

Because we cannot confront the challenges of the twenty-first century by remaining firmly rooted in the twentieth, Matthew and I affirm; resolved: On balance, economic globalization benefits worldwide poverty reduction.

### **Contention One: The Sum of Parts**

#### **Sub-point A: Power to the People**

There are three ways democracies are robust in the context of globalization.

First, **Catharin Dalpino of the Brookings Institution finds** that globalization can effectively act as a bait and switch, where authoritarian governments benefit economically if they give in to democratic pressures.

Second, **Daron Acemoglu and James Robinson in the book *Why Nations Fail* explicate** that people attain an education when there are economic incentives to do so. **Robert Guest in his book *Borderless Economics* corroborates** that the prospect of earning more abroad incentivizes educational attainment, and even though it was sparked by foreign incentives, some skilled workers stay behind, enhancing the local workforce as well.

Third, **Daniel Griswold of the Cato Institute highlights** that the spread of information also encourages an independent-minded middle class that reinforces representative thought.

Using the carrot approach with economic globalization remains preferable to brandishing a stick and militarily coercing a country to democratize, which is less sustainable. That's why **Nyamosor Tuya of the Brookings Institution details** that economic liberty ensures that governments can't use the rhetoric of democracy to prop up a rent-seeking regime under which democracy fails.

Ultimately, democratization not only reduces social poverty by removing the influence of an autocratic, non-responsive regime but also economic poverty, as the **UN Research Institute for Social Development impacts** that poverty reduction requires the poor to have bargaining power, otherwise policies aren't crafted in their favor.

#### **Sub-point B: Joined at the Hip**

When economies are interdependent, two things occur.

First, the likelihood of conflict is smaller. **The Human Security Report verifies** that interstate conflict has declined because cross-border aggression is costlier and comparative advantage makes the use of force unnecessary to acquire resources. Similarly, **Katherine Barbieri of the University of South Carolina underscores** that civil war in an LDC is 29% less likely because of the adverse effects on that country's ties to the global economy.

Second, cooperation is more probable. **Jeffrey Sachs in his book *Common Wealth* outlines** that no part of the world can be neglected and mired in poverty without affecting the rest of the world. This impetus has resulted in a framework for future poverty reduction that Sachs calls the 'Millennium Promises' which builds upon the past successes of the global order in addressing poverty.

## **Contention Two: Getting Smart**

### **Sub-point A: Smart Phones**

**Bill Gates via the Gates Foundation implicates** that the poor have substandard financial services. The lack of a banking system causes them to save by buying commodities that lose value over time and borrow money at ludicrous interest rates, which stacks the deck against them.

However, **Gates adds** that digital banking can be the solution for the poor, giving them control over their assets. By 2030, he expects two billion people who don't have a bank account today to store money and make payments via phone.

Digital financing reduces transactions costs across the board, and as a result, **Saifedean Ammous of Columbia University explains** that there are two reasons the poor benefit.

First, microfinancing becomes more possible. Without a transaction cost, **Ammous argues** that it's likelier for a donor to invest in an individual in a poor country when repayment doesn't require high transaction costs multiple times. **Nathaniel Goldberg of the Grameen Foundation quantifies** that poverty in Bangladesh declined by 20% from 1991-2005, with microfinancing responsible for half of that.

Second, remittances flow easily. **Ammous again iterates** that digital currency is most likely to affect remittances. This is important because **Richard Adams of the World Bank writes** that international remittances are the second largest source of external funding in developing countries, with a 10% increase in per capita remittances resulting in a 3.5% decline in the share of those in poverty.

### **Sub-point B: Smart Grids**

The rapid global response to climate change is attributable to globalization for three reasons.

First, **Dieter Ammer in the book *Globalization 2.0* outlines** that globalization has paved the way for technological breakthroughs to spread from country to country.

Second, **Angel Gurría, Secretary-General of the OECD, remarked** that globalization has increased the awareness of international threats, like climate change.

Third, **Jeremy Rifkin in his book *The Third Industrial Revolution* details** that a convergence of communications technologies like the Internet with renewable energies will create lateral energy distribution and an 'intergrid' where energy can be stored and distributed from person to person.

Climate change is the end goal. Without addressing climate change, **Joshua Busby from the University of Texas at Austin impacts** that the poor disproportionately bear the burden of climate change because poor countries lack the ability to respond to inclement weather.