Zach and I negate.

Our Sole Contention is Spurring Global Development

This happens in **three** ways.

First, Reaffirming Commitments.

According to **Andrews '18 of Stanford University**, the current path of economic growth, while successful, has remained uncertain due to the unpredictability of the Trump Administration. He finds that uncertainty over economic policy has increased by five-times, and will continue to rise for the foreseeable future.

Krol '18 of George Mason University furthers that uncertainty over American economic policy leads businesses and investors to wait rather than act, reducing global commerce.

This spreads across borders, as **Kose '17 of the Brookings Institute** writes that uncertainty over U.S. economic policy reduce investment in foreign nations, decreasing global growth prospects. In fact, **Kose** quantifies that a 10% increase in economic policy uncertainty decreases investment in developing countries by 0.6 percentage points.

Thus, the U.S. must commit to passing and upholding policies that promote economic growth. **Krol** concludes that maintaining a predictable policy environment that promotes economic growth will reduce uncertainty.

Second, Increasing Foreign Investment.

As economic conditions in the U.S. improve, investors and businesses gain more money and confidence to invest in developing countries. As a result, **Kose** finds that a 1% increase in U.S. growth increases investments into developing countries by 2%.

Foreign investment is critical to developing economies. **Loungani of the IMF** explains that it stimulates local businesses, creates new jobs, and increases tax revenue. As a result, workers earn more money, governments fund development programs, and consumers buy cheaper and higher quality goods, increasing the overall quality of life in developing countries.

Third, Expanding Trade.

According to **Arora of Sejong University,** as the U.S. economy grows, American households and businesses buy more from the rest of the world, increasing demand for imported goods.

For example, **the U.S. Chamber of Commerce** observes that companies frequently import raw materials from foreign nations to facilitate more competitive manufacturing.

Because businesses in developing countries must ramp up production to meet the higher demands of the U.S., the **WTO '16** finds that greater export demand creates new high-quality job opportunities in these nations.

In fact, **Banerjee '12 of Harvard University** writes that the diffusion of technology to developing countries allows impoverished regions to develop in ways not previously possible. For example, an

Commented [1]: https://www.gsb.stanford.edu/insights/why-uncertainty-shocks-are-part-trump-era-economy

Commented [2]: https://www.mercatus.org/system/files/krol-economic-uncertainty-mercatus-research-v1.pdf

Commented [3]: https://cama.crawford.anu.edu.au/sites/default/files/publication/cama_crawford_anu_edu_au/2017-02/13_2017_kose_lakatos_ohnsorge_stocker.pdf

Commented [4]: defs think this is the move in terms of what to collapse on

Commented [5]: this is not the move

Commented [6]: https://www.imf.org/external/pubs/ft/fandd/2001/06/loungani.htm

Commented [7]: https://www.uschamber.com/international/international-policy/benefits-international-trade

Commented [8]: https://www.upscsuccess.com/sites/default/files/documents/poor%20economics.pdf increase in the availability of cell phones in the developing world enables banks to provide affordable loans to entrepreneurs, and for people to easily send fee-free remittances to their family members.

All three of these reasons are why **Kose** finds that a 1% increase in U.S. economic growth increases growth in developing countries by 0.6%.

While economic exchange between developed and developing countries has cut global poverty in half, **Collier of Oxford University** finds that one billion people are still in absolute poverty worldwide. And ML '18 quantifies that 18 million people die annually as a direct consequence of poverty.

Luckily, sustained economic growth will continue to decrease poverty and improve the quality of life in the developing world in 2 ways.
First, Hunger

Ferrara '12 of Harvard University writes that economic growth provides the resources and technological advancements to drastically improve living standards and sanitation, preventing disease and increasing lifespans.

While 9.1 million people die of starvation every year, **Ferrara** explains that as the economy grows, producers and farmers have more money to produce more food, increasing food security, and empirically reducing malnourishment.

Second, Education

Even more so, **The OECD** explains that as the economy grows, children no longer need to work to support their families and, thus, can more reliably attend school, which is critical, because **Patrinos '16 of the World Bank** finds that while every year of schooling increases future earnings by 10%, more than 200 million people are illiterate worldwide.

Overall, The benefits of poverty reduction extend across generations. As people are pulled out of poverty, they spend and make more-- in turn, fueling more growth and more poverty reduction. Thus, **Yong '14 of the World Bank** finds that, with continued promotion of global economic growth, we will see an end to extreme global poverty in our lifetimes.

America must not stray away from economic growth as a primary objective. **Banerjee** concludes that economic disruptions in developed countries severely affect the developing world: even a small drop in economic activity will destroy small businesses, cut jobs, and slash government budgets for schools, health care, and relief programs.

