# Marist SV – Kentucky Aff v1

#### Resolved: The European Union should join the Belt and Road Initiative.

#### Sophie and I affirm and

## Our First Contention is: Resetting Multilateralism

#### Recent G7 meetings prove multilateralism is at an all-time low because of Trump’s actions and now is the time to reset it– Jeff Mason wrote in late August that:

Jeff Mason, 8-25-2019, "Beneath show of bonhomie, rifts emerge between Trump and Western...," U.S., https://www.reuters.com/article/us-g7-summit-leaders/beneath-show-of-bonhomie-rifts-emerge-between-trump-and-western-allies-at-g7-summit-idUSKCN1VE0VM, Date Accessed 8-25-2019 // JM

Underlining the multilateral discord even before the summit got underway, Trump threatened the meeting’s host, saying Washington would tax French wine “like they’ve never seen before” unless Paris dropped a digital tax on U.S. technology companies. Leaping into the fray, European Council President Donald Tusk, who takes part in the G7 discussions, warned the EU would respond “in kind” if Trump acted on his threat. “This may be the last moment to restore our political community,” Tusk told reporters on Saturday, giving a bleak assessment of Western relations. Looking to broaden the scope of the debate, French President Emmanuel Macron has invited several African leaders to discuss problems facing their continent, while leaders from India, Australia, Chile and Spain are due to attend a dinner on Sunday where the focus will be on the environment and other issues. However, senior U.S. officials accused Macron of looking “to fracture the G7” by focusing on “niche issues” rather than major global concerns. France denied this, pointing to Sunday’s initial session covering the economy, trade and security - areas that used to draw easy consensus but are now sources of great friction. Trump up-ended last year’s G7 meeting in Canada, walking out early and disassociating himself from the final communique.

#### Thankfully the EU joining the BRI as a bloc forces a reset on multilateralism. Sam Natapoff writes that

Sam Natapoff, 5-4-2019, "China’s belt and road initiative shows how China and the U.S. are swapping roles in global trade," Salon, https://www.salon.com/2019/05/04/chinas-belt-and-road-initiative-shows-how-china-and-the-u-s-are-swapping-roles-in-global-trade/, Date Accessed 8-25-2019 // JMNatapoff

As with many international policy areas, the BRI is forcing countries to choose sides between China and the United States. Given the considerable material benefits on offer, some traditional U.S. allies, such as [Italy](https://www.realclearworld.com/articles/2019/03/18/italy_signs_up_for_the_belt_and_road_initiative_112988.html) and [Britain](https://www.salon.com/2019/03/09/britain-is-rethinking-all-of-its-foreign-ties-not-simply-with-europe/), have been moving rapidly toward China and [over half the 28 members of the EU](https://www.ft.com/content/b10359ce-669f-11e9-9adc-98bf1d35a056) have signed bilateral endorsements of the BRI. The U.S. has taken several steps to address the BRI as a threat since it attended the first BRF in May 2017. Assistant Secretary of Defense for Asian and Pacific Security Affairs [Randall Schriver](https://www.scmp.com/news/china/article/3007504/united-states-under-trump-veering-away-chinas-belt-and-road) noted the Administration is “[seeing] the results of the Belt and Road Initiative, the predatory economics associated with it.” Concerned that China was wooing states away from U.S. influence, the United States began to put money on the table, with Secretary of State Mike Pompeo announcing a [$113 million infrastructure development program for the Indo-Pacific region](https://www.scmp.com/news/china/article/3007504/united-states-under-trump-veering-away-chinas-belt-and-road). In October 2018, Congress passed and President Trump signed into law the [Better Utilisation of Investment Leading to Development Act](https://www.opic.gov/build-act/overview), which consolidated the Overseas Private Investment Corporation (OPIC), a federal agency focused on development finance, into a new entity with investment capital of $60 billion, or twenty times less than the BRI will eventually deploy. Ironically, Xi’s BRI success over the past six years has forced President Trump partially back into the multilateral game. The BRI drove the U.S. to sign two agreements, one with Japan and Australia in 2018 and one on April 25, 2019 (the BRF’s first day) with Canada and the EU. Both agreements offer development financing to emerging countries that is a “robust alternative” to [“unsustainable state-led models](https://www.scmp.com/news/world/united-states-canada/article/3005798/us-canada-and-eu-offer-robust-alternative-state-led)”, a clear BRI reference. OPIC’s acting president David Bohigian stated that in these agreements the U.S. was committed to offering development finance according to five principles, which included host nation sovereignty, environmental protection, local job creation, transparency, and ensuring each project is long-lasting. [“We’re trying to hold up an example for the world of the way that development finance should work](https://www.scmp.com/news/world/united-states-canada/article/3005798/us-canada-and-eu-offer-robust-alternative-state-led),” he said. Finally, the [U.S. State Department](https://www.wsj.com/articles/u-s-goes-on-the-offensive-against-chinas-empire-building-megaplan-11554809402?mod=article_inline) has quietly provided teams of economists, lawyers, and accountants to BRI countries negotiating with China over BRI projects and funding. These U.S. professionals assist the country in question to press China for less onerous loan terms and highlight areas where the Chinese offerings are too demanding. In 2018, Myanmar pushed back on a Chinese multibillion-dollar loan package for a deepwater port in their country, insisting that the port did not need to be so large, and thereby reducing the Myanmar government’s debt burden. Myanmar was able to do so confidently because [U.S. AID](https://www.wsj.com/articles/u-s-goes-on-the-offensive-against-chinas-empire-building-megaplan-11554809402?mod=article_inline) provided a group of technical service professionals who were able to question the structure and the demands of the project and bring it in line with Myanmar’s domestic needs, instead of the Chinese lender’s preferences.

#### Empirically, Natapoff explains that:

Sam Natapoff, 5-4-2019, "China’s belt and road initiative shows how China and the U.S. are swapping roles in global trade," Salon, https://www.salon.com/2019/05/04/chinas-belt-and-road-initiative-shows-how-china-and-the-u-s-are-swapping-roles-in-global-trade/, Date Accessed 8-25-2019 // JM

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#### Wess Mitchell writes in 2018 that a reset of multilateralism ensures that similar agreements:

Wess Mitchell, 10-18-18, "Winning the Competition for Influence in Central and Eastern Europe: US Assistant Secretary of State A. Wess Mitchell," https://www.atlanticcouncil.org/news/transcripts/winning-the-competition-for-influence-in-central-and-eastern-europe-us-assistant-secretary-of-state-a-wess-mitchell, Date Accessed 8-25-2019 // WS

Winning the competition for influence also requires us to up our game in commercial engagement. For China and Russia, promoting commerce is an integral part of diplomacy. China’s Belt Road Initiative seeks long-term influence by buying infrastructure, often with financial backing from the state. To a much greater extent than in the recent past, the United States must treat the promotion of U.S. business as inextricably linked to the future of our nation’s strength and influence abroad. To that end, the Trump Administration, in support of the Bipartisan Build Act, is restructuring the Overseas Private Investment Corporation so that it has the authority and resources to offer countries viable private sector alternatives to Chinese financing. Working with Congress, we will double the existing portfolio capacity of OPIC from $29 billion to $60 billion, allowing America to go toe-to-toe with major rivals in vulnerable regions like Central and Eastern Europe. In tandem, we are strengthening America’s public diplomacy in Central Europe. One of America’s greatest competitive advantages against authoritarian rivals is our story, our legacy as a democratic, generous, and entrepreneurial people. In Central Europe we have many natural friends and a shared history of fighting tyranny that goes back to the time of the American Revolution. To commemorate the 30th anniversary of the fall of communism, we will launch a year-long program of events, outreach and increased youth exchanges across Central and Eastern Europe and Germany to remind our friends of the shared history and ideals that unite the West.

#### Supercharging development increases the value of every dollar invested – in fact, Rick Beckett quantifies in 2017 that, with just $50 million dollars in investment, this investment

Rick Beckett, 4-26-2017, "Expanding OPIC is Good for America and the World," ImpactAlpha, https://impactalpha.com/expanding-opic-is-good-for-america-and-the-world-775de22193/, Date Accessed 8-23-2019 // WS

We at Global Partnerships know OPIC well. Since 2006, OPIC has invested more than $50 million in five of GP’s impact-led investment funds. OPIC’s participation has been instrumental in catalyzing more than $80 million in capital from other Fund investors. These GP funds have successfully expanded opportunity for more than 5 million people living in poverty in countries throughout Latin America and Sub Saharan Africa. That means impoverished women gain access to credit and business education that empower them to build small businesses, earn a living, and provide for their families. It means subsistence farmers gain access to the farm inputs and technical assistance that they need to grow more food and increase their income. It means poor families living without electricity are able to stop burning dirty kerosene and gain access to clean, solar light. It’s smart, sustainable global development. And the world needs more of it.

## Our Second Contention is revitalizing the EU economy

#### The EU economy is plunging toward a recession as Chen Yingqun indicated last week that:

Chen Yingqun, 8-28-2019, “Europe may face economic setbacks,” <https://www.hellenicshippingnews.com/europe-may-face-economic-setbacks/>, Date Accessed 8-30-2019 // JM

