversy among developing countries in the past.** As such, the appeal of these competing projects should not be overestimated.78 **Third, while Western countries' foreign direct investment, which originates mostly from private actors, is much higher in the aggregate, China can more easily use its foreign direct investment for strategic purposes thanks to a much tighter, if imperfect, control over national actors**.79 Fourth, **these countries may have difficulty coordinating their counter-initiatives because of differing standards, priorities, and underlying strategic objectives.** Fifth, **domestic economic hardships could stand in the way.** While China's share in East Asia's GDP rose from 8 percent to 51 percent between 1990 and 2014, Japan's plunged from 72 percent to 22 percent. Meanwhile, India struggles with poverty, socio-ethnic and religious strife, and security threats.80 Interestingly, the Asia-Africa Growth Corridor proposed by Tokyo and New Delhi remains "abstract … and both governments may be de-emphasizing the idea."81 As for European economies, they are declining and Brussels' Eurasia connectivity plan only offers "an increased fire-power of up to €60 billion" spread out between 2021 and 2027.82 **Finally, America's response is blunted by deep fiscal deficits, a liberal outlook that rejects state interventionism, and the participation of powerful U.S. multinationals in Belt and Road**.83