Thus, we negate.

Weighing Overview

Commented [9]: https://www.economist.com/the-economist-explains/2013/06/02/how-did-the-global-poverty-rate-halve-in-20-years

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Neg overview Two reasons that poverty is the biggest impact–

1. **The first is magnitude. The ML quantifies that 18 million people die annually due to poverty, because they literally cannot afford food and water and basic human rights, which is why the Borgen Project specifies poverty as the biggest killer in the developing world. Literally no other impact they could give is going to outweigh this in terms of the irreversibility of the lives lost.**
2. **The second is scope. One billion people around the world are in poverty according to the Collier evidence in case which is the biggest impact in the round.**

If you believe that poverty in developing countries is the biggest impact, then you will always negate, because the Yong evidence from case finds that with promotion of global economic growth, we will see an end to extreme global poverty in our lifetimes, so even if they win their case, we still outweigh and you're still going to be negating.

AT: Growth Only Benefits the Rich

Two responses.

1. vEmpirically false -- Moreau of the IEDM analyzes empirically in 2018 and concludes that looking at 58 countries, found that 10% annual GDP growth is associated with a 10% increase in the incomes of the bottom 40%. Overall, maybe in the US, growth only benefits the rich, but for the poor in other countries, growth benefits everyone.
2. We would say this is probably more of a consequence of capitalism than anything else – in any capitalist country, the growth is going to disproportionately benefit the richest, but that's not a reason to not bring people out of extreme poverty, it is better for them to be out of poverty and able to afford food and water rather than in cycles of poverty forever.

https://www.iedm.org/77398-oxfam-wrong-economic-growth-also-benefits-poor <%22>

AT: Growth Bad for Environment

Two responses.

1. In making this argument, they are essentially saying that the environment matters more than poverty, but two reasons that poverty outweighs small environmental harms.
    a. First, poverty is a more short term impact. What we argue is that when people in developing countries fall into cycles of poverty, they become unable to afford food and shelter and clothes and basic human rights and as a result, they die. Even if their entire environmental turn is true, it doesn't matter because the environment only sees harms manifest in decades, whereas the people in poverty will die by that time if we don't do something.
    b. Second, poverty outweighs on magnitude. The super small environmental harms that we see as a result of the environment don't really matter because no matter what the environment is already in rough shape. The UN explains four days ago that the effects of climate change we have seen so far are irreversible. No matter what, climate change

is going to happen. But affirming helps at least take people out of poverty and makes their lives exponentially better for the years that they are alive.

2. Turn the argument: growth actually helps the environment. Anderson of PERC writes that growth increases technological innovation, which is good because that increase in innovation helps for an increase in efficiency of energy use, on net decreasing energy usage.

https://oceanleadership.org/effects-climate-change-irreversible-u-n-panel-warns-report/

https://www.perc.org/2004/07/01/why-economic-growth-is-good-for-the-environment/

AT: FDI Bad

1. Foreign direct investment decreases poverty. **Weiser of the University of Vienna 2011** finds that every 10% increase in FDI decreases poverty by 7.6%. By creating a spillover of knowledge and technology, investment from multinational corporations fosters growth into developing countries.
2. Foreign companies invest directly into poorer areas to spread their services. **Klein of Tufts University 2001** explains that to expand their service network, foreign investment often goes to infrastructure and improving access to things like telecommunications, electricity, and water, which helps millions of poor households
3. Turn; **Klein et al** gives 6 reasons why FDI actually significantly benefit the economy and living conditions of a country.
    a. By upgrading human capital, FDI most effectively transfers economic practices across borders, catalyzing economic growth. Thankfully, they further that growth is the most important factor in poverty reduction, and FDI is thus central to reducing poverty.
    b. FDI reduces shocks to the poor which result from financial instability.
    c. FDI promotes corporate governance, particularly improving equality of property rights distribution.
    d. Because foreign investors are concerned about high market standards, FDI increases labor and environmental standards.
    e. FDI increases taxes that support the development of a safety net for the poor. And

f. foreign investors invest substantially in community development and improve the social safety net of areas in which they invest.

Cards:

Foreign direct investment provides access to things like telecommunications, electricity, and water which improves services for millions of poor households (Michael Klein – Tufts University)

Michael **Klein** (Tufts University). Foreign Direct Investment and Poverty Reduction. Accessed 11/27/2016. Published 2001.

(Christina **Wieser** – University of Vienna)

Christina Wieser (University of Vienna). Trade, Growth and Poverty Reduction.. Accessed 11/27/2016. Published 2011. https://www.gtap.agecon.purdue.edu/resources/download/5717.pdf.