Europe is edging toward a crisis, as several of its largest economies face recession or a political crisis, analysts have said. Germany, the largest economy in Europe, is losing momentum. Italy’s debt crisis is being made worse by political uncertainty, and the United Kingdom is likely to leave the European Union without a deal. “These [as all of their] major economies in Europe are all distracted by their own problems, which is likely to lead Europe’s economy to go through another round of recession, as there are not yet effective policies in these countries to stimulate growth,” said Qu Qiang, assistant director of the International Monetary Institute of Renmin University of China. With various kinds of fiscal and currency instruments that could be used to stimulate the economy, European’s recession will not erupt dramatically, but it is still likely to happen bit by bit, based on the current data, he said. Germany’s central bank, the Bundesbank, warned on Aug 19 that county could enter a recession in the third quarter, due to the falling industrial production and orders affected by the international trade tensions. “The German economy is likely to remain weak in the summer of 2019,” the Bundesbank said in a gloomy economic report, adding that the “overall economic output could decline slightly again”. Chen Fengying, a senior researcher in the world economy at the China Institutes of Contemporary International Relations, said that Germany’s manufacturing sector had helped neighboring countries get out of trouble when a debt crisis hit the eurozone nearly a decade ago. But after more than a decade’s growth, Germany’s manufacturing sector is challenged by the sluggish international economic environment and the trade tensions initiated by the United States, she said. “Germany’s economy is on the verge of recession, which means that Europe is losing its engine for growth,” she said. “So there is a reason to believe that Europe will experience a hard time.” Italian Prime Minister Giuseppe Conte resigned on Aug 20 after lashing out at his Interior Minister Matteo Salvini for pursuing his own interests and thus damaging the coalition government. Salvini, leader of the far-right League party, pulling the plug on a coalition with the anti-establishment 5-Star Movement earlier this month and called for elections. “The uncertainty about who will become the new leader of Italy will alarm international investors and is worsening its economy,” Chen said. In the United Kingdom, its economy contracted for the first time since 2012, due to the Brexit chaos. British Prime Minister Boris Johnson said on Aug 22 that the UK “must leave the EU on October 31, deal or no deal”. British GDP contracted by 0.2 percent in the second quarter of 2019 compared with the first quarter, according to figures released by the Office for National Statistics of UK. Chen said that currently, the whole world’s economy is undergoing transformation. Major economies are slowing down and the US and Europe “will be no exception”, Chen said. However, political groups supportive of European integration prevailed in recent European Parliament elections. That means European countries will seek cooperation, rather than making more divisions, to solve their problems, she said. “The incoming head of the European Central Bank, Christine Lagarde, who gained rich experience as managing director of the International Monetary Fund, will also be efficient in helping European countries reach consensus over key issues,” she said. She added that some European countries, for example, Spain and Portugal, are experiencing brisk growth, driven by tourism and other factors, which might help offset the weak performance of some major economies. Qu said that a common problem that the major European economies face are aging populations and generous welfare system. An aging population means that there will be fewer workers to make innovations and to create wealth, as well as lower consumption. The result could be a stagnant economy. Welfare states require high public expenditure. “When an economy slows down and the public expenditure still increases, the economic situation will not be sustainable,” he said. “European countries will have to make changes.”

#### This has a massive impact, since the EU’s economy is interconnected across the globe through an array of trade agreements, an EU recession would inherently affect many other nations as John Maulding writes in 2018 that

John Mauldin, 12-8-2018, "Why Europe Has No Control Over Its Future," Forbes, https://www.forbes.com/sites/johnmauldin/2019/01/22/why-europe-has-no-control-over-its-future/, Date Accessed 7-25-2019 // WS

If Europe goes into recession, it will have a profound impact on the world and the U.S. For those reasons, paying attention to Europe is critical in 2019. Something wicked is coming. And we may see far more yellow vests or their equivalent all over the world before this is over. I see significant potential for global recession that will bleed over into the U.S. market. A few unforced errors from the Fed or U.S. government could speed up the process.

#### The impact of preventing this recession is massive as Harry Bradford writes that the next

Harry Bradford, 4-5-2013, "Three Times The Population Of The U.S. Is At Risk Of Falling Into Poverty," HuffPost, <span class="skimlinks-unlinked">https://www.huffpost.com/entry/global-poverty-900-million-economic-shock\_n\_3022420</span>, Date Accessed 7-28-2019 // WS

Economic Shock Could Throw 900 Million People Into Poverty, IMF Study Warns A recent study by the International Monetary Fund warns that [as many as 900 million people could fall back into poverty](http://www.imf.org/external/np/pp/eng/2013/031413.pdf) in the event of an economic shock like the Great Recession. That figure is three times the size of the U.S. population

#### Thankfully the EU joining the BRI allows the EU to weather the economic storm in two ways. First is through increased trade. The BRI aims to create new railway connections between China and the EU. This will drastically reduce trade times by moving large amounts of trade from sea to land as Alessia Amighini quantifies in 2018 that the new connections will reduce travel times by 53% on average

Amighini 18 Alessia A. Amighini [University of Piemonte Orientale, Vercelli, Italy; and Catholic University of Milan, Milano, Italy], 2-3-2018, "Beyond Ports and Transport Infrastructure: The Geo-Economic Impact of the BRI on the European Union," SpringerLink, <https://link-springer-com.proxy.swarthmore.edu/chapter/10.1007/978-981-10-7116-4_14> //WS

What has been partly overlooked in the design of the EU TEN -T corridors—whose aim is mainly to improve connectivity within the European Union—is the likely impact of the future transport network on the external economic and trade relations of the Union. Although around two thirds of EU trade is intra-EU, that is, trade flows among member states, the share of extra-EU trade is increasing in both directions, with neighbouring countries and faraway countries alike. This means that future goods trade and economic relations with EU partners will also depend on the efficiency of the transport network linking member states with its major trade partners. China is the European Union’s main import partner (providing 17.6% of total EU imports) and the second largest export partner after the United States (accounting for 9.3% of total EU exports). Almost all EU exports to China (96.4% of total value) travel by sea. Similarly, the European Union is China’s main import partner, accounting for 12.5% of total Chinese imports, and the second largest export partner after the United States, as the destination for 15.6% of Chinese exports. The vast majority of these exports (92.3% of the total value) travel by sea, leaving very little to air, rail and road transport. Although seaborne trade is by far more convenient than any other mode of transport, some major trade routes are inefficient, most notably the routes of EU-China trade. As the two world largest trading nations, the European Union and China share a common interest in reducing the transport costs of shipping their goods abroad, an important part of which is accounted for by time-to-destination. [this has resulted in] Transportation costs of bilateral China-Europe trade are [being] significantly higher than the world’s average. The average shipping time from China to European partners is 730 hours, 20% more than China’s average shipping time (about 610 hours, which is much longer than the world average of 406 hours). Switching to railway transport has great potential for saving transport time: according to data provided by GEFCO, infrastructure construction would reduce railroad travel time from China to Europe to 16–21 days (depending on departure and arrival location), compared to 37–45 days for sea freight, port to port.4 This explains why in some high-tech sectors (such as electronics) international freight forwarding agencies are already switching to railroad, for example, Hewlett-Packard is planning to rely solely on railway transport by 2017 for shipping its made-in-China PCs to Europe. This runs counter to recent trends and near-future expectations, and has prompted shipping agencies and major port authorities to redesign sea lanes to reduce shipping times and improve the interconnectedness between the ports and the inland railway network.  However, switching to railway transportation entails a trade-off between time and cost. In fact, China’s average cost of shipping by sea to European countries is only US$922 for a 40-foot container, about half as much as China’s average shipping cost, while railway transport is three times as expensive as maritime transport (DB Schenker 2012). Given that it can lead to a large decrease in transit times and the fact that technology now allows for a reduction in railroad costs, BRI has the potential to become a game changer in international trade by moving large volumes of commerce from sea to land lanes. Formulating scenarios is not easy, however, as it is widely acknowledged that in choosing among alternative modes, firms consider predictability in transport costs a valuable feature. Therefore, a further element that can affect the trade-off between cost and time in different transport modes is the high volatility of sea freight rates compared to rail tariffs. This is because sea freight rates depend on the overall trade volumes much more than rail tariffs, which is why sea freight rates volatility has increased dramatically since the beginning of the world trade slowdown associated with the economic crisis since 2009. Although there is still no precise information about the cross-border infrastructure projects financed under the BRI, it is quite evident from the progress made so far that most of them aim to increase the prospects for land connectivity between China and Europe. This is why an important goal of the projects funded within the BRI is trimming average travel times: documents must include statistics on the reduction in travel time and cost expected from project completion.

#### Matteo Bressan quantifies this year that as a result of these new and improved trade routes

Matteo Bressan, 3-4-19, "Opportunities and challenges for BRI in Europe-Belt and Road Portal," No Publication, https://eng.yidaiyilu.gov.cn/ghsl/wksl/84696.htm, Date Accessed 7-6-2019 // WS

Although lagging other countries, Italy is playing a leading role in the China-proposed Belt and Road Initiative (BRI), the first G7 nation to have signed a memorandum of understanding on cooperation within the BRI framework. For Italy, the Chinese market remains a strategic target. Current Italian exports to China amount to about 13 billion euros ($14.6 billion). Italy also aims to seize the opportunities that will emerge in other countries involved in the BRI, implementing know-how in Africa and the Balkans by means of trilateral cooperation. According to estimates, the BRI could increase global trade of the EU by up to 6 percent, and of Italy by up to 7 percent. This is particularly the case if trans-Eurasian rail corridors are further modernized (container transportation). Fully fledged participation in the BRI (if salient connectivity projects are completed) may contribute to overcoming the region's traditionally peripheral economic position in Europe.

#### This trade is important for economic growth as The World Bank finds that Countries that trade more

The World Bank, 4-3-2018, "Stronger Open Trade Policies Enable Economic Growth for All," World Bank, https://www.worldbank.org/en/results/2018/04/03/stronger-open-trade-policies-enables-economic-growth-for-all, Date Accessed 8-14-2019 // WS

Trade is central to ending global poverty. Countries that are open to international trade tend to grow faster, innovate, improve productivity and provide higher income and more opportunities to their people. Open trade also benefits lower-income households by offering consumers more affordable goods and services. Integrating with the world economy through trade and global value chains helps drive economic growth and reduce poverty—locally and globally. The WBG’s engagements in countries including Bosnia and Herzegovina, Macedonia, and Indonesia have made trade across borders easier, made logistics services more reliable, and streamlined procedures for clearing customs. These projects and others help create a global trading system that is more open, reliable and predictable for all

#### Second is through Science diplomacy. Eshan Masood writes in May that Science Diplomacy or the spread of

Ehsan Masood, 5-1-2019, "How China is redrawing the map of world science," No Publication, https://www.nature.com/immersive/d41586-019-01124-7/index.html, Date Accessed 8-28-2019 // JM

Xi and other Chinese leaders see science as a central element in building bridges with other countries and Bai Chunli, president of CAS, emphasized that point last year in the Bulletin of the Chinese Academy of Sciences (CAS Bulletin). “Science, technology and innovation are the core driving force for the BRI development,” he wrote. For the past six months, Nature has been travelling to countries participating in the BRI. From Beijing to Islamabad, Colombo to Nairobi to Lima, we are exploring in a series of five articles over the next two weeks how China is transforming the world of science. China’s universities — along with a vast network of CAS institutes — are fanning out across the globe. They are offering scientific assistance and signing collaborative agreements on a scale not seen since the United States and the former Soviet Union vied with each other to fund researchers in allied nations during the cold war. On 19 April, Bai announced that CAS has invested more than 1.8 billion yuan (almost US$268 million) in science and technology projects as part of the BRI. In Sri Lanka, China is co-funding [a centre focused on safe drinking water](https://www.nature.com/articles/d41586-019-01125-6) and supporting investigations into a kidney-disease crisis in the country’s rural population. In Pakistan, it is co-sponsoring a range of research centres that are studying topics from rice agriculture to artificial intelligence and railway engineering. In the heart of the European Union, a Chinese–Belgian science park provides homes for companies trying to expand trade in medical devices, solar power and other technologies. And in South America, China has partnered with Chile and Argentina on astronomical centres and has gained access to some of the best observatories in the world. In total, the scientific side of the BRI involves tens of thousands of researchers and students, and hundreds of universities. There are few regions of the developing world where China’s scientific outreach does not have a footprint. This marks a profound shift in where low- and middle-income countries are drawing scientific support — a sphere in which China is emerging as a competitor to the United States, Japan and the wealthier European nations. And as China rises as a science-development superpower, it brings a different perspective from those of other leading science nations. First, there is the concept of win–win that pervades all BRI projects, says Theresa Fallon, director of the Centre for Russia Europe Asia Studies in Brussels. Every major investment brings benefits not only to the host country but also to China, which is hoping to gain both scientifically and economically from the ventures. Another difference is that China sees itself as a more appropriate partner for poorer nations because it still recalls what it was like to be poor, says Li Yin, deputy director of CAS’s international cooperation department in Beijing. China’s approach through the BRI has earned it many fans in countries where it has invested, including Sri Lanka’s President Maithripala Sirisena and Pakistan’s Prime Minister Imran Khan. Khan said in his victory speech last year that he’s keen to learn how China went from being a poor country to an emerging superpower. But there’s another view of China’s scientific rise — the narrative that low- and middle-income countries are sleepwalking into the arms of an authoritarian and neocolonial state, and that everything else, including technology agreements and research alliances, are part of that trajectory. In this narrative, struggling nations are sagging under billions of dollars of debt to China and are giving away the keys to untold amounts of economically valuable and sensitive resources — from oceanic-current readings to biological samples to next-generation communication systems. Another concern is that China is only now beginning to acknowledge the environmental harm that BRI projects could cause as they pave routes through ecologically fragile habitats in Pakistan’s northern mountains and other regions, and dam up rivers across southeast Asia and South America. From a science perspective, the overall goal of the BRI is clear — to restore China’s place as one of the world’s great civilizations, and that includes being seen by all other nations as a source of scientific power, too. But Christopher Cullen, a historian of Chinese science at the Needham Institute in Cambridge, UK, says it is too early to say how China’s dealings with other countries will evolve.

#### Since the BRI intertwines the EU and China through economic and social connections, Robert Tijssen writes in 2019 that the BRI:

Robert Tijssen, 1-11-2019, "China's Belt and Road Initiative finds new research partners in Europe," No Publication, https://www.natureindex.com/news-blog/chinas-belt-and-road-initiative-finds-new-research-partners-in-europe, Date Accessed 8-28-2019 // WS

[China](https://www.natureindex.com/country-outputs/China) is pouring billions of dollars into establishing land and sea routes to Europe, eastern Africa and the rest of Asia, in what President Xi Jinping has called a rebirth of the ancient Silk Road. The mega-infrastructure project, known as the New Silk Road, or the Belt and Road Initiative (BRI), is revitalizing China’s economic and political ties with countries across the region. But, it is also redefining its research connections with those nations, including in Europe. Here are some early insights into how the Belt and Road is transforming China’s higher-education partnerships and research collaborations in Europe, based on a multi-annual international research project launched in 2018: [The New Silk Road: Implications for higher education and research cooperation between China and Europe](https://www.uu.nl/en/organisation/centre-for-global-challenges/projects/the-new-silk-road). BRI builds on decades of scientific cooperation, which emerged following the adoption of economic reforms introduced by the former leader, Deng Xiaoping, along with the open-door policy. Cooperation was also fostered by the first National Science Conference in 1978 to promote research interactions between China and foreign counterparts. In 1982, the State Council established the China Science and Technology Exchange Centre to link local industry and research communities with their foreign counterparts. The first cooperation agreement between China and the [European Commission](https://www.natureindex.com/institution-outputs/belgium/european-commission-ec/52e85f52140ba0020a000000) was signed in 1998. While these policies have long been focussed on bolstering China’s own science system, which had significantly weakened under former premier, Mao Zedong, BRI provides a new context. China is positioning itself as a regional leader and a more equal partner for Europe in a specific range of science and technology fields. And it has the funds and output to prove it. The country has made headway in the area of artificial intelligence, and recently became the first nation to [land a probe on the far side of the moon](https://www.nature.com/articles/d41586-018-07796-x). The expanding trade routes have especially spurred scientific partnerships between China and smaller European nations, such as [Latvia](https://www.natureindex.com/country-outputs/Latvia). New incentives and growth prospects are unfolding, especially since the announcement in 2013 of the Belt and Road Initiative. The government has committed between US$150 billion and US$1 trillion to the project, to build bridges, freeways, pipelines, rails and ports from Piraeus, [Greece](https://www.natureindex.com/country-outputs/Greece) to Ulaanbaatar, [Mongolia](https://www.natureindex.com/country-outputs/Mongolia). Higher education cooperation was introduced to the Belt and Road agenda at the Euro-Asia Economic Forum 2015 in Xi’an. Leading Chinese universities were encouraged and funded to establish Belt and Road Institutes, think tanks, and conferences to explore new alliances inspired by the initiative. A prominent example is the [University Alliance of the New Silk Road](http://uasr.xjtu.edu.cn/info/1052/1033.htm) led by [Xi’an Jiao Tong University](https://www.natureindex.com/institution-outputs/china/xi-an-jiaotong-university-xjtu/513906bc34d6b65e6a0003b1), which now involves more than 100 universities across five continents, including more than a dozen members from [Russia](https://www.natureindex.com/country-outputs/Russia) and Western Europe. A China–Europe minister-level conference followed in October 2016, aimed at strengthening cooperation between the ancient silk road trading partners. In May 2017, China published its Belt and Road technology and science innovation action plan, pushing for more cooperation in areas such as digital economy, artificial intelligence, nanotechnology, and quantum computing. It included plans to advance the development of big data, cloud computing and smart cities, and offered to sponsor 2,500 young scientists for short-term research visits to China, train 5,000 foreign scientists, engineers and managers, and set up 50 joint laboratories. In June 2017, China and Europe held their third innovation dialogue (the first was in 2013), discussing collaboration under Europe’s €80 billion (US$91 billion) funding programme, Horizon 2020. It resulted in a roadmap for partnership through flagship initiatives (in food, agriculture and bio-economy, environment, climate and sustainable urbanisation, aviation, biotechnologies and biomaterials, and surface transport ) and key priority areas (peaceful use of nuclear energy, non-nuclear energy, information and communications technology, space research and the geosciences). EU-China research cooperation is now, more strictly than in the past, allocated on an equal basis under the renewed Co-funding Mechanism, with each side spending 200 million renminbi (US$29 million), or €26 million, annually from 2018 to 2020. The mechanism was first launched in 2015 to support joint research and innovation projects under the Horizon 2020 framework. Exporting science These new Sino–European science initiatives are bolstering research collaboration between emerging trade partners. An analysis of jointly authored research publications in the Web of Science database shows that China’s collaboration with researchers based in other countries has grown significantly since 2014. Worldwide, more than 36% of China’s research publications now also include an international co-author. Chinese research cooperation activities seem to be targeting specific areas. Most of the growth in China–Latvia bilateral co-publications are in the field of physics and materials science. The same field, as well as cooperation in clinical medicine, is driving the high bilateral co-publication growth rates in the other top five European countries. The rise of China is one of many factors that continuously shape and drive Europe’s science and higher education systems. But the speed at which China has been changing from an emerging player to an equal partner, and a serious competitor, demands that Europe adapt and respond to grasp the resulting challenges and opportunities.

#### Through the creation of new jobs and businesses this innovation is critical for economic rebound as the European Commission writes in 2018 that

European Commission, 2-20-2018, "Research and innovation are essential for EU's prosperity and social model, report says," https://ec.europa.eu/info/news/research-and-innovation-are-essential-eus-prosperity-and-social-model-report-says-2018-feb-19\_en, Date Accessed 9-3-2019 // WS

This is one of the main findings of the latest [Science, Research and Innovation performance of the EU (SRIP) 2018](https://ec.europa.eu/info/research-and-innovation/strategy/policy-support/science-research-and-innovation-performance-eu-srip-report_en) report, published today by the European Commission. The report documents how Europe's economic prosperity and social model rely[s] on its ability to create and disseminate innovation. At the same time, the EU needs to fully embrace emerging innovations and technologies in order to overcome a severe productivity problem and to sustain the current economic growth. With growth, jobs and investments coming back, Europe's lost decade is over. We now have to make sure this growth continues through support to key drivers of prosperity: research and innovation. We need to make sure that breakthrough innovations in Europe with potential to create new markets can quickly be scaled up, such as we are already doing with the European Innovation Council Pilot, run under our research and innovation programme Horizon 2020.

#### This economic growth is key. By providing jobs and increasing wages economic growth created as a result of the BRI lifts people out of poverty especially in poorer Eastern European nations. Richard Adams quantifies that a one percent increased in economic growth results in a 2-3% percent reduction in the percentage of people living in poverty.

Richard H. Adams, Jr. (Contact Author), 4-1-2016, "Economic Growth, Inequality, and Poverty: Findings from a New Data Set by Richard H. Adams, Jr. :: SSRN," No Publication, https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=636334, Date Accessed 8-13-2019 // WS

Since income distributions are relatively stable over time, economic growth – in the sense of rising incomes – has the general effect of raising incomes for all members of society, including the poor. As noted above, in many developing countries poverty, as measured by the $1 per person per day standard, tends to be “shallow” in the sense that many people are clustered right below (and above) the poverty line. Thus, even a modest rate of economic growth has the effect of “lifting” people out of poverty. Poor people are capable of using economic growth – especially labor-intensive economic growth which provides more jobs -- to “work” themselves out of poverty. Table 8 underscores these relationships by summarizing the results of recent empirical studies regarding the growth elasticity of poverty. When growth is measured by survey mean income (consumption), the point estimates of the elasticity of poverty with respect to growth are remarkably uniform: from a low of –2.12 in Bruno, Ravallion and Squire (1998), to a mid-range of –2.59 in this study (excluding Eastern Europe and Central Asia), to a high of –3.12 in Ravallion and Chen (1997). In other words, on average, a 10-percentage point increase in economic growth (measured by the survey mean) can be expected to produce between a 21.2 and 31.2 percent decrease in the proportion of people living in poverty ($1 per person per day). Economic growth reduces poverty in the developing countries of the world because average incomes of the poor tend to rise proportionately with those of the rest of the population. The fact that economic growth is so critical in reducing poverty highlights the need to accelerate economic growth throughout the developing world. Present rates of economic growth in the developing world are simply too low to make a meaningful dent in poverty. As measured by per capita GDP, the average rate of growth for the 50 low income and lower middle income countries in this paper was 2.66 percent per year. As measured by mean survey income (consumption), the average rate of growth in these 50 countries was even lower: a slightly negative –0.90 percent per year (Table 3). In the future, these rates of economic growth need to be significantly increased. In particular, more work needs to be done on identifying the elements used for achieving successful high rates of economic growth and poverty reduction in certain regions of the developing world (e.g., East Asia and South Asia), and applying the lessons of this work to the continuing growth and poverty needs in other areas, such as Eastern Europe and Central Asia, and Sub-Saharan Africa.

#### Thus in order to weather the European economic storm we affirm

# Extensions

## Extension of Economy

#### Right now the EU economy is heading towards a recession and is in the midst of an economic storm. This will have a massive impact because our Maulding evidence indicates that because of global connections this recession will spill globally and push 900 million people into poverty. Thankfully joining the BRI solves this issue though

### Trade Times

### Science Diplomacy

#### Our Tijson evidence says that through the BRI China aims to expand Science diplomacy through the dispersion of new Science, technology, and innovation into Europe. This is empirically proven when Latvia joined the BRI and because of their new connections, they actively collaborate over scientific discoveries. These bolstered research connections are critical to new innovation which our European Commission evidence says revives EU economic growth through the creation of new business, jobs, and opportunities.

## Extension of Multilateralism

#### Right now our Manson evidence says that US multilateralism is at an all-time low, because Trump is crushing our image and pulling out of almost every multilateral forum possible.

#### The EU joining the BRI forces Trump to reengage multilateralism via overseas investment. Our Natapoff evidence says that since the EU joining the BRI will create the perception of the EU challenging their historic alliance with the US, Trump is forced to use multilateralism as a tool to get them back. This is empirically proven and comes in the form of collaborating over investment. Natapoff continues that the BRI’s expansion into new areas has forced Trump to sign numerous developmental assistance plans to lure nations back who have joined the BRI. This even includes Europe.

#### The impact is massive because not only does US investment offer a great alternative to Chinese investment, but it supercharges regional development as just $50 million of this investment gave 5 million people living in poverty economic opportunity.

# Frontlines

## Multilateralism

## Economy

### AT: Timeframe

### AT: Dumping

### AT: FDI Bad

### AT: Geopolitical Interests

### AT: Tariffs

## New Cards

#### This is massive as Euro News writes that

Euro News, 2017, "People at risk of poverty or social exclusion," https://ec.europa.eu/eurostat/statistics-explained/index.php/People\_at\_risk\_of\_poverty\_or\_social\_exclusion, Date Accessed 8-13-2019 // WS

In 2017, 112.8 million people in the EU lived in households at risk of poverty or social exclusion; 22.4 % of the population. 16.9 % of the population in the EU were at risk of poverty after social transfers in 2017. 9.5 % of the population aged 0-59 years in the EU lived in households with very low work intensity in 2017. In 2017, 6.6 % of the population in the EU were severely materially deprived.

#### Hui Lu furthers that

Lu 2018. Lu, Hui. “China Belt and Road Initiative.” Rand Europe, https://www.rand.org/content/dam/rand/pubs/research\_reports/RR2600/RR2625/RAND\_RR2625.pdf. Date accessed: 29 June, 2019.
Some other economic studies use the cif/fob ratio to represent the transport cost. We are not able to use such measures due to the limited data availability in the wide regions of interest to this study. In addition, Nordas and Piermartini (2004) state that the cif/fob ratio is a very imprecise measure of transport cost as it varies with the commodity composition of trade flow. In addition, much cif/fob data is imputed from other sources. In the study by Baniya et al. (2017), georeferenced data and geographical information system (GIS) analysis are used to compute the reduction in bilateral trade time induced by the proposed (new or improved) railway infrastructure, estimating that the new connections in the Eurasian region would reduce travel times by rail by 26 percent on average. Since data on direct transport costs is either unavailable or of poor quality, information on bilateral distance and geography and the transport infrastructure indices are used as proxies in the quantitative modelling. To measure the connectivity of multimodal transport between countries, we used the distance between the bilateral country pairs in the study area using different modes (using a similar approach to Herrero and Xu [2016]). The variation of the distances may capture to some extent the difference in cost.

#### as Yuan Li writes in 2017 that

Yuan Li & Hans-Jörg Schmerer (2017) Trade and the New Silk Road: opportunities, challenges, and solutions, Journal of Chinese Economic and Business Studies, 15:3, 205-213, DOI: 10.1080/14765284.2017.1347473 <https://www.tandfonline.com/doi/full/10.1080/14765284.2017.1347473>

Despite this revolution in transport modes, China has recently announced an initiative which seeks to provide an alternative to the established transport lines. **The Belt and Road Initiative (BRI) seeks to establish new connections between Europe and Asia based on railway connections** and revive the historic Silk Road. At first glance, the shift to railways appears to be a great leap backward but **modern production chains are heavily reliant upon offshoring and trade in intermediate goods.** Intermediates have to be shipped back and forth between the different constituent affiliates throughout the production process and the sequence in which this occurs is determined to a large extent by production technologies. On time delivery is, therefore, an important prerequisite for modern production chains. While cargo flights can guarantee just-in-time delivery, freight weight, and size are important determinants of whether air transportation costs or railways are the lower cost option. Intercontinental railways have made a significant progress in reducing the time and cost of international shipments in recent times. For example, relative to ocean shipping, intercontinental railways have markedly reduced delivery times. **Intercontinental railways have also reduced transportation costs by approximately 40% relative to air shipping.** A further benefit of direct surface connections is that **they permit direct shipments of goods from inland locations to destinations located far from the sea. Thus, the New Silk Road opens up opportunities for the transportation of various investment goods, intermediate goods, and others. Moreover, the New Silk Road may encourage economic development, scientific progress, and cultural exchange between the regions which span the Eurasian continent, including** Central Asia, the Caucasus, the Black and Caspian Seas, the Mediterranean countries, and the **European Union. Investments which integrate these countries’ infrastructure** may **serve as a driver of productivity and economic growth and help reduce poverty.** Previous research suggests that the benefits of trade infrastructure derive from improvements to the external trade balan, and reductions in income inequality and poverty which ultimately enhance economic growth.

#### Recession bad

World Economic Forum, 8-23-2019, "Why a global recession isn’t inevitable," https://europeansting.com/2019/08/23/why-a-global-recession-isnt-inevitable/, Date Accessed 8-27-2019 // JM

Last week, an array of economic indicators set off alarm bells for investors that a new global economic crisis could be at hand. Germany, the economic engine of Europe, recorded a drop in its gross domestic product during the second quarter of 2019; expectations are that its economy will contract again in the third quarter and enter into technical recession. Meanwhile, earlier this month the US bond yield ceurve turned negative – that is, the cost of borrowing money for the US government was lower over the longer- than the shorter-term. This is an obscure financial construction, but it is broadly regarded as a good predictor for future economic recessions in financial markets. Nonetheless, a new global economic recession does not need to be the end result. Our economies can build on some important strengths. Currently, most economies continue to grow, and employment rates in the US and Europe are at record-high levels. Wages, notably in the US, have started to finally rise, and many companies have large amounts of cash that should help them navigate any short-term storms. Still, we should not underestimate the severity of the looming risks in terms of a global trade and currency war, a disorderly Brexit process or financial vulnerabilities in certain companies due to high levels of accumulated debt. If these risks intensify or materialise, we could enter a new global recession. The consequences could be dramatic – not only for economic activity and the long-term competitiveness of our economies, but also for widening the inequality gap. During economic downturns, those segments of the population that are already more vulnerable tend to be disproportionately affected because they may lack the necessary skills to adapt, access to new opportunities or the financial resilience to cope with temporary headwinds. This danger is particularly acute today as our societies have not yet recovered from the consequences of the 2008 financial crisis, which added to already unsustainable levels of inequality in many of our economies. Avoiding a new global recession will require a concerted effort from governments and businesses around the world. Governments will need to coordinate their monetary and fiscal policies to stimulate demand in the short-term, even though many of the tools at their disposal were exhausted during the previous recession. Measures to continue ensuring the flow of cheap money and fiscal stimulus programmes through an increase of public spending or a reduction of taxes, depending on the fiscal space of each country, are potential options. Depending on the severity of the risks ahead, governments may be pushed into unchartered waters in terms of monetary and fiscal policies. In addition, governments should not fail to take a long-term vision and continue to invest in those productivity-enhancing assets that will allow them to reap the long-term benefits of the Fourth Industrial Revolution and safeguard their competitiveness. Businesses, within their ability, will need to avoid overreacting and cutting investments too much and/or too fast, affecting their long-term survival, or unnecessarily firing employees. Mechanisms to increase flexibility – such as reducing the numbers of hours worked per employee, instead of reducing the number of employees, as Germany did during the recession of 2008 – can help to achieve this.

#### BRI key to econ

Toumert Ai, 8-11-2019, "A new world economy on the horizon with BRI serving as an opening alternative," No Publication, http://www.globaltimes.cn/content/1161079.shtml, Date Accessed 8-27-2019 // JM

The BRI premise is linking economies through smart investment in infrastructure, finance and logistics hubs, and what this will result in is real trade and real, sustainable growth. Once the first stage of the BRI, infrastructure build-up, is set, economies will have the chance to sustain their economic growth, consumers will be able to move goods and money easily via the BRI marketplace, and markets will not only be connected but also integrated. The BRI marks a new paradigm shift in how developing nations can take the lead, invest and succeed. As with any major civilization project, there will be always shortcomings. However, there is something unique about a 21st-century silk road: It is made of consensus rather than a charter to adhere to. This means that every local economy will be able to see fit how to engage and take appropriate measures that protect its sovereign rights, while connecting to other economies. China's economic policymakers are keen to offer alternatives, options to diversify and render our global economy more resilient and able to overcome any crisis in the future. They seek to stabilize market access, a safety net to the US, polarized economic view of the world. They offer harmony, a win-win, shared future instead of a desire to become "great again." This economic transition from unchecked expansion to sustainable growth, and the appearance of new economic forces with solid policies, saw a rather shameful response from certain international actors. This response was translated into trade disputes as a way to stall the giant leaps emerging nations such China, Brazil and Mexico have made, but also to counter traditional players such as Russia, Germany, Japan, France and the UK. The truth is that the US' newfound nationalism is fake; the world is being bullied into accepting US terms. International Institutions such as the WTO and the UNDP are finding their missions threatened. The world economy is being weaponized to limit any progress toward fair and equitable global trade. The next two years could be marked by a correction in the way the global economy is being threatened and subjected to extreme pressure, via an opening-up to new alternatives to safeguard global trade. Or there could be a dive into chaos fueled by economic standoffs that will trigger new conflicts with a dangerous outcome for all. And this time there would be no nation or economy left undamaged.

#### BRI countries enhance through more FDI

Deloitte, Shanghai Municipal Commission of Commerce Belt and Road Countries Investment Index Report 2018, Date Accessed 8-27-2019 // JM

Our research for the BRI Investment Index Report 2018 found that BRI countries exhibit both rising investment attractiveness and risks. Analysts were optimistic on the global economic outlook in 2017 as current and projected growth rates rose. According to the IMF (International Monetary Fund), global economic growth averaged 3.6% in 2017, the most expansive growth for a decade. Throughout 2018, many BRI countries enhanced their economic openness and capacity through pro-FDI policies and strengthening trade ties with other countries. In the meantime, the global political and economic landscapes have become increasingly complicated. BRI countries—most of which are emerging economies—have riskier investment environments than those of developed countries. These risks range from threats to economic stability due to insufficiently diversified industrial structures, political risks due to geopolitical dynamics, changes in authority and religious conflicts, as well as government credibility risks due to high public debt and poor repayment ability. According to the 2017 Global Political Security Risk Tracker by the Phoenix Think Thank, 8 of the top 10 countries with high political and security risks are BRI countries: the Philippines, Afghanistan, Iraq, Syria, Pakistan, Congo, Sudan and Nigeria.

#### BRI infrastructure promotes trade specialization – increases ag trade

Nadia Rocha, 1-28-2019, "Hurry up! How the Belt and Road Initiative changes trade times and trade," World Bank Blogs, https://blogs.worldbank.org/trade/hurry-how-belt-and-road-initiative-changes-trade-times-and-trade, Date Accessed 8-28-2019 // JM

1. The BRI transportation infrastructure will boost intra-regional trade. The impact varies across countries.
Aggregate results suggest that BRI infrastructure improvements could increase total trade among BRI economies by 4.1 percent.[[1]](https://blogs.worldbank.org/trade/hurry-how-belt-and-road-initiative-changes-trade-times-and-trade%22%20%5Cl%20%22_ftn1%22%20%5Co%20%22) Countries such as Uzbekistan, the Islamic Republic of Iran, Oman and Maldives benefit the most after improvements in trading times, with an increase in their exports above 9 percent. Other countries, such as China, Saudi Arabia and Thailand will benefit the most in terms of value of their exports given their already high trade within the BRI. 2. Improved trading times can increase trade in time-sensitive sectors. Trading times are particularly important for time sensitive products and for products that rely on time sensitive inputs in production processes. Reducing trade times will therefore increase specialization in sectors such as livestock, vegetables, fruits, nuts and crops, which will benefit the most from improving the ability to transport the final products on time to the consumers or end users (direct effect). Specialization in exports from meat products, chemicals, ferrous metals, rubber and plastics will also increase given the improvement in the ability to access the intermediate inputs on time (indirect effect). As a result, countries that are more integrated in regional and global value chains tend to benefit more from reductions in trade times due to BRI projects. 3. Trade increases further when improvements are combined. When countries combine faster trade times gained through BRI projects with improvements in other areas, such as border efficiency, tariff reductions, deeper trade agreements and better market access, trade increases even further. For instance: When improved trade time is combined with more efficient borders, Central & Western Asia and the Middle East & North Africa see trade increase by 16.6% and 12.4% respectively (figure 2). When improved trade time is combined with improvements in trade route management and less congestion, countries from Sub‐Saharan Africa, Middle East & North Africa and Central & Western Asia will benefit the most, with trade increases ranging between 6.9% and 8.9% (figure 2). When improved trade time is combined with halved tariffs, trade among BRI economies increases by 12.9%. On average, exports from low- and lower-middle income countries increase by 38%. Countries in East Asia & Pacific – Myanmar, Thailand, Lao PDR and Brunei Darussalam – can increase their exports by more than 30% when they combine improved trade times with deeper trade agreements that tackle “behind-the-border” such as antidumping duties or competition and investment policies). Across BRI economies, increases in exports at the country level resulting from a combination of deep agreements and improved transport infrastructure range between 0.8 and 42.6 percent (figure 3).

#### BRI reverses food based poverty traps

Dr. Vincent, 9-27-2018, "New models of cooperation are essential for developing agricultural prosperity amongst BRI countries," No Publication, http://www.fao.org/china/news/detail-events/en/c/1155691/, Date Accessed 8-28-2019 // JM

The Belt and Road Initiative (BRI) is an ambitious initiative, sparking a new momentum for international cooperation not only in the economic sectors, but also in the agricultural sector. Such international collaboration aims to bring together a wealth of expertise, disciplines and developmental actors to explore a more balanced, equitable and inclusive development model – one that will benefit the countries along the Belt and Road Initiative and far beyond”, said by Dr. Vincent Martin, FAO China’s Representative. Speaking in northwest China’s Gansu Province, at the Dunhuang International Forum on Agricultural Cooperation in the Framework of Belt and Road Initiative, Dr. Martin also noted that the BRI has the power to unlock the potential of rural areas which have too long been considered as poverty trap. A main outcome of the BRI is to help realise the potential of cities and rural areas along the BRI, bringing populations out of poverty and creating jobs. BRI promotes economic development in China and other countries through infrastructure development and better connectivity. A further aim of the BRI is to help support poverty alleviation, whilst improving rural development and food security. Dr. Martin continued to emphasize in his speech these common objectives which have created “an opportunity for the FAO and the government of China to work together within the framework of the BRI in pursuit of common aims”. The FAO and China have formulated an umbrella BRI programme taking into account China’s agricultural development priorities, the needs of BRI countries and FAO’s strategic corporate advantages. This programme has four main sectors of activity which include: 1) inclusive value chain development for agricultural products, 2) supporting the introduction and development of innovations in e-agriculture, 3) control of transboundary animal and plant diseases, as well as 4) the sustainable management of natural resources (biodiversity, desertification and climate change). The FAO is looking forward to continuing and broadening its engagement with China, whilst supporting shared knowledge in China’s best practices with other developing countries in the framework of South-South Cooperation, and in the context of the Belt and Road Initiative. During the forum, Chinese and foreign representatives participated in thematic discussions on the agricultural "Go Out" strategy, agricultural cultural heritage, water-saving agriculture amongst other topics. At the same time, Gansu Province signed cooperation agreements with the World Food Programme, the Pakistani Agricultural Commission and several other enterprises on topics relating to agricultural technology, investment and e-commerce.

#### Economic multilateralism

Ali Wyne, 1-5-2018, “Why Trump should embrace economic multilateralism”, The Diplomat, <https://thediplomat.com/2018/01/why-trump-should-embrace-economic-multilateralism/>, Date Accessed 8-28-2019 // SDV

But the trend toward economic multilateralism and regionalism is accelerating, and not only within the Asia-Pacific: the Economist [estimated](https://www.economist.com/blogs/graphicdetail/2015/10/global-trade-graphics) in late 2015 that the number of regional trade agreements had roughly quadrupled from 70 in 1990 to over 270. There are several explanations for this phenomenon, two of which have been widely noted. First, with global supply chains becoming more complex, multinational companies are increasingly reluctant to navigate a different set of market-entry standards for every country; they would rather deal with uniform codes that apply across large blocs of economic activity. A second, more recent factor is the growth of “digital trade” that transcends physical boundaries. The Financial Times [ventures](https://www.ft.com/video/b17bba5b-5c79-4534-b81d-24c2eb95d1b4) that by 2025, cross-border internet flows “could be worth more than the current global trade in goods, or some $20 trillion.” That the world is tending toward greater regionalism does not mean that the United States should abandon bilateral trade agreements (BTAs); it [has](https://ustr.gov/trade-agreements/free-trade-agreements) benefited significantly from the 20 such deals it currently has in force, including with prosperous allies such as Australia and South Korea. But the Trump administration would be remiss to focus principally, if not exclusively, on BTAs. Singaporean Prime Minister Lee Hsien Loong [explained](https://www.ft.com/content/d81ca8cc-bfdd-11e7-b8a3-38a6e068f464) during a recent visit to Washington that because “you are bigger than any other partner that comes along… many partners will [not] be keen to deal with you bilaterally.” Just as investors work to diversify their portfolio of stocks, countries aim to cultivate an array of military, economic, and diplomatic partners. While traditional U.S. allies want to boost their economic ties with the United States, they are neither counting on nor waiting for the Trump administration to recalibrate its penchant for bilateralism. The EU, for example, is no longer optimistic about the prospects for a Transatlantic Trade and Investment Partnership with the United States; instead, it is pushing ahead on an FTA with Latin America’s largest trade bloc, Mercosur. And with negotiations over updating the North Atlantic Free Trade Agreement (NAFTA) grinding into their sixth round, a growing number of U.S. trade specialists fear that Canada and Mexico — the largest market for America’s exports and America’s third-largest trading partner, respectively — may work more assiduously to lessen their dependence on the United States; a successful conclusion of CPTPP would offer them a compelling opportunity to look to Asia. Eschewing [Avoiding] multilateral agreements harms U.S. interests in other ways. Its companies end up paying higher tariffs than their competitors abroad to enter dynamic markets, and its negotiators have less power to shape the norms, standards, and arrangements that increasingly define global commerce. Politico [reports](https://www.politico.com/magazine/story/2017/11/21/trump-nafta-trans-pacific-partnership-companies-trade-215851), for example, that the TPP 11 eliminates “a provision that would have expanded access for U.S. express delivery services like UPS and FedEx”; “several additional intellectual property protections that would have benefited U.S. software, music, and publishing companies”; and “measures promoting wildlife conservation and labor rights” that, while far from perfect, “were clearly stronger than nothing.” The era of bilateral economic diplomacy is hardly over. Indeed, the United States would advance its interests significantly if it could conclude bilateral investment treaties with Asia’s two giants, China and India. But as the Trump administration considers strategies for improving the country’s economic competitiveness, it would do well to revisit its current posture toward multilateral and regional currents.

#### Solvency Advocate

Zhexin Zhang, 10-2-2018, “The Belt and Road Initiative: China’s New Geopolitical Strategy?,” <https://www.swp-berlin.org/fileadmin/contents/products/projekt_papiere/Zhang_BCAS_2018_BRI_China_7.pdf>, Date Accessed 8-28-2019 // JM

What does this potential future of the BRI mean for the EU? While the United States pro-posed an “Indo-Pacific Initiative” in July 2018, supported by Japan, Australia and many other countries, the EU also issued a new connectivity strategy with an expected starting fund of 60 billion Euros, dubbed as the EU version of the Belt and Road, which is widely considered as a counterbalance to China’s BRI. Even so, such economic cooperation-cen-tered initiatives should be encouraged for they are helpful to regional integration and development while alleviating financial pressure on China to single-handedly push forward infrastructure building in Asia. It will be more beneficial to all parties if China, the United States and the EU can reach a consensus on their respective role and commitment so as to avoid waste and counteraction among themselves. If such moves are meant to confine China’s expanding geopolitical influence through the BRI, however, it would be of little meaning, not only because neither the United States nor the EU has the same state-backed financial resources as China for lasting investment in in-frastructure building in Asia, but more importantly, because they will amplify the geopo-litical tensions between China and the West and cause more instability in regional politics and economy, which will bring about economic losses and unexpected security challenges to all parties involved. Contrary to many observers’ suggestion, the initiatives on eco-nomic integration should leave no room for a “big triangle game” among China, the United States and the EU.

#### Solvency Advocate 2.

Philippe Le Corre, October 2018, China’s Rise as a Geoeconomic Influencer: Four European Case Studies, https://carnegieendowment.org/files/WP\_LeCorre\_China\_Final\_Web.pdf, Date Accessed 8-28-19 // JM

As China becomes a global actor with ambitions beyond the geoeconomic sphere, the rest of the world—including Europe and possibly the United States—needs to assess this new situation. China perceives its relationship with the United States as a competitive one, even though the ongoing U.S.-China trade war under the Trump administration may ultimately lead to a Sino-European rapprochement. Instead of engaging in the well-known divide and rule game, Western nations should engage in creating an alternative model that connects people and countries while preserving the international order, including high-level standards for infrastructure and economic development. They should not close the door to China’s initiatives (such as the BRI) but rather engage in a negotiation with Beijing through the G20. As for the EU, it should offer its South and East European member states new routes of economic development. This offer should also include the preservation of European values 41which the EU has been particularly successful in underlining over the past several decades. Faced with many challenges, including China’s rise within European borders, the EU should also invest in its own digital infrastructures and information technology, in addition to launching new initiatives to enhance the connectivity of the Eurasian region137 and create more jobs and growth in the key sectors of tomorrow.

#### Alessia Amighini writes in 2018 that the

Amighini 18 Alessia A. Amighini [University of Piemonte Orientale, Vercelli, Italy; and Catholic University of Milan, Milano, Italy], 2-3-2018, "Beyond Ports and Transport Infrastructure: The Geo-Economic Impact of the BRI on the European Union," SpringerLink, <https://link-springer-com.proxy.swarthmore.edu/chapter/10.1007/978-981-10-7116-4_14> //WS

What has been partly overlooked in the design of the EU TEN -T corridors—whose aim is mainly to improve connectivity within the European Union—is the likely impact of the future transport network on the external economic and trade relations of the Union. Although around two thirds of EU trade is intra-EU, that is, trade flows among member states, the share of extra-EU trade is increasing in both directions, with neighbouring countries and faraway countries alike. This means that future goods trade and economic relations with EU partners will also depend on the efficiency of the transport network linking member states with its major trade partners. China is the European Union’s main import partner (providing 17.6% of total EU imports) and the second largest export partner after the United States (accounting for 9.3% of total EU exports). Almost all EU exports to China (96.4% of total value) travel by sea. Similarly, the European Union is China’s main import partner, accounting for 12.5% of total Chinese imports, and the second largest export partner after the United States, as the destination for 15.6% of Chinese exports. The vast majority of these exports (92.3% of the total value) travel by sea, leaving very little to air, rail and road transport. Although seaborne trade is by far more convenient than any other mode of transport, some major trade routes are inefficient, most notably the routes of EU-China trade. As the two world largest trading nations, the European Union and China share a common interest in reducing the transport costs of shipping their goods abroad, an important part of which is accounted for by time-to-destination. [this has resulted in] Transportation costs of bilateral China-Europe trade are [being] significantly higher than the world’s average. The average shipping time from China to European partners is 730 hours, 20% more than China’s average shipping time (about 610 hours, which is much longer than the world average of 406 hours). Switching to railway transport has great potential for saving transport time: according to data provided by GEFCO, infrastructure construction would reduce railroad travel time from China to Europe to 16–21 days (depending on departure and arrival location), compared to 37–45 days for sea freight, port to port.4 This explains why in some high-tech sectors (such as electronics) international freight forwarding agencies are already switching to railroad, for example, Hewlett-Packard is planning to rely solely on railway transport by 2017 for shipping its made-in-China PCs to Europe. This runs counter to recent trends and near-future expectations, and has prompted shipping agencies and major port authorities to redesign sea lanes to reduce shipping times and improve the interconnectedness between the ports and the inland railway network.  However, switching to railway transportation entails a trade-off between time and cost. In fact, China’s average cost of shipping by sea to European countries is only US$922 for a 40-foot container, about half as much as China’s average shipping cost, while railway transport is three times as expensive as maritime transport (DB Schenker 2012). Given that it can lead to a large decrease in transit times and the fact that technology now allows for a reduction in railroad costs, BRI has the potential to become a game changer in international trade by moving large volumes of commerce from sea to land lanes. Formulating scenarios is not easy, however, as it is widely acknowledged that in choosing among alternative modes, firms consider predictability in transport costs a valuable feature. Therefore, a further element that can affect the trade-off between cost and time in different transport modes is the high volatility of sea freight rates compared to rail tariffs. This is because sea freight rates depend on the overall trade volumes much more than rail tariffs, which is why sea freight rates volatility has increased dramatically since the beginning of the world trade slowdown associated with the economic crisis since 2009. Although there is still no precise information about the cross-border infrastructure projects financed under the BRI, it is quite evident from the progress made so far that most of them aim to increase the prospects for land connectivity between China and Europe. This is why an important goal of the projects funded within the BRI is trimming average travel times: documents must include statistics on the reduction in travel time and cost expected from project completion.

## Our First Contention is revitalizing the EU economy

#### In fact, The EU economy has already plunged into a recession and is at risk of falling even further. The Telegraph reports in 2019

Ambrose Evans-Pritchard, 3-1-2019, "Europe cannot expect the world to rescue its economy again as recession gathers," Telegraph, <https://www.telegraph.co.uk/business/2019/03/01/europe-cannot-expect-world-rescue-economy-recession-gathers/> //WS

**Eurozone industry is sliding ever deeper into recession after a fresh plunge in both new orders and exports, raising the risk of a full-blown economic slump with few safety buffers left to cushion the shock.**  The Markit IHS survey of manufacturing for Germany fell to a 74-month low of 47.6 in February, approaching levels last seen during the depths of the eurozone debt crisis.  The damage is pervasive and can no longer be blamed on temporary disruption caused by new vehicle standards last Autumn

#### The impact is massive, since the EU’s economy is interconnected across the globe through an array of trade agreements, an EU recession would inherently effect many other nations as John Maulding writes in 2018 that

John Mauldin, 12-8-2018, "Why Europe Has No Control Over Its Future," Forbes, https://www.forbes.com/sites/johnmauldin/2019/01/22/why-europe-has-no-control-over-its-future/, Date Accessed 7-25-2019 // WS

If Europe goes into recession, it will have a profound impact on the world and the U.S. For those reasons, paying attention to Europe is critical in 2019. Something wicked is coming. And we may see far more yellow vests or their equivalent all over the world before this is over. I see significant potential for global recession that will bleed over into the U.S. market. A few unforced errors from the Fed or U.S. government could speed up the process.

#### The impact of preventing this recession is massive as Harry Bradford writes that the next

Harry Bradford, 4-5-2013, "Three Times The Population Of The U.S. Is At Risk Of Falling Into Poverty," HuffPost, <span class="skimlinks-unlinked">https://www.huffpost.com/entry/global-poverty-900-million-economic-shock\_n\_3022420</span>, Date Accessed 7-28-2019 // WS

Economic Shock Could Throw 900 Million People Into Poverty, IMF Study Warns A recent study by the International Monetary Fund warns that [as many as 900 million people could fall back into poverty](http://www.imf.org/external/np/pp/eng/2013/031413.pdf) in the event of an economic shock like the Great Recession. That figure is three times the size of the U.S. population

#### Thankfully the BRI is the best way to revitalize the EU economy as it will result in massive infrastructure across Europe. Lai Suetyi writes in 2017 that

Lai Suetyi, 5-10-2017, "Understanding Europe’s Interest in China’s Belt and Road Initiative," Carnegie Endowment for International Peace, https://carnegieendowment.org/2017/05/10/understanding-europe-s-interest-in-china-s-belt-and-road-initiative-pub-69920, Date Accessed 7-11-2019 // WS

**The initiative aims to boost economic development, investment, and cultural exchanges throughout Eurasia by funding port, rail, and road construction along routes linking China and Europe**. Only recently, EU countries seem to be showing growing interest in the Belt and Road, owing to the fact that Europe is a final destination of both of the initiative’s two major routes: the Silk Road Economic Belt through Central Asia and the Twenty-First Century Maritime Road through South and Southeast Asia.

#### This revival occurs in two specific ways. First is physical infrastructure creation. Bruce Barnard writes in 2019 that

Bruce Barnard, 7-29-2019, " Europe infrastructure underinvestment hits shippers," No Publication, https://www.joc.com/regulation-policy/europe-infrastructure-underinvestment-hits-shippers\_20180208.html, Date Accessed 7-29-2019 // WS

Even so, the outlook is less rosy back home with shippers, truckers, inland waterway companies, and rail freight operators paying the price for prolonged underinvestment in transport, particularly regarding railroad tracks, highways, and bridges. The European Union is putting its economic growth at risk because of inadequate spending on transport and digital infrastructure, following years of chronic underinvestment, the European Investment Bank (EIB) warned in its 2017/18 investment report. Transport was the worst affected by the slowdown in infrastructure spending to 1.8 percent of GDP in 2016 from 2.2 percent in 2009 and is a priority sector for investment, the EIB said. And even as sea, air, and land transport follow other industries and embrace digitization — highlighted by [the recent blockchain joint venture](https://www.joc.com/technology/blockchain-gambit-big-blues_20180127.html) between [Maersk Line](https://www.joc.com/maritime-news/container-lines/maersk-line) and IBM — Germany, Europe’s biggest economy with the world’s largest trade surplus, is saddled with one of the worst digital networks in the developing world, according to the OECD. Europe’s infrastructure inadequacy was demonstrated by the closure in August of the Rhine Valley Alpine rail track, the key link between Rotterdam and its vast hinterland, due to a collapsed tunnel in southwest Germany and the failure of alternative routes to handle the diverted traffic. Meanwhile, barges have faced serious congestion in Rotterdam and Antwerp, the continent’s largest container hubs, and Hamburg has been hit by trucking congestion in the city, due to traffic peaks caused by the increasing numbers of mega-vessels calling at Europe’s third-largest container port.

#### Phillip Brutscher corroborates in 2018 that

Philipp-Bastian Brutscher, 4-1-2018, "Addressing Europe’s infrastructure gaps," https://voxeu.org/article/addressing-europe-s-infrastructure-gaps, Date Accessed 7-29-2019 // WS

Poor infrastructure investment risks undermining convergence and competitiveness Poor municipalities over-proportionally report infrastructure gaps. This imbalance in infrastructure investment gaps weighs on the convergence process in Europe. Macro-data support this finding by showing that the decline in infrastructure investment is particularly pronounced in countries with the lowest infrastructure quality to start with (EIB 2017). Upgrading Europe’s infrastructure is also key to preserving Europe’s competitiveness. Linking the quality of local infrastructure in the areas of transport and ICT to firms’ investment activities, a clear pattern emerges – poor local infrastructure hampers firms’ ability to respond to global growth opportunities and keep up with competition [by limiting businesses ability to expand and operate] (EIB 2017, Revoltella et al. 2016).

#### Thankfully the infrastructure created as a result of the BRI will result in economic stimulus

#### Cesar Calderon continues that because

César Calderón, 2014, “Infrastructure, Growth, and Inequality: An Overview”, World Bank, <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2497234> // SP

In addition to its impact on aggregate income, infrastructure can also have an impact on income inequality, and this issue has attracted increasing theoretical and empirical attention in recent years. Conceptually, there are good reasons why infrastructure development may have a differential effect on the incomes of the poor, over and above its impact on aggregate income. Infrastructure facilitates the poor’s access to productive opportunities, raising the value of their assets. It can also improve their health and education outcomes, thus enhancing their human capital. More broadly, access to and use of infrastructure services —including telecommunications, electricity, roads, safe water and sanitation— play a key role in the integration of individuals and households into social and economic life (World Bank 2003).

#### Because infrastructure benefits businesses and creates jobs Mandel 14 quantifies that

MICHAEL MANDEL, 2014,, https://www.progressivepolicy.org/wp-content/uploads/2014/03/2014.03-Carew\_Mandel\_Infrastructure-Investment-and-Economic-Growth\_Surveying-New-Post-Crisis-Evidence.pdf, Date Accessed 1-6-2019 // WS

In this paper, we try to go beyond the sterile back and forth to uncover the real story about the economic spillovers from infrastructure spending. In particular, we look at a series of new studies that have been done since the 2009 policy arguments, using a wide variety of data sources and analytical techniques. New empirical research conclusively supports the view that hiring for government supported infrastructure projects creates a significant number of private sector jobs in the rest of the economy. Further, these studies provide fresh evidence that spending on infrastructure has a large, positive multiplier effect on the economy. In fact, our analysis shows an emerging consensus that for every $1 spent on transportation infrastructure, the increase in economic growth is between [increases] $1.5 and $2. The case for increasing investment in transportation infrastructure—roads, bridges, and public transit systems—is clear. However, such public investment requires both the availability of financing and the will to spend it. Typically, a substantial portion of state and local infrastructure spending is financed by federal funds. At the same time, a substantial portion of local infrastructure spending is financed by state funds, depending on the state.

#### Second is through increased trade. The BRI aims to create new railway connections between China and the EU as Yuan Li writes in 2017 that

Yuan Li & Hans-Jörg Schmerer (2017) Trade and the New Silk Road: opportunities, challenges, and solutions, Journal of Chinese Economic and Business Studies, 15:3, 205-213, DOI: 10.1080/14765284.2017.1347473 <https://www.tandfonline.com/doi/full/10.1080/14765284.2017.1347473>

Despite this revolution in transport modes, China has recently announced an initiative which seeks to provide an alternative to the established transport lines. **The Belt and Road Initiative (BRI) seeks to establish new connections between Europe and Asia based on railway connections** and revive the historic Silk Road. At first glance, the shift to railways appears to be a great leap backward but **modern production chains are heavily reliant upon offshoring and trade in intermediate goods.** Intermediates have to be shipped back and forth between the different constituent affiliates throughout the production process and the sequence in which this occurs is determined to a large extent by production technologies. On time delivery is, therefore, an important prerequisite for modern production chains. While cargo flights can guarantee just-in-time delivery, freight weight, and size are important determinants of whether air transportation costs or railways are the lower cost option. Intercontinental railways have made a significant progress in reducing the time and cost of international shipments in recent times. For example, relative to ocean shipping, intercontinental railways have markedly reduced delivery times. **Intercontinental railways have also reduced transportation costs by approximately 40% relative to air shipping.** A further benefit of direct surface connections is that **they permit direct shipments of goods from inland locations to destinations located far from the sea. Thus, the New Silk Road opens up opportunities for the transportation of various investment goods, intermediate goods, and others. Moreover, the New Silk Road may encourage economic development, scientific progress, and cultural exchange between the regions which span the Eurasian continent, including** Central Asia, the Caucasus, the Black and Caspian Seas, the Mediterranean countries, and the **European Union. Investments which integrate these countries’ infrastructure** may **serve as a driver of productivity and economic growth and help reduce poverty.** Previous research suggests that the benefits of trade infrastructure derive from improvements to the external trade balan, and reductions in income inequality and poverty which ultimately enhance economic growth.

#### This will drastically reduce trade times. Alessia Amighini writes in 2018 that the

**Amighini 18** Alessia A. Amighini [University of Piemonte Orientale, Vercelli, Italy; and Catholic University of Milan, Milano, Italy], 2-3-2018, "Beyond Ports and Transport Infrastructure: The Geo-Economic Impact of the BRI on the European Union," SpringerLink, <https://link-springer-com.proxy.swarthmore.edu/chapter/10.1007/978-981-10-7116-4_14> //DF

What has been partly overlooked in the design of the EU TEN -T corridors—whose aim is mainly to improve connectivity within the European Union—is the likely impact of the future transport network on the external economic and trade relations of the Union. Although around two thirds of EU trade is intra-EU, that is, trade flows among member states, the share of extra-EU trade is increasing in both directions, with neighbouring countries and faraway countries alike. This means that future goods trade and economic relations with EU partners will also depend on the efficiency of the transport network linking member states with its major trade partners. China is the European Union’s main import partner (providing 17.6% of total EU imports) and the second largest export partner after the United States (accounting for 9.3% of total EU exports). Almost all EU exports to China (96.4% of total value) travel by sea. Similarly, the European Union is China’s main import partner, accounting for 12.5% of total Chinese imports, and the second largest export partner after the United States, as the destination for 15.6% of Chinese exports. The vast majority of these exports (92.3% of the total value) travel by sea, leaving very little to air, rail and road transport. Although seaborne trade is by far more convenient than any other mode of transport, some major trade routes are inefficient, most notably the routes of EU-China trade. As the two world largest trading nations, the European Union and China share a common interest in reducing the transport costs of shipping their goods abroad, an important part of which is accounted for by time-to-destination. [this has resulted in] Transportation costs of bilateral China-Europe trade are [being] significantly higher than the world’s average. The average shipping time from China to European partners is 730 hours, 20% more than China’s average shipping time (about 610 hours, which is much longer than the world average of 406 hours). Switching to railway transport has great potential for saving transport time: according to data provided by GEFCO, infrastructure construction would reduce railroad travel time from China to Europe to 16–21 days (depending on departure and arrival location), compared to 37–45 days for sea freight, port to port.4 This explains why in some high-tech sectors (such as electronics) international freight forwarding agencies are already switching to railroad, for example, Hewlett-Packard is planning to rely solely on railway transport by 2017 for shipping its made-in-China PCs to Europe. This runs counter to recent trends and near-future expectations, and has prompted shipping agencies and major port authorities to redesign sea lanes to reduce shipping times and improve the interconnectedness between the ports and the inland railway network.  However, switching to railway transportation entails a trade-off between time and cost. In fact, China’s average cost of shipping by sea to European countries is only US$922 for a 40-foot container, about half as much as China’s average shipping cost, while railway transport is three times as expensive as maritime transport (DB Schenker 2012). Given that it can lead to a large decrease in transit times and the fact that technology now allows for a reduction in railroad costs, BRI has the potential to become a game changer in international trade by moving large volumes of commerce from sea to land lanes. Formulating scenarios is not easy, however, as it is widely acknowledged that in choosing among alternative modes, firms consider predictability in transport costs a valuable feature. Therefore, a further element that can affect the trade-off between cost and time in different transport modes is the high volatility of sea freight rates compared to rail tariffs. This is because sea freight rates depend on the overall trade volumes much more than rail tariffs, which is why sea freight rates volatility has increased dramatically since the beginning of the world trade slowdown associated with the economic crisis since 2009. Although there is still no precise information about the cross-border infrastructure projects financed under the BRI, it is quite evident from the progress made so far that most of them aim to increase the prospects for land connectivity between China and Europe. This is why an important goal of the projects funded within the BRI is trimming average travel times: documents must include statistics on the reduction in travel time and cost expected from project completion.

#### Hui Lu furthers that

Lu 2018. Lu, Hui. “China Belt and Road Initiative.” Rand Europe, https://www.rand.org/content/dam/rand/pubs/research\_reports/RR2600/RR2625/RAND\_RR2625.pdf. Date accessed: 29 June, 2019.
Some other economic studies use the cif/fob ratio to represent the transport cost. We are not able to use such measures due to the limited data availability in the wide regions of interest to this study. In addition, Nordas and Piermartini (2004) state that the cif/fob ratio is a very imprecise measure of transport cost as it varies with the commodity composition of trade flow. In addition, much cif/fob data is imputed from other sources. In the study by Baniya et al. (2017), georeferenced data and geographical information system (GIS) analysis are used to compute the reduction in bilateral trade time induced by the proposed (new or improved) railway infrastructure, estimating that the new connections in the Eurasian region would reduce travel times by rail by 26 percent on average. Since data on direct transport costs is either unavailable or of poor quality, information on bilateral distance and geography and the transport infrastructure indices are used as proxies in the quantitative modelling. To measure the connectivity of multimodal transport between countries, we used the distance between the bilateral country pairs in the study area using different modes (using a similar approach to Herrero and Xu [2016]). The variation of the distances may capture to some extent the difference in cost.

#### Matteo Bressan quantifies this year that as a result of these new and improved trade routes

Matteo Bressan, 3-4-19, "Opportunities and challenges for BRI in Europe-Belt and Road Portal," No Publication, https://eng.yidaiyilu.gov.cn/ghsl/wksl/84696.htm, Date Accessed 7-6-2019 // WS

Although lagging other countries, Italy is playing a leading role in the China-proposed Belt and Road Initiative (BRI), the first G7 nation to have signed a memorandum of understanding on cooperation within the BRI framework. For Italy, the Chinese market remains a strategic target. Current Italian exports to China amount to about 13 billion euros ($14.6 billion). Italy also aims to seize the opportunities that will emerge in other countries involved in the BRI, implementing know-how in Africa and the Balkans by means of trilateral cooperation. According to estimates, the BRI could increase global trade of the EU by up to 6 percent, and of Italy by up to 7 percent. This is particularly the case if trans-Eurasian rail corridors are further modernized (container transportation). Fully fledged participation in the BRI (if salient connectivity projects are completed) may contribute to overcoming the region's traditionally peripheral economic position in Europe.

#### This trade is important for economic growth as The world Bank finds that Countries that trade more

The World Bank, 4-3-2018, "Stronger Open Trade Policies Enable Economic Growth for All," World Bank, https://www.worldbank.org/en/results/2018/04/03/stronger-open-trade-policies-enables-economic-growth-for-all, Date Accessed 8-14-2019 // WS

Trade is central to ending global poverty. Countries that are open to international trade tend to grow faster, innovate, improve productivity and provide higher income and more opportunities to their people. Open trade also benefits lower-income households by offering consumers more affordable goods and services. Integrating with the world economy through trade and global value chains helps drive economic growth and reduce poverty—locally and globally. The WBG’s engagements in countries including Bosnia and Herzegovina, Macedonia, and Indonesia have made trade across borders easier, made logistics services more reliable, and streamlined procedures for clearing customs. These projects and others help create a global trading system that is more open, reliable and predictable for all

#### By providing jobs and increasing wages economic growth created as a result of the BRI lifts people out of poverty especially in poorer Eastern European nations. Richard Adams quantifies that

Richard H. Adams, Jr. (Contact Author), 4-1-2016, "Economic Growth, Inequality, and Poverty: Findings from a New Data Set by Richard H. Adams, Jr. :: SSRN," No Publication, https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=636334, Date Accessed 8-13-2019 // WS

Since income distributions are relatively stable over time, economic growth – in the sense of rising incomes – has the general effect of raising incomes for all members of society, including the poor. As noted above, in many developing countries poverty, as measured by the $1 per person per day standard, tends to be “shallow” in the sense that many people are clustered right below (and above) the poverty line. Thus, even a modest rate of economic growth has the effect of “lifting” people out of poverty. Poor people are capable of using economic growth – especially labor-intensive economic growth which provides more jobs -- to “work” themselves out of poverty. Table 8 underscores these relationships by summarizing the results of recent empirical studies regarding the growth elasticity of poverty. When growth is measured by survey mean income (consumption), the point estimates of the elasticity of poverty with respect to growth are remarkably uniform: from a low of –2.12 in Bruno, Ravallion and Squire (1998), to a mid-range of –2.59 in this study (excluding Eastern Europe and Central Asia), to a high of –3.12 in Ravallion and Chen (1997). In other words, on average, a 10-percentage point increase in economic growth (measured by the survey mean) can be expected to produce between a 21.2 and 31.2 percent decrease in the proportion of people living in poverty ($1 per person per day). Economic growth reduces poverty in the developing countries of the world because average incomes of the poor tend to rise proportionately with those of the rest of the population. The fact that economic growth is so critical in reducing poverty highlights the need to accelerate economic growth throughout the developing world. Present rates of economic growth in the developing world are simply too low to make a meaningful dent in poverty. As measured by per capita GDP, the average rate of growth for the 50 low income and lower middle income countries in this paper was 2.66 percent per year. As measured by mean survey income (consumption), the average rate of growth in these 50 countries was even lower: a slightly negative –0.90 percent per year (Table 3). In the future, these rates of economic growth need to be significantly increased. In particular, more work needs to be done on identifying the elements used for achieving successful high rates of economic growth and poverty reduction in certain regions of the developing world (e.g., East Asia and South Asia), and applying the lessons of this work to the continuing growth and poverty needs in other areas, such as Eastern Europe and Central Asia, and Sub-Saharan Africa.

#### This is massive as Euro News writes that

Euro News, 2017, "People at risk of poverty or social exclusion," https://ec.europa.eu/eurostat/statistics-explained/index.php/People\_at\_risk\_of\_poverty\_or\_social\_exclusion, Date Accessed 8-13-2019 // WS

In 2017, 112.8 million people in the EU lived in households at risk of poverty or social exclusion; 22.4 % of the population. 16.9 % of the population in the EU were at risk of poverty after social transfers in 2017. 9.5 % of the population aged 0-59 years in the EU lived in households with very low work intensity in 2017. In 2017, 6.6 % of the population in the EU were severely materially deprived.

#### Thus is order to weather the European economic storm we affirm

# Extra Cards

#### , Andrew Haughwout gives the warrants in 2019

Andrew Haughwout, 5-16-2019, "Infrastructure investment as an automatic stabilizer," Brookings Institution, <https://www.brookings.edu/wp-content/uploads/2019/05/ES_THP_Haughwout_web_20190506.pdf> //WS

Infrastructure is an important form of wealth, and public services that infrastructure supports—like transportation services—are a fundamental underpinning for economic growth.1 According to International Monetary Fund (IMF) calculations, the public capital stock in the United States had a value of more than $11.5 trillion in 2015, or about 64 percent of GDP in that year (IMF 2017).2 There are two principal ways that infrastructure spending can affect economic activity. **First, in the short run, public investment means building new roads, bridges, and buildings, or purchasing new equipment.** Public Infrastructure Investment as an Automatic Stabilizer Andrew Haughwout, Federal Reserve Bank of New York 130 Andrew Haughwout **investment is thus a direct contribution to economic activity**—measured as part of the government sector consumption and gross investment in the national income accounts. The $370 billion (seasonally adjusted at an annual rate) that state and local governments invested in infrastructure during the fourth quarter of 2017 represented about 2  percent of total activity that quarter. So infrastructure investment is a consequential part of economic activity overall. In addition, much of the nation’s total infrastructure investment is expended on construction projects ranging from buildings to sewerage systems. Because construction is a cyclical industry, with total employment closely following the national economic cycle, the predominance of construction projects is relevant to stabilization objectives. Changes in infrastructure investment make large contributions—both positive and negative—to aggregate growth; consequently, infrastructure investments have important, direct implications for macroeconomic stabilization, and may therefore be effective as stimulus if they can be conducted during periods of economic weakness. Indeed, estimates of short-run multipliers for infrastructure grants to states and localities tend to be among the highest of any potential stimulus and range as high as 2.2, particularly in downturns (Whalen and Reichling 2015). **A second way that infrastructure affects the economy is much more long term: public capital assets provide a flow of services that are potentially valuable to firms and households.** The importance of the contribution of infrastructure to economic activity is subject to some disagreement in the economics and engineering literatures. But if some of the higher estimates are to be believed, the United States faces an infrastructure deficit of substantial proportion.3 The fact that infrastructure is a long-lived capital good that will continue to produce valuable services into the future may contribute to its effectiveness as a stimulus by altering expectations for future economic growth.

#### European economies are slowing and need new investment. This economic downturn shows no end in sight as Larry Elliott writes in 2018 that

Larry Elliott, 10-30-2018, "Eurozone growth slumps to lowest level in more than four years," Guardian, https://www.theguardian.com/business/2018/oct/30/eurozone-growth-slumps-to-lowest-level-in-over-four-years, Date Accessed 8-11-2019 // WS

Economic growth in the eurozone has slumped to levels last seen more than four years ago, after stagnation in Italy helped [slow the rate of expansion](https://www.theguardian.com/business/live/2018/oct/30/eurozone-gdp-french-italy-growth-economy-markets-business-live) to 0.2% in the latest quarter. Figures from the EU statistics agency [Eurostat](https://ec.europa.eu/eurostat) showed a marked and unexpected slowdown in the third quarter of 2018, in the latest evidence of an easing of economic activity around the world since the start of the year. Italy, which is [at loggerheads with Brussels](https://www.theguardian.com/world/2018/sep/28/european-markets-fall-after-italy-deficit-widening-budget-plans) over its plans for a more expansionary budget, recorded zero growth in the first three months under its new populist government. The country is now at risk of a third recession in a decade. The government in Rome wants to stimulate the economy – which is still 5% smaller than it was before the financial crisis – through tax cuts and spending increases, and to dismantle an austerity law forced on Italy by the European commission. Bert Colijn, an ING economist, called the eurozone growth figures a “massive disappointment” and saw little immediate prospect of better news. “While one-off factors have influenced the number, [and] it does not seem that growth will return to previous rates any time soon,” he said.