Another question concerning poverty reduction asks whether openness to the world economy contributes to reductions in poverty. In particular, the higher the degree of openness of developing countries, the lower is the poverty rate. As empirical evidence reveals, variables for openness to the world economy, such as exports and trade as a percentage of GDP do indeed reduce poverty. Thus, an increase in exports and trade of one percent of GDP decreases poverty by 0.17 (t=-3.04, p=0.003) and 0.08 (t=-2.87, p=0.004) percent respectively (see table 5). However, the contribution to poverty reduction, particularly for trade is rather small. It is assumed that FDIs contribute to poverty reduction because investments of multinational corporations in developing countries contribute to knowledge and technology spillovers. The answer is yes, **FDI inflows allow for the adoption of more advanced technology and know-how in developing countries. A one [10] percent increase in FDI net inflows as a percentage of GDP decreases poverty by 0.76 [7.6] percent (t=-2.09, p=0.037) (see table 5).** Private sector composition is expected to contribute to poverty reduction. In particular, growth in labor-intensive industries, and thus value added as percentage of GDP contributed to the financial, agricultural, manufacturing or service sector is expected to have a great effect on poverty reduction. As table 5 reveals, data do not show a significant contribution of either the financial, manufacturing or service sector to poverty reduction. Only the agricultural sector shows significant results (at a ten percent significance level), however, the relationship of agriculture on poverty changes is not as expected. An increase of one percent of agriculture value added increases poverty by 0.15 (t=1.94, p=0.054) percent. The assumption that development in the agricultural sector is assumed particularly beneficial to reductions in poverty because increases in productivity increase agricultural yields and reduces poverty is not verified. This might seem somewhat surprising; however, an endogeneity issue with agriculture value added arises. As stated, economies go through different stages of development, from agrarian to industrial. The further away from an agrarian structure they are, the lower the poverty level. However, the more people work in agriculture and therefore the higher the value added as a percentage of GDP, the higher the level of poverty.

Klein, Michael, et al. "Foreign Direct Investment and Poverty Reduction." Semantic Scholar, 30 June **2001**, https://pdfs.semanticscholar.org/f726/718f6e33fc2a4a9a0e1b13086db4c56e2add.pdf // RM

FDI, growth and poverty reduction. In a nutshell, this paper argues that **FDI is a key ingredient for successful economic growth in developing countries.** This is **because the very essence of economic development is the rapid and efficient transfer and adoption of "best practice" across borders. FDI is particularly well suited to effect this and translate it into broad-based growth, not least by upgrading human capital. As growth is the singlemost important factor affecting poverty reduction, FDI is central to achieving that goal.** FDI and the quality of growth. Beyond promoting growth, **FDI has other** potentially **desirable features that affect the quality of growth and assist with poverty reduction. First, it helps reduce adverse shocks to the poor resulting from financial instability** as during the recent Asian crisis. Second, relative to other forms of promoting private sector investment **FDI helps improve corporate governance. In particular, it is not easily subject to asset stripping that**

may render property rights distribution more unequal. Third, contrary to popular criticism **FDI can help improve environmental and labor standards, because foreign investors tend to be concerned about reputation in markets, where high standards are seen as desirable**. Finally, **FDI generates taxes that support the development of a safety net for the poor**. Many **foreign investors also invest substantially in community development in areas where they operate and thus in the safety net for the particular area. Very importantly FDI can help improve the management of the social safety net, particularly service delivery to the poor, for example, water supply.**

Banjeree

No Author,xx-xx-xxxx, No Publication,

https://www.upscsuccess.com/sites/default/files/documents/poor%20economics.pdf, //ZS

Third, there are good reasons that some markets are missing for the poor, or that the poor face unfavorable prices in them. The poor get a negative interest rate from their savings accounts (if they are lucky enough to have an account) and pay exorbitant rates on their loans (if they can get one) because handling even a small quantity of money entails a fixed cost. The market for health insurance for the poor has not developed, despite the devastating effects of serious health problems in their lives because the limited insurance options that can be sustained in the market (catastrophic health insurance, formulaic weather insurance) are not what the poor want. In some cases**, a technological or an institutional innovation may allow a market to develop where it was missing**. This happened in the case of 488/591 microcredit, which made small loans at more affordable rates available to millions of poor people, although perhaps not the poorest. **Electronic money transfer systems (using cell phone**s and the like) and unique identification for individuals may **radically cut the cost of providing savings and remittance services to the poor over the next few years**. But we also have to recognize that in some cases, the conditions for a market to emerge on its own are simply not there. In such cases, governments should step in to support the market to provide the necessary conditions, or